JIANKUN INTERNATIONAL BERHAD

[Registration No. 198301015973 (11365-U)]

ANNUAL REPORT 2022

CONTENTS

CORPORATE STRUCTURE

Our core business of the Group is in properties development.

The Group structure of the subsidiary companies are as follows:

JIANKUN INTERNATIONAL BERHAD
(Registration No. 198301015973 (111365-U))

- 100% **JKI DEVELOPMENT SDN BHD** (Registration No. 201501021615 (1146943-M))
- 100% **JKI CONSTRUCTION SDN BHD** (Registration No. 201501022324 (1147653-A))
- 100% **KEY SUCCESS DEVELOPMENT SDN BHD** (Registration No. 201501035574 (1160894-X))
- 100% **JKI RESOURCES SDN BHD** (Registration No. 201601011565 (1182496-D))
- 100% **NAGAMAS BIZWORKS SDN BHD** (Registration No. 201001009065 (893693-T))
  - 100% **EMBON GLOBAL VENTURE SDN BHD** (Registration No. 201601042511 (1213453-U))
- 100% **NAGAMAS VENTURE SDN BHD** (Registration No. 201001023611 (907383-X))
  - 100% **LIMPAH RESTU DEVELOPMENT SDN BHD** (Registration No. 201401020710 (1096796-V))
- 100% **NAGAMAS INTERNATIONAL (HK) LIMITED*** (Registration No. 1112780)
- 70% **MENARA REZEKI PROPERTIES SDN BHD** (Registration No. 201101023480 (951616-V))

** Incorporated in Hong Kong*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali
Independent Non-Executive Chairman

Dato' Saiful Nizam Bin Mohd Yusoff
President
(Re-designated on 5 December 2022)

Edwin Silvester Das
Executive Director / Chief Executive Officer

Dato' Ir Lim Siang Chai
Executive Director
(Re-designated on 3 October 2022)

P Ellango A/L Ponramu
Independent Non-Executive Director
(Appointed on 12 May 2022)

Azmi Bin Osman
Non-Independent Non-Executive Director
(re-designated on 11 March 2022)

Dato' Yong Chong Long
Non-Independent Non-Executive Director
(Appointed 21 October 2022)

Chew Huey Yen
Independent Non-Executive Director
(Appointed on 7 March 2022)

Terence Cheah Eu Lee
Independent Non-Executive Director
(Appointed 1 July 2022)

BOARD COMMITTEES

Audit Committee

P Ellango A/L Ponramu (Chairman)
(Appointed on 12 May 2022)
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Member)
Chew Huey Yen (Member)
(Appointed on 7 March 2022)

Nomination Committee

P Ellango A/L Ponramu (Chairman)
(Appointed on 12 May 2022)
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Member)
Chew Huey Yen (Member)
(Appointed on 7 March 2022)

Remuneration Committee

Azmi Bin Osman (Chairman)
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Member)
Dato' Ir Lim Siang Chai (Member)
P Ellango A/L Ponramu (Member)
(Appointed on 12 May 2022)

Risk Management Committee

Edwin Silvester Das (Chairman)
Dato' Ir Lim Siang Chai (Member)
Azmi Bin Osman (Member)

Investment Committee

Dato' Ir Lim Siang Chai (Chairman)
Edwin Silvester Das (Member)
Azmi Bin Osman (Member)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482/ SSM Practising Certificate No. 202208000250)
Thien Lee Mee
(LS0010621/ SSM Practising Cerificate No. 201908002254)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel No. : 03 9770 2200
Fax No.: 03 9770 2239

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : Properties
Stock Name : JIANKUN
Stock Code : 8923

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Tel No. : 03-9770 2200
Fax No. : 03-9770 2239

PRINCIPAL BANKERS

Malayan Banking Berhad
MBSB Bank Berhad
United Overseas Bank (Malaysia) Berhad
AmBank (Malaysia) Berhad
RHB Bank Berhad
Public Bank Berhad
Public Bank (Hong Kong) Ltd

AUDITORS

Messrs. UHY (AF 1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel No. : 03-22793088
Fax No. : 03-22793099

HEAD OFFICE

L21-03, Level 21,
PJX-HM Shah Tower,
No.16a, Persiaran Barat,
46050 Petaling Jaya,
Selangor
Tel No. : 03 -79323666
Fax No. : 03 -79322866

BOARD OF DIRECTORS' PROFILES

From the left
Mr. Terence Cheah Eu Lee, Dato' Yong Chong Long, Mr. P Ellango A/L Ponramu, Dato' Saiful Nizam Bin Mohd Yusoff, Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali, Edwin Silvester Das, Dato' Ir Lim Siang Chai, Encik Azmi Bin Osman, Madam Chew Huey Yen

Board Of Directors' Profiles (Cont'd)

TAN SRI DATO' SRI HAJI MOHAMED APANDI BIN HAJI ALI
Independent Non-Executive Chairman
73 years of age, Malaysian, Male
Member of Audit Committee,Nomination Committee and Remuneration Committee

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali was appointed as an Independent Non-Executive Chairman of Jiankun on 22 December 2020. He has over 46 years of experience in legal field, which was accumulated from the Judicial and Legal Services, private practice, the Judiciary, and as the Attorney General of Malaysia.

He graduated from the University of London in 1972 with a Bachelor of Laws. Thereafter, he obtained his Bar-at-Law from the Honourable Society of the Inner Temple, London in 1973. He was awarded as Certificate of Legal Drafting from the Institute of Advance Legal Studies, London in 1981.

Upon graduation, he started his career in 1973 as a magistrate at the Magistrates' Court, Kuala Terengganu. Subsequently, he was appointed as director of the Legal Aid Bureau in Kota Bharu, Kelantan in 1975. He later held the position of Deputy Public Prosecutor for the state of Kelantan and Terengganu from 1977 to 1980. He was appointed as the legal adviser to the Ministry of Trade and Industry in 1980 before setting up his own firm in 1982. He was then invited to join Malaysian Judiciary in 2003, starting off as Judicial Commissioner in Kuantan High Court, before confirmed as a judge in 2004. He was then posted to the Criminal Division of High Court of Malaya, Kuala Lumpur in 2007.

In 2010, he was elevated as a Judge of the Court of Appeal, Putrajaya and was elevated as a Judge of the Federal Court in 2013. He was appointed as the Ninth Attorney General of Malaysia from 2015 until 2018. He is now back to legal practice in his own firm from 2018 until now.

He is not a director of any other public companies. He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

DATO' SAIFUL NIZAM BIN MOHD YUSOFF
President
53 years of age, Malaysian, Male

Dato' Saiful Nizam Bin Mohd Yusoff was appointed as Independent Non-Executive Director on 1 April 2021 and re-designated as an Executive Director on 10 March 2022. On 3 October 2022, Dato' Saiful Nizam was re-designated as an Executive Deputy Chairman and he was subsequently re-designated as President on 5 December 2022.

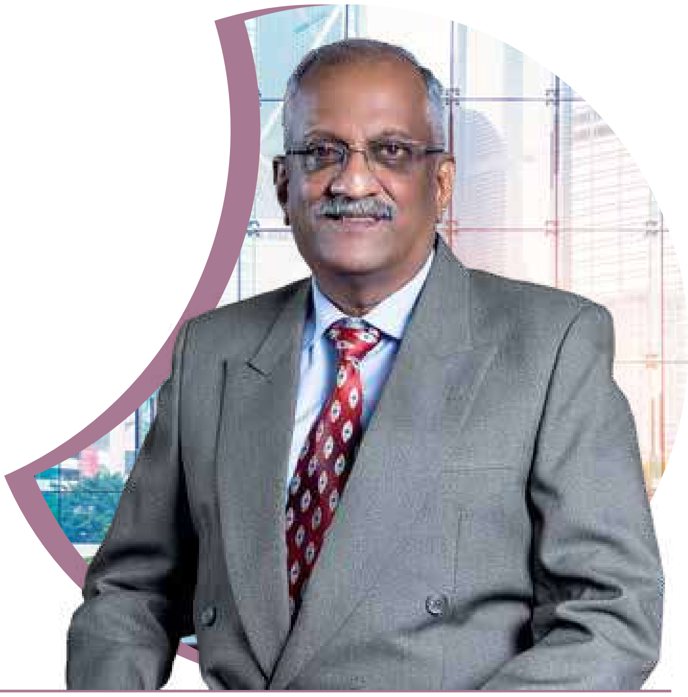
On 20 March 2023, Dato' Saiful was appointed for the Kolonel Bersekutu of the Civil Defense Force. On 5 April 2023, Dato' Saiful been appointed as Adjunct professor at the Faculty of Economics and Management from University Kebangsaan Malaysia.

He holds a Degree in Material Engineering (Hons.) from University Science of Malaysia. He began his career as Project Executive in oil & gas industry since 1994. After spending two years in Miri, Sarawak, he joined Projass Engineering Sdn Bhd as Project Manager from 1997 till 2000. He worked as Project Manager in Javel Engineering Sdn Bhd from 2000 until 2003 before he setting up his own business entity. With more than 20 years' experience in development, construction and maintenance. He currently is the Managing Director of Menara Rezeki Group since year 2003 until present.

Currenly, he also sits on the Board of SMTrack Berhad.

He is not a director of any other public companies. He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)



EDWIN SILVESTER DAS

Executive Director / Chief Executive Officer
65 years of age, Malaysian, Male
Chairman of Risk Management Committee
Member of Investment Committee

Edwin Silvester Das ("Mr. Das") was appointed as Executive Director on 21 December 2020 and appointed as Chief Executive Officer on 3 February 2021.

He had a long and distinguished banking and corporate career with more than 35 years both locally and abroad.

A finance graduate from Southern Illinois University at Carbondale, USA, Mr. Das started his banking career in 1985 and worked in USA, Europe, Africa, India, Sri Lanka and Sudan.

Mr. Das is a Fellow with the Institute of Corporate Directors, Malaysia.

Mr. Das experiences ranges from corporate and investment banking to restructuring and risk management.

He also served with Oracle Corporation (USA) as Industry Expert for the Financial Services Industry (FSI) before taking up a corporate role with an Infrastructure company building highways in India.

Thereafter he moved on as a Board of Director with a bank in Sudan where he took the bank to greater heights.

Mr. Das has vast experience and skills in restructuring and risk management and has been exposed to various industries ranging from aviation, banking, construction, consulting, ICT, infrastructure projects and manufacturing.

Currently, he is an Independent Non-Executive Director of Zen Tech International Berhad.

He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

DATO' IR LIM SIANG CHAI

Executive Director
68 years of age, Malaysian, Male
Chairman of Investment Committee
Member of Risk Management Committee
Member of Remuneration Committee

Dato' Ir Lim Siang Chai ("Dato' Ir Lim") was appointed to the Board on 1 July 2013 as Executive Chairman and re-designated as Deputy Executive Chairman on 22 December 2020. Subsequently, he was re-designated as Non-Independent Non-Executive Director on 24 January 2022 and subsequently re-designated as Deputy Executive Chairman on 16 February 2022. On 3 October 2022, Dato' Ir Lim was re-designated as Executive Director.

Dato' Ir Lim is a Chartered Engineer (C Eng) registered with the Engineering Council, United Kingdom and Professional Engineer (P Eng) registered with the Board of Engineers, Malaysia. He is a member of the Institution of Engineers Malaysia (MIEM), Institute of Engineering and Technology of United Kingdom (MIET), an Honorary Fellow of the ASEAN Federation of Engineering Organisation, and a member of the Malaysian Institute of Management. He also holds a Master of Business Administration from Deakin University, Australia and had undergone many technical and management training in Japan.

Dato' Ir Lim had also served the Malaysian Government in various Ministry as follows:

- Finance Ministry
- Tourism Ministry
- Information Ministry
- Transport Ministry

Currently, he also the Independent Non-Executive Chairman of Advance Information Marketing Berhad.

He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

P ELLANGO A/L PONRAMU

Independent Non-Executive Director
51 years of age, Malaysian, Male
Chairman of Audit Committee and Nomination Committee
Member of Remuneration Committee

Mr. P Ellango A/L Ponramu was appointed as Independent Non-Executive Director on 12 May 2022.

Mr. Ellango has more than 25 years of experience in Accounting, Finance and Management in companies across multiple jurisdictions in Asia.

Mr Ellango is a chartered accountant with membership of Malaysia Institute of Accountants, Association of Chartered Certified Accountants (UK) and hold a Master of Business Administration from Anglia Ruskin University, (UK).

For most part of his career, he was with Johnson Matthey, a FTSE100 UK chemical speciality company, representing their business interest in Malaysia and across Asia in multiple roles. As a Finance Director, he was responsible for 2 manufacturing facilities in Malaysia and India, supplying into automotive market in South East Asia and India Sub-continent.

Currently, Mr Ellango is a learning facilitor and speaker, focusing in area of governance.

He is not a director of any other public companies. He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

DATO' YONG CHONG LONG

Non-Independent Non-Executive Director
55 years of age, Malaysian, Male

Dato' Yong Chong Long was appointed as Non-Independent Non-Executive Director on 21 October 2022.

He is the Managing Director of NCM Land Sdn. Bhd., the Director of EW Sanorell Pharma Holdings Pte Ltd (Germany), T7 Aero Sdn. Bhd. (Aerospace Defence Division) and the founder of DS Sigma Holdings Bhd..

Dato' Yong was confered the Jasa Perdamai (JP) from the State of Kelantan. He is actively involving in non-profit organisation.

He is not a director of any other public companies. He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

AZMI BIN OSMAN

Non-Independent Non-Executive Director
47 years of age, Malaysian, Male
Chairman of Remuneration Committee
Member of Risk Management Committee
and Investment Committee

Encik Azmi Bin Osman was appointed to the Board as Independent Non-Executive Director on 29 December 2020 and re-designated as an Executive Director on 24 January 2022. Subsequently, he was re-designated from Executive Director to Non-Independent Non-Executive Director on 11 March 2022.

He holds a Bachelor of Arts in Accountancy from University of Humberside, Hull, United Kingdom. He is a member of Malaysia Institute of Accountants, Member of Association of Chartered Certified Accountants and Member of Mongolian Institute of Certified Public Accountants.

He started his career as a Team Leader and Country Director in 2000 with KPMG Kuala Lumpur and was the Audit Partner of Tentsver Orgil Audit LLC from 2006 till 2009. He was the Managing Partner and Shareholder of CNM Audit LLC from 2010 till 2014. He left CNM Audit LLC and joined Asian Metal Exploration Consultancy Sdn Bhd as the Chief Financial Officer till 2016. From 2016 till 2017, he was the Financial Adviser of Malaysia Smelting Corporation Berhad.

He is currently the Managing Partner of ABO Consultancy Sdn Bhd, Advisor of Crowe Horwath Mongolia TMZ LLC and Managing Partner of Wall Bridge Consulting LLC.

Currently, he also sits on the Board of SMTrack Berhad.

He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

MADAM CHEW HUEY YEN

Independent Non-Executive Director
65 years of age, Malaysia, Female
Member of Audit Committee and
Nomination Committee

Madam Chew Huey Yen was appointed as Independent Non-Executive Director on 7 March 2022.

She has more than 15 years of experience and has worked in banks and a listed company in Singapore and Malaysia. She has over 12 years of experience in investment management and corporate consulting including financing, merger and acquisitions of listed companies. She is now the Partner and management team of CITIC Hyperion HK.

She has served as Singapore's IPP Private Wealth Management Co., Lte. (Indonesia Lippo Group / OUE Group) as an advisor and director (Customer and Corporate Development Department) responsible for customer acquisition strategy business and corporate development and network. She was a consultant and advisor to the Kingdom of Saudi Arabia's royal princes – one of which in the province of Jizan KSA, Jazan Economic City; the Bin Ladin Group and Saudi Oger Group. She joined Security Solutions Technology USA (Governement Appointee Company as VP International Relations from 2021 until now focusing on government relations and industry partners in the Asean region.

For the paste 10 years, her role has been to establish business relationships with Chinese government companies and Malaysian companies for business development and construction related projects such as power and energy; infrastructure projects; buildings of airports; ports etc. in the Kingdom of Saudi Arabia and the Middle East.

She is not a director of any other public companies. She does not have any family relationship with any Director and/ or major shareholder of the Company. She has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

Board Of Directors' Profiles (Cont'd)

TERENCE CHEAH EU LEE

Independent Non-Executive Director
50 years of age, Malaysian, Male

Mr. Terence Cheah Eu Lee was appointed as Independent Non-Executive Director on 1 July 2022.

Mr. Terence Cheah is the Founder and Managing Director of Fairway Logistic (M) Sdn Bhd which he founded in 2004.

In 2008, Mr. Terence Cheah diversified into the Food and Beverage Industry whereby he started a Japanese and Nyonya Restaurant in Penang. He eventually become the Group Managing Director of the Group for the last sixteen (16) years. Mr. Terence Cheah served as the Independent Non-Executive Director of SMTRACK Berhad between March 2019 to August 2019. On July 2020, Mr. Terence Cheah was appointed as the Executive Director of MQ Technology Berhad and is responsible for Business Development and Marketing.

He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past five (5) years other than traffic offences, if any.

PROFILES OF KEY SENIOR MANAGEMENT

The Management team is headed by Dato' Saiful Nizam Bin Mohd Yusoff, the President, Mr. Edwin Silvester Das, the Executive Director / Chief Executive Officer and Dato' Ir. Lim Siang Chai, the Executive Director.

Their profiles are set out in page 5 to 13 in this Annual Report.

From the left
Chai Wai Ling, Lee Kuen Loong, Wong Co Lin @ Colin Wong, Chin Chong Pou, Edwin Silvester Das, Wong Kok Fong, Long Tyan Chee, Nordin Bin Toha, Ng Chooi Mui

Our Core Team

CHAIRMAN STATEMENT

Dear Valued Shareholders,

As Chairman of Jiankun International Berhad ("Jiankun"), it is my pleasure to present you the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 31 December 2022 (FY2022).

BUSINESS OPERATIONS

As with many businesses, FY2022 remain a challenging year for Jiankun after the Government lifted the movement restriction for the country. For development and construction business as the main core of business for Jiankun, it will take time to resume it busineses. Last year, the Group managed to handed over vacant possession of the Amani Residences project to home buyers. Upon completion of the Amani Residences project, the Group had entered into a construction project agreement to construct a 10 storey service apartment in Klebang, Melaka. The Group also entered into a joint venture development agreement with a landowner to develop a piece of freehold land located in Bandar Teknologi Kajang for high a rise service apartment. Currently we are expecting the approval of the development order and to commence the construction by 3rd quarter of 2023.

During the financial year 2022, the Group reported a turnover of RM8.15 million (FY2021 RM59.94 million) and reported a loss after tax of RM17.27 million (FY2021 profit after tax of RM2.15 million). The loss was mainly due to the lower revenue recognised during the year. The revenue was derived from the remainder revenue from the Amani Residences project and early stage of construction from One Le Tower in Klebang Melaka. The Group has also written off RM2.06 million being share based expenses under Share Issuance Scheme granted to directors and employees, RM3.47 million for the net revaluation loss from our China Properties and RM3.27 million for goodwill on acquisition of subsidiary companies.

CORPORATE ACHIEVEMENT

In October 2022, Jiankun was awarded the Malaysia Developer Award 2022 ("MDA") under the Top 10 for Market Capitalisation below RM1 billion category organised by The Star Publication. This has been an achievement for Jiankun as a reputable developer in the property market.

Chairman Statement (Cont'd)

BUSINESS OUTLOOK IN 2023

Going into 2023, we expect to see the Group's financial performance remains challenging amidst the uncertainties of when the COVID-19 went into endemic.

The Board is of the view that the market is set to experience a surge in prices this year due to the continued increase in the cost of construction materials. The trend is expected to persist for the next 12 months, which will have a significant impact on the housing market. The Board has instructed the Management to take reasonable step to mitigate the impact on cost increase.

The residential housing market will continue to be slow but there will be gradual recovery, with demand focused on the mid-priced and affordable range as the economy improves as this is encouraged by supportive government policies.

APPRECIATION

I would like to take this opportunity to acknowledge the continuous efforts and dedication of Jiankun Management team, the Board and the entire workforce in enabling the Company to weather this challenging period amidst the post pandemic. I would also like to extend my utmost gratitude to our business partners, associates, suppliers, regulators, authorities as well as customers for their trust in the vision and mission of the company.

With your continued support, I am confident that Jiankun will maintain its positive growth momentum going forward.

Sincerely,

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Management and the Board of Directors of Jiankun International Berhad ("Jiankun", "the Company" or "the Group"), has great pleasure to present the Annual Report together with the Audited Financial Statements of the Group and the Company for the financial year ended (FYE) 31 December 2022 together with the Management Discussion and Analysis ("MD&A").

The following MD&A of the operating performance and financial position of the Company and the Group for the FYE 31 December 2022, should be read in conjunction with the Audited Financial Statement and related notes thereto.

The information presented in the MD&A, including information relating to comparative periods in 2021, is presented in accordance with the Malaysian Financial Reporting Standards ("MFRS") unless otherwise stated.

Overview of Business and Operations

Jiankun is a company listed on the main board of Bursa Malaysia under the Property category. Currently the Company's issued and fully paid up capital is RM76,175,542 consist of 360,514,069 ordinary shares.

For the FYE 31 December 2022, Jiankun completed the Amani Residences project and handed over vacant possession to buyer in February 2022. The Group thereafter undertook a construction project in Klebang, Melaka, known as One Le Tower. The Group's Revenue recorded RM8.15 million (2021: RM59.94 million) and the loss after tax of RM17.27 million (2021: profit after tax of RM2.15 million). The revenue was derived from the remainder revenue from the Amani Reasidences project and early stage of construction from One Le Tower in Klebang Melaka. The Group has also written of RM2.06 million share based expenses under Share Issuance Scheme granted to directors and employees, RM3.47 million for the net revaluation loss from our China Properties and RM3.27 million for goodwill on acquisition of subsidiary companies. During the FYE 31 December 2022, additional operating cost was incurred in corporate exercises.

On 26 October 2022, Nagamas Bizworks Sdn. Bhd. had entered into a Joint Development Agreement with NTL International Holdings, who is the landowner of a piece of freehold land located in Taman Anggerik, Bandar Teknologi Kajang, Semenyih, Selangor to develop service apartments which consist of service apartment, commercial units, facilities and carpark. Currently we are awaiting the approval of development order and commencement of the construction is expected to begin in the 3rd quarter 2023.

The accounting policy for investment properties adopted by the Group is based on valuation method, each year the Company will appoint qualified independent valuer to revalue the investment properties located in China. The valuation of investment properties was recorded at RM24.19 million (2021: RM27.65 million).

Management Discussion And Analysis (Cont'd)

Corporate Objective and Strategies

The lands bank maintain by the Group are in the planning stage and the Group will be expected to launch them by 2024. However, to ensure sustainability in development business, the Group will continue to source for suitable lands either outright purchase or joint venture with potential landowner.

Prior to conclude any opportunity offer to the Group, the Management through its Investment Committee will perform a detailed feasibility study to assess the variability of the opportunities and the committee will submit their recommendation to the Board for approval.

Financial Highlights

The Group's key financial information for the year ended 31 December 2022 and 31 December 2021 are summarised as follows:

	2022 RM million	2021 RM million
Turnover	8.15	59.94
Earnings Before Interest, Depreciation, Amortisation and Taxation (EBITDA)	(19.61)	4.80
(Loss)/Profit Before Taxation	(19.47)	4.54
Taxation	(2.20)	(2.39)
(Loss)/Profit After Taxation and Minority Interest	(17.27)	2.15
Total Comprehensive (Loss)/Income	(16.10)	2.83
Net Tangible Assets	93.97	80.74

Turnover

For FYE 31 December 2022, the Group achieved a turnover of RM8.15 million (2021: RM59.94 million). The revenue breakdown as follows:

	2022 RM million	2021 RM million
Property development and construction	8.07	59.35
Trading	-	0.47
Rental	0.08	0.12
Total Revenue	8.15	59.94

The decreased in revenue was due to the lower revenue recognised during the year. The revenue was derived from the remainder revenue from the Amani Residences project and early stage of construction from One Le Tower in Klebang Melaka.

Results

Due to the decreased in revenue, the Group recorded a loss after tax of RM17.27 million (2021: profit after tax of RM2.15 million) and EBITDA loss of RM19.61 million (2021: EBITDA Profit of RM4.80 million) after taken into consideration the share based expenses and impairment.

Financing Position

In order to continue support the construction and development of the project, continue financing from financial institution is essential for the Group.

During the FYE 2022, there is no loan borrowing for the Group on project development save for the loan to finance the corporate office of RM3.39 million.

Management Discussion And Analysis (Cont'd)

Expansion and Strategic

In order to ensure sustainability business for the Group, the Group announced for the purchased of a few pieces of lands for development and carried on fund raising exercise to support the acquisition.

Other than the lands acquired at the beginning of the year, the Group will continue source for suitable lands either base on outright purchase or joint venture with potential land owners. The acquisition will use internal and external funding to finance the new acquisition.

Non-financial indicator

Other than financial indicator, non-financial indicators are important to judge the Group performance. The non-financial indicators used by the Group are staff turnover, sales take up rate, economy and number of successful loan approval granted.

In view of the country entering into the Endemic phase, the challenge facing by the Group will remain soft. The Board and Management will expect the Group's performance to be affected, and the Board and Management will take necessary action to mitigate the possible risk during the pandemic period.

Significant changes in performance, financial position & liquidity

The Board anticipated that the Endemic phase may affect the performance, financial position and liquidity in year 2022. The Management will ensure sufficient funds to maintain its performance, financial position and liquidity in order to ensure continued growth and sustainability.

In order to mitigate the financial risk, the Group would take reasonable care to safeguard the company's assets in order to ensure shareholders and stakeholders wealth are protected.

Capital expenditure

Massive capital expenditure will not be required and the Management will continue the operations based on existing business model. Current model will be sub-contract the construction elements to third parties which have their expertise in the related field, fully equip with facilities to complete the task.

If additional capital expenditure is required, the Management will invest in capital expenditure to optimize the shareholders and stakeholder wealth.

Business and industries trend

National Property Information Centre information (NAPIC) reported that the number of inventories remain high and caution in providing financial assistant to potential buyers may result lower demand for residential properties during the post COVID-19 era.

However, the supply of houses has remained consistent in larger cities for affordable development with reasonable price. It is expected that affordable residential development will grow in urban and sub-urban city.

Associated risk and mitigation plans & strategies

Business Risk

a) Foreign currency risk

The Group's exposure to foreign currency risk is minimal except for investment properties in China. Management will continue to review the Group's exposure to foreign currency risks arising from turnover generated in currencies other than Ringgit Malaysia.

Management Discussion And Analysis (Cont'd)

b) Interest rate risks

The property development businesses require external financing and the cost of financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, any restrictions imposed by the Government of Malaysia as well as political, social and economic conditions in Malaysia. The Group businesses may also be exposed to fluctuation in interest rate movements. Any significant increase in interest rate may also affect the financial performance of the Group.

The Management would monitor and mitigate the interest rate risk by undertaking prudent capital budgeting where for all major financing decision, consultation and approval of the Board will be made and obtained.

c) Competition risks

The Group's competitiveness is dependent on the ability of the management to price the product competitively, to provide quality and timely delivery of properties and to manage the sales of the properties.

The management will continue to undertake measures to remain competitive in the property development industry by providing quality products and competitive pricing and ensure timely completion and delivery of properties sold.

d) Delays in commencement and completion

There are many external factors which are beyond the control of the management that could affect the timely completion of property development like getting the necessary approvals from relevant authorities, the availability of construction materials in reasonable amounts and satisfactory performance of the appointed building contractors.

The management will closely monitor the progress of work to mitigate the risks by rectifying any setbacks in order to ensure timely completion of the development.

Forward looking statement

Possible trend, outlook & sustainability of each principal business segment

Despite current economic conditions, the Management foresees that the demand for affordable residential properties remain high. The management will continue to focus on this sector to meet the market needs.

Prospects of new business or investments

There are numerous development opportunities that are being pursued by the management. The management will work closely with the Board to evaluate all potential new business or investments to optimise the interest of the Group as well as the shareholders and stakeholders.

Dividend/distribution policy & factors contributing

At this moment, the Company has not formalised any dividend/distribution policy in rewarding the shareholders. After taking into consideration of the Group's financial performance, cash flow position and fund needs for future expansion of the Group, the Board will act in best interest to continue growing the business as well as reward the shareholders who had given strong support to the Group.

Conclusion

The Management expected 2023 will be remain challenging, the management confident that with the business opportunities identified and will proceed cautiously to ensure continued business growth.

CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors acknowledges the Environmental, Social and Governance ["E.S.G"] strategy in doing business. E.S.G is an integral part of our business for the Group's to strike a balance between business objectives and material sustainability which strives to fulfill the expectation of its stakeholders by managing risk and opportunities related to E.S.G while ensuring the operational success of the Group. E.S.G takes the holistic view that sustainability extends beyond just environmental issues and becomes a strategic imperative for portfolios to create and sustain long-term value in a rapidly changing world.

i. Environmental

The Management recognises that day-to-day businesses can may have a negative impact to the environment. As such, the management will conduct an Environmental Impact Assessment of the company's environmental impact. This will help the Management identify areas where the company can improve its environmental performance. Once identified the areas for improvement, the Management will set specific, measurable, achievable, relevant, and time-bound (SMART) environmental goals. This could include reducing energy consumption, water usage, and waste generation. The Management will continue to adhere to regulatory requirements in reducing the harmfulness to the environment and ensure all employees and service providers adhere to the Environmental Act in forced in Malaysia.

The Management will encourage sustainable transportation options such as public transportation, and carpooling for employees. The Management will implement energy-efficient practices such as using renewable energy sources, installing energy-efficient lighting, and improving insulation in future development for the projects. The Management will encourage all service providers to adopt green building practices by incorporating sustainable building practices in new construction and renovation projects. This could include using recycled and reusable materials, installing green roofs, and improving indoor air quality.

ii. Social

The Management believes the importance of human capital and the employees are an important asset to the Group. As such, the Management will ensure that the workplace provided for employees is a safe, pleasant, and conductive working environment. During the period of COVID-19 pandemic the Management sanitized the office and provided free COVID-19 tests to all staff to ensure all the employees are in a safe working environment. The Management will be implementing safety measures, such as providing masks, conducting regular COVID-19 safety checks, and following health and safety regulations.

The Management acknowledges that the employees are coming from multi races, different cultures and religions. The Management will ensure to hire a balance racial mix with equal opportunities for all applicants regardless of their background, race, religion, or gender. The Group's recruitment policy will ensure that selection of employees is based on the merits, competency, skills, knowledge, and experience to fill the job requirement for employees to contribute their effort in achieving overall business sustainability.

To optimise the employees' capabilities and competency in discharging their duties, the Company will offer continue training and development opportunities to employees by letting all employees to participate in various on jobs and off jobs related training programs and seminars and to equip themselves with latest knowledge and techniques to discharge the duties in a more productively and efficient manner.

Corporate Sustainability Statement (Cont'd)

iii. Governance

The Group emphasises transparent and good corporate governance practices and accountability to meet the shareholders' expectations and provide transparency in financial reporting by providing timely and accurate financial statements and disclosures.

The Management will establish strong corporate governance framework that outlines the roles and responsibilities for the Board of Directors, Management, and staff to ensure transparency and accountability in decision making. In addition, the Management will maintain ethical business practices by developing and adhering to a code of conduct, implementing anti-corruption measures, and avoiding conflicts of interest.

The Management acknowledges the importance of ensuring data privacy and cybersecurity by implementing measures to protect sensitive information, such as purchaser data and financial information.

The Management will encourage diversity in the appointing directors and staff recruitment with diverse backgrounds and skillsets, including gender, ethnicity, and age diversity. The Management acknowledges that stakeholders, analysts, bankers, customers, suppliers, authorities, and the public are equally important to the Group, hence the Group committed and will be to ensured that everyone is take care of.

The Management believes by implementing specific E.S.G practices, the Management can demonstrate best business practices and be held accountable by stakeholder.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Jiankun values the importance of good corporate governance and upholds the principles and good practices contained in the Malaysian Code on Corporate Governance 2021 ("MCCG"), where applicable.

MCCG serves as a fundamental guide to the Board in discharging its duty to act in the best interest of the Group while enhancing long-term shareholders' value and interests of other stakeholders.

This overview statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is to be read together with the Corporate Governance Report of the Company for the financial year ended 31 December 2022 ("FY 2022"), which is available on the Company's website at www.jki.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principle A: Part 1 – Board Responsibilities

Intended Outcome 1.0

- **Every company is headed by a Board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.**

The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is the one that made up of a combination of Executive Director with intimate knowledge of the business and Non-Executive Directors from diversified industry/business background to bring broad business and commercial experience to the Group.

The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group's performance and critical business issues and ultimately the enhancement of long-term shareholders' value. It monitors and delegates the implementation of the strategic direction to the management.

The Directors collectively, with their different background and specialisation, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, regulatory and operations which is relevant to the Group. A brief profile of each individual Directors is set out in this Annual Report.

The Board reviews the strategic plan of the Company tabled by Management at its meeting. The review would cover the performance targets and long-term plans of the Company to be met by Management. The Board is satisfied with the strategic plan of the Company as presented by the Management.

The Board would continue to review the plan to ensure its implementation. The Board's role is to oversee the performance of the Management to determine whether the business is properly managed.

The Board gets updates from Management at the quarterly Board meetings when reviewing the unaudited quarterly results. During Board meetings, the Board participated actively in the discussion on the performance of the Company and assessed the performance of the Management.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees:-

- Audit Committee;
- Nomination Committee;
- Remuneration Committee;
- Risk Management Committee; and
- Investment Committee.

The Chairman of each Board Committee will report to the Board on the outcome of the Committee's meetings which also include the key issues deliberated at the Committee's meetings. The Board Committees discharge their duties in accordance to the Terms of Reference approved by the Board.

Corporate Governance Overview Statement (Cont'd)

1.1 The Chairman of the Board

The Board is led by an Independent Non-Executive Chairman, who is accountable for ensuring the integrity and effectiveness of the governance process of the Board.

The Chairman is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board as well as to ensure that all strategic and critical issues are discussed by the Board in a timely manner.

The responsibilities of the Chairman are clearly defined in the Board Charter, which is available on the Company's website at www.jki.com.my.

1.2 Separation of position of the Chairman, President and Chief Executive Officer ("CEO")

The position of the Chairman, President and the CEO are held by separate individual who are not related to each other, to ensure a good balance of power and authority, such that no one individual has unfettered powers in decision making.

The Chairman is responsible in leading the Board in its collective oversight of Management and ensure effectiveness of the Board matters whilst the President will be sourcing for potential investment and development opportunity to the Group and the CEO is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Company.

Presently, the Board is chaired by Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali who is able to provide effective leadership and necessary governance to the Group. He chairs the meetings of the Board and the shareholders, and thus ensuring effective communication with the shareholders as well as the relevant stakeholders and the position of President is held by Dato' Saiful Nizam Bin Mohd Yusoff and the CEO is held by Mr Edwin Silvester Das.

1.3 Qualified and Competent Company Secretaries

In compliance with Practice 1.5 of the MCCG, the Board is supported by two (2) External Secretaries. The Company Secretaries of the Company are qualified to act as Company Secretary under Section 235 of the Companies Act, 2016 ("the Act"). The Company Secretaries provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regard to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, MCCG, guidance and legislation.

The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with the management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

The Company Secretaries keep the Board abreast with the latest regulatory updates and ensure that deliberations at Board and Board Committee meetings are well documented.

The Board is satisfied with the performance and support rendered by the two (2) qualified and experienced Company Secretaries to the Board in discharge of its functions.

Corporate Governance Overview Statement (Cont'd)

The Company Secretaries are accountable to the Board on all matters connected with the proper functioning of the Board and responsibility includes:

- assisting the Chairman and the Chairmen of the Board Committees in developing the agendas for the meetings;
- administering, attending and preparing the minutes of meetings of the Board, Board Committees and shareholders;
- acting as liaison to ensure good information flow within the Board, between the Board and its Committees as well as between management and the Directors;
- advising on statutory and regulatory requirements and the resultant implication of any changes that have bearing on the Company and the Directors;
- advising on matters of corporate governance and ensuring Board policies and procedures are adhered to;
- monitoring compliance with the Act, the MMLR and the Constitution of the Company;
- facilitating orientation of new director;
- disseminating suitable training courses and arranging for Directors to attend such courses when requested.

1.4 Access of Information and Advice

Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers shall be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising of due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board paper and seek for any clarification as and when they may need advisers or further explanation from management and Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries.

The Board has access to all information within the Company as a full Board to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.

In addition, all Directors have direct access to the advice and services of the Company Secretaries who is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulatory are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Senior management team from different business units will also be invited to participate in the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team.

When necessary, Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

Senior Management staff may be invited to attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

Corporate Governance Overview Statement (Cont'd)

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities.

During the financial year under review, five (5) Board meetings were held and the record of attendance of each Board Member as follows: -

Name of Directors	No. of Meetings Attended
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	4/5
Dato' Saiful Nizam Bin Mohd YusoffZ *(Re-designated from Independent Non-Executive Director to Executive Director on 10 March 2022, subsequently re-designated from Executive Director to Deputy Executive Chairman on 3 October 2022 and re-designated from Deputy Executive Chairman to President on 5 December 2022)*	5/5
Dato' Ir Lim Siang Chai *(Re-designated from Deputy Executive Chairman to Non-Independent Non-Executive Director on 24 January 2022, subsequently re-designated from Non-Independent Non-Executive Director to Deputy Executive Chairman on 16 February 2022 and re-designated from Deputy Executive Chairman to Executive Director on 3 October 2022)*	5/5
Edwin Silvester Das	5/5
Azmi Bin Osman *(Re-designated from Independent Non-Executive Director to as Executive Director on 24 January 2022 and subsequently re-designated from Executive Director to Non-Independent Non-Executive Director on 11 March 2022)*	5/5
Dato' Yong Chong Long *(Appointed on 21 October 2022)*	0/1
Mr P Ellango A/L Ponramu *(Appointed on 12 May 2022)*	3/3
Madam Chew Huey Yen *(Appointed on 7 March 2022)*	4/4
Mr Terence Cheah Eu Lee *(Appointed on 1 July 2022)*	2/2
Datuk Seri Tan Choon Hwa *(Resigned on 22 March 2023)*	4/5

Save for newly appointed Director, all the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the MMLR. In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principle A: Part 1 – Board Responsibilities

Intended Outcome 2.0
- **There is demarcation of responsibilities between the board, board committees and management.**
- **There is clarity in the authority of the board, its committees and individual directors.**

2.1 Board Charter

The Board understands the importance of the roles and responsibilities between the Board and Management. As part of the good corporate governance process, the Board has documented these roles and responsibilities in the Board Charter to ensure accountability of both parties and to provide reference for directors in relation to the Board's role, powers, duties and functions.

The Board reviewed the Board Charter on 16 April 2019 to re-align the existing governance policies in the Company with the good standard of corporate governance practices prescribed by MCCG and MMLR, where possible or relevant.

The Board reviews the Board Charter, where necessary, to ensure it remains relevant and effective at the prevailing time and business environment. The Board Charter clearly set outs the functions, responsibilities, and processes of the Board and ensures that all Board members are aware of their roles and duties. In order to ensure that the direction and control of the Group are in the hands of the Board, it had adopted a formal schedule of matters reserved for the Board's deliberation and decision which is set out in the Board Charter. The Board Charter is available on the Company's website at www.jki.com.my.

Intended Outcome 3.0
- **The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The Board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice.**

3.1 Code of Ethics and Conduct

The Board is committed in maintaining a corporate culture, which engenders ethical conduct. The Board has adopted the Code of Conducts and Ethics that summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur. The Code of Conduct and Ethics provides guidance for Directors regarding ethical and behavioral considerations and/or actions as they address their duties and obligations during the appointment.

The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate. The details of the Code of Conduct and Ethics are available for reference at the Company's website at www.jki.com.my.

3.2 Whistle Blowing Policy

The Board has adopted a Whistle-blowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

Corporate Governance Overview Statement (Cont'd)

The main objectives of the policy are:

i) Be committed to the Company's business ethics of Honesty, Integrity and Transparency;

ii) To provide a transparent and confidential process for all parties to give information on non compliances to the Code of Conduct and Ethics, or any misconduct regardless of his or her position, to an independent party to investigate the allegations and take the appropriate actions; and

iii) To uphold the moral duty being a Company by protecting the interest of all its stakeholders. The details of the Whistle-blowing Policy are available for reference at the Company's website at www.jki.com.my.

Stakeholders, who have suspected fraud, misconduct or any integrity concerns, are encouraged to fill up a Whistle Blowing Report Form and email to:

Attention : P Ellango A/L Ponramu
Designation : Chairman of Audit Committee
Email : jibwb@jki.com.my / ellangoponramu@outlook.com

3.3 Anti-Corruption, Gifts and Entertainment Guidelines (For Customers & Suppliers)

The Company has since 27 May 2022 implemented an Anti-Corruption, Gifts and Entertainment Guidelines (for customers and suppliers) in line with the Malaysian Anti-Corruption Commission Act, which is the Section 17A on corporate liability for corruption. The said Guidelines is available on the Company's website at www.jki.com.my.

In FY2022, there was no incident of bribery and corruption were reported to the Group.

Principle A: Part 2 – Board Composition

Intended Outcome 4.0

- **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

4.1 Board Composition

During the financial year under review, the Board of Jiankun currently comprises of nine (9) members which includes the following:

a) one (1) Independent Non-Executive Chairman;
b) one (1) President;
c) two (2) Executive Directors;
d) two (2) Non-Independent Non-Executive Directors;
e) three (3) Independent Non-Executive Director.

The Board is of the opinion that the current size and composition constitute an effective Board in view of the nature of business and the scale of its Group's business operation.

The composition of the Board complies with Paragraph 15.02(1) of the MMLR of Bursa Securities. The profile of each Director is presented separately in Board of Directors' Profile of this Annual Report 2022.

Corporate Governance Overview Statement (Cont'd)

The current composition of the Board provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives. The Board is of the opinion that the directors, with their different background and specializations, collectively bring with them a wide range of experience and expertise required to discharge the Board's duties and responsibilities.

The Board, through the Nomination Committee, having reviewed the size and complexity of the Group's operations, is of the view that the number of members in the Board is appropriate. Nevertheless, the Board is receptive to revamp the composition of members to ensure that the Board can function more effectively.

4.2 Tenure of Independent Director

The tenure of Independent Directors of the Company is as follows:-

As at 31 December 2022	<1	2-5	> 5 - 7
Independent Non-Executive Directors	3	1	-

Under the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a non-independent Director.

Currently, the Board does not have a policy in place on the tenure for Independent Directors in the Board Charter as the Board is of the view that a cumulative term of more than nine years may not necessarily impair independence and judgement of an Independent Director and therefore the Board does not deem it appropriate to impose a fixed term limit for Independent Directors in the Board Charter at this juncture.

Nevertheless, in the event where any Independent Director has served the Board for a cumulative term of nine years, the Nomination Committee, will access and decide whether he/she can remain as an Independent Director. In such situation, the Board will make a recommendation and provide strong justification to the shareholders in a general meeting to provide the shareholders with sufficient insight to enable them to assess the merits of the Board's decision to retain the services of the Independent Directors beyond the nine-year tenure.

In the event where an Independent Director has served the Board for a cumulative term of twelve years, the Nomination Committee will access and decide whether he/she can remain as an Independent Director. In such situation, the Board will make a recommendation and provide strong justification to the shareholders in a general meeting to provide the shareholders with sufficient insight to enable them to assess the merits of the Board's decision to retain the services of the Independent Directors beyond the twelve-year tenure. Under these circumstances, the Board will seek shareholders' approval under a two-tier voting process.

Where the Board has determined that the said Independent Director shall not remain as an Independent Director, then he/she will be re-designated as a Non-Independent Director accordingly.

During the financial year under review, none of the Independent Non-Executive Director have served on the Board for more than nine years.

Corporate Governance Overview Statement (Cont'd)

4.3 Diversity of the Board and Senior Management

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.

Notwithstanding with the above, the Board affirms its commitment to boardroom diversity as a truly diversified board can enhance the board's effectiveness, perspective, creativity and capacity to thrive in good times and to weather the tough times. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

4.4 Boardroom and Gender Diversity

The Board does not have a policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Group. However, the Board Charter specifies that, as a matter of policy, the Board shall consist of qualified individuals with diverse experience, background, and perspective and the Board has taken into consideration the varied mix of board diversity, skill-set and qualification of candidates chosen to be members of the Board.

4.5 Appointments to the Board

The Nomination Committee makes independent recommendations for appointments to the Board. In making these recommendations, the Nomination Committee assesses the suitability of candidates, taking into account the character, integrity, competence, time commitment and other qualities of the candidates, before recommending their appointment to the Board for approval.

The Nomination Committee is also empowered to bring to the Board, recommendation as to the appointment of any new Director or to fill board vacancies as and when they arise. In making its recommendation, the Nomination Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.

In fulfilling its primary objectives, the Nomination Committee shall undertake, amongst others, the following duties and responsibilities:

i) to regularly review the structure, size and composition of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
ii) to evaluate the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the decision-making process of the Board;
iii) give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
iv) prepare a description of the role and capabilities required for a particular appointment;
v) identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
vi) in determining the process for the identification of suitable new candidates, the Nomination Committee will ensure that an appropriate review or search is undertaken by an independent third party to ensure the requirement and qualification of the candidate nominated;
vii) to make recommendations to the Board on candidates it considers appropriate for appointment; and
viii) to recommend to the Board concerning the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's Constitution.

During the FY2022, Madam Chew Huey Yen, Mr P Ellango A/L Ponramu and Mr Terence Cheah Eu Lee have been appointed as an Independent Non- Executive Directors.

Corporate Governance Overview Statement (Cont'd)

4.6 Criteria for Recruitment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The Nomination Committee will help assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programme for the Board.

In assessing suitability of candidates, consideration will be given to the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented in addition to an understanding of the Business, the Markets and the Industry in which the Group operates and the accounting, finance and legal matters.

In general, the process for the appointment of director to the Board is as follows:

(i) The Nomination Committee reviews the Board's composition through Board assessment/evaluation;
(ii) The Nomination Committee determines skills matrix;
(iii) The Nomination Committee evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
(iv) The Nomination Committee recommends to the Board for appointment; and
(v) The Board approves the appointment of the candidates.

Factors considered by the Nomination Committee when recommending a person for appointment as a director include:

(i) the merits and time commitment required for a Non-Executive Director to effectively discharge his or her duties to the Company;
(ii) the outside commitments of a candidate to be appointed or elected as a Non-Executive Director and the need for that person to acknowledge that they have sufficient time to effectively discharge their duties; and
(iii) the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

In FY2022, the Board has established the Fit and Proper Policy to guide the Nomination Committee and the Board of Directors in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election to ensure that any person to be appointed or re-elected as a Director shall possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Fit and Proper Policy is published on the Company's website at www.jki.com.my.

Corporate Governance Overview Statement (Cont'd)

4.7 Nomination Committee

The Company has established the Nomination Committee comprising exclusively of Non-Executive Directors, with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis.

The present Nomination Committee members are as follows:

Chairman	: Mr P Ellango A/L Ponramu (Independent Non-Executive Director) (Appointed on 12 May 2022)
Member	: Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman) (Redesignate from Chairman to Member on 12 May 2022)
Member	: Chew Huey Yen (Independent Non-Executive Director) (Appointed on 7 March 2022)

The Nomination Committee had undertaken the following activities for the FY2022:

(i) Reviewed the effectiveness of the Board, as a whole, Board Committees and individual Directors and make appropriate recommendation to the Board;
(ii) Reviewed the Independence of Independent Directors;
(iii) Reviewed and recommended to the Board, the re-election of the Directors who will be retiring at the forthcoming Annual General Meeting ("AGM") of the Company; and
(iv) Reviewed the background and experienced of proposed new directors and make appropriate recommendation to the Board.

4.8 Directors' Training

Due to the ever-increasing complexities in doing business, Directors are expected to upgrade their skill sets and keep themselves abreast with the developments in the business environment as well as with any new relevant regulatory and statutory requirements to maximise their effectiveness as members of the Board.

Save for newly appointed directors, all Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Listing Requirements. The Directors shall be committed to continuous education to equip themselves with the knowledge and understanding of various provisions, rules, regulations and the latest development in the industries to effectively discharge their duties and obligations.

The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Securities during Board meeting. The Directors also will continue to undergo training and education programmes in order to keep themselves abreast on the various issues facing the changing business environment within which the Company operates in order to discharge their duties and responsibilities more effectively.

Updates on the MCCG, the Act and the MMLR were given by the Company Secretary to all Directors to facilitate knowledge enhancement in the areas of the Corporate Governance and relevant compliance areas.

All Directors have full opportunity to attend seminars, trainings, workshops and conference to update their knowledge and skills to contribute and to carry out their roles and duties in line with the directors' responsibility.

Corporate Governance Overview Statement (Cont'd)

Save for Dato' Yong Chong Long, all Directors have complied with the Continuous Training Programme prescribed by Bursa Securities. Training programmes, courses, seminars, conferences, talks, briefings attended by the Directors during the FY2022 were as follows: -

Director	Title	Date
Dato' Ir Lim Siang Chai	Webinar on Artificial Intelligence (AI) for company directors and executives	20 December 2022
Edwin Silvester Das	Webinar on Artificial Intelligence (AI) for company directors and executives	20 December 2022
P Ellango A/L Ponramu (Appointed on 12 May 2022)	Mandatory Accreditation Programme (MAP)	23-25 August 2022
	Conversation with Audit Comittees - session 1	17 November 2022
Chew Huey Yen (appointed 7 March 2022)	Mandatory Accreditation Programme (MAP)	23-25 August 2022

Save as disclosed above, the Directors were not able to attend any seminar and/or training programme during the financial year due to busy work schedule. However, they have kept themselves abreast on financial and other business aspect through readings and meetings to enable them effectively discharge his duties and contribute to the Board.

The Directors also aware of their duties and responsibilities and will continue to undergo their relevant training programmes to keep abreast with new regulatory developments are required in compliance with the MMLR on continue education.

Intended Outcome 5.0

- **Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.**

5.1 Annual assessment of the Directors, Board as a whole and Board Committees

The Nomination Committee would conduct an assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment approach on an annually basis. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board will consider and approve the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming AGM, with a view to meeting current and future requirements of the Group.

Under the MMLR of Bursa Securities, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). The notification would include an indication of time that will be spent on the new appointment(s). Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) public listed companies as prescribed in Paragraph 15.06 of the MMLR of Bursa Securities.

Corporate Governance Overview Statement (Cont'd)

The criteria used by the Nomination Committee in evaluating the performance of individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. Each of the Directors will perform a self-assessment on an annually basis. The Board did not engage any external party to undertake an independent assessment of the Directors.

During the FY2022, the Nomination Committee conducted an annual assessment of its Directors and the effectiveness of the Board of Directors as a whole in terms of board mix and composition, boardroom activities and board's relationship with management.

Upon recommendation by the Nomination Committee of the proposed re-election of the relevant directors, the Board had recommended the re-election of the relevant Directors to be tabled at the forthcoming 39th AGM for shareholders' approval.

Principle A: Part 3 – Remuneration

Intended Outcome 6.0
- **The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

6.1 Directors' remuneration procedures and policies

Directors' remuneration is generally benchmarked against the market average of comparable companies to attract talent and retain the Directors to run the Company. It has established a Remuneration Committee ("RC") to review and ensure that the remuneration of its members fairly reflect the Board's and members' responsibilities, the expertise required by the Company and the complexity of its operations. The said remuneration should also be in line with the business strategy and long-term objectives of the Company.

6.2 Remuneration Committee

In line with the best practices of the MCCG, the Board has set up a Remuneration Committee which would comprise majority of Independent Non-Executive Directors to assist the Board for determining the Director's remuneration.

The present members of the Remuneration Committee are as follow: -

Chairman	: Azmi Bin Osman (Non-Independent Non-Executive Director)
Member	: Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman)
Member	: Dato' Ir Lim Siang Chai (Executive Director)
Member	: P Ellango A/L Ponramu (Independent Non-Executive Director) (Appointed on 12 May 2022)

The Remuneration Committee is primarily responsible for recommending the policy and framework of the remuneration of the directors and senior management, including the terms and remuneration of the executive director(s), to the Board in order to align with the business strategy and long-term objectives of the Company.

The remuneration of Directors and Senior Management are determined at levels which enable the Company to attract and retain Directors and senior management with the relevant experience and expertise to govern the Group effectively.

Corporate Governance Overview Statement (Cont'd)

Intended Outcome 7.0

- **Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance**

7.1 Details of the remuneration of Directors

The Board collectively determines the remuneration for the Non-Executive Directors to ensure the same is appropriately reflective of experience and the level of responsibilities and contributions including the number of the scheduled meetings for the Board, board of subsidiaries and Board committees; and competitive compared with the prevalent market practices. Each of the Non-Executive Directors abstains from deliberating and voting on his own remuneration.

A summary of the remuneration of the Directors (including benefit-in-kind) in the Company for services rendered to the Group for the FY2022 is analysed as follows:-

Directors	Fees (RM)	Salary (RM)	Allowance* (RM)	Statutory contribution (RM)	Others Benefit	Total (RM)
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	180,000	-	4,000	-	-	184,000
Dato' Saiful Nizam Bin Mohd Yusoff	16,032	85,961	78,300	12,137	8,333	200,763
Dato' Ir Lim Siang Chai	-	144,000	80,800	26,640	18,000	269,440
Edwin Silvester Das	-	360,000	88,300	66,163	130,080	644,543
Azmi Bin Osman	77,516	21,613	9,000	2,742	-	110,871
Dato' Yong Chong Long (Appointed on 21 October 2022)	16,464	-	-	-	-	16,464
P Ellango A/L Ponramu (Appointed on 12 May 2022)	76,452	-	2,000	-	-	78,452
Chew Huey Yen	68,645	-	4,000	-	-	72,645
Terence Cheah Eu Lee (Appointed on 1 July 2022)	42,000	-	1,000	-	-	43,000
Datuk Seri Tan Choon Hwa (Resigned on 22 March 2023)	66,000	8,400	4,800	1,393	-	80,593

* *Allowance include the meeting allowance for the Directors' attendance in Board and Board's Committee Meetings.*

Corporate Governance Overview Statement (Cont'd)

7.2 Remuneration of Top Five Senior Management

Senior Management staff are those primarily responsible for managing the business operations and corporate divisions of the Group. The remuneration paid to the top five Senior Management including salary, bonus, benefits-in-kind and other emoluments in band of RM50,000 is as follows:

Range of Remuneration	Total
Below RM50,000	2
RM50,000 – RM150,000	4
RM150,001 – RM250,000	2
RM250,001 – RM350,000	1
RM350,001 – RM450,000	-
RM450,001 – RM550,000	-
RM551,000 – RM600,000	-
RM600,001 – RM650,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Principle B: Part 1 – Audit Committee

Intended Outcome 8.0
- **There is an effective and independent Audit Committee.**
- **The board is able to objectively review the Audit Committee's findings and recommendations.**
- **The company's financial statement is a reliable source of information**

8.1 The Chairman of the Audit Committee is not the Chairman of the Board

Practice 1.4 of the MCCG states that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali ("Tan Sri Chairman"), is the Chairman of the Board and he is also the member of Nomination Committee, Audit Committee and Remuneration Committee, which is a departure from the Practice 1.4 of the MCCG.

The Board believes that Tan Sri Chairman is financially literate and have business as well as financial acumen. His experience and industry knowledge benefit the Company and shareholders, which outweigh any perceived disadvantages of being assuming positions of Chairman of the Board and a member of the Board Committee.

However, in acknowledgement of the spirit of the Practice 1.4 of the MCCG, the Company is looking into this matter where the suitable candidate to join the Company as an Independent Director and to sit in the Board Committee by near future.

8.2 Former audit partner

Practice 9.2 of the MCCG requires the Audit Committee to have a policy that requires a former audit partner to observe a cooling-off period before being appointed as member of the Audit Committee.

As of 31 December 2022, none of the members of the Board, including the members of the Audit Committee, are former key audit partners of the external auditors appointed by the Group. The Board has no intention to appoint any former key audit partner as a member of the Audit Committee.

Corporate Governance Overview Statement (Cont'd)

8.3 Suitability, objectivity and independent of the external auditors

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the Audit Committee and Board of Directors on matters that require the Board's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

In assess or determine the suitability and independence of the External Auditors, the Audit Committee has taken into consideration of the following:

i) the adequacy of the experience and resources of the External Auditors;

ii) the External Auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;

iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and

iv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the Board. The External Auditors are being invited to attend the AGM of the Company to response and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the Audit Committee will meet with the External Auditors without the presence of Executive Director and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the Audit Committee are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the financial year ended 31 December 2022.

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial year under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the Audit Committee's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the re-appointment of Messrs. UHY as the External Auditors of the Company for the financial year ending 31 December 2023.

Corporate Governance Overview Statement (Cont'd)

8.4 Qualification of the Audit Committee

All Audit Committee members are financially literate, and its composition and performance are reviewed by the Nomination Committee annually and recommended to the Board for its approval.

Audit Committee members acknowledge the need for continuous education trainings, however, for the year under review, some members of the Audit Committee attended training on the developments in accounting and auditing standards, practices and rules.

8.5 Composition of the Audit Committee

This is in compliance with Paragraph 15.09(1)(b) of the MMLR of Bura Securities, which stipulates that all the audit committee members must be non-executive directors, with a majority of them being independent directors.

As of the date of this Statement, the Audit Committee comprises three (3) Independent Non-Executive Directors, of whom all are Independent Directors. The Audit Committee is headed by P Ellango A/L Ponramu, who is an Independent Non-Executive Director.

The duties, functions and responsibilities of the Audit Committee is clearly spelt out in their Terms of Reference.

Intended Outcome 9.0
- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

9.1 Establishment of risk management and internal control framework

The Board is entrusted with the overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to access current and emerging risks, respond appropriate to risks of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm adopted on-going monitoring and review to the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

As an ongoing process, significant business risks faced by the Group are identified, evaluated and consideration is given on the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The Board of Director acknowledges its responsibilities for the Company to maintain a sound system of internal controls covering financials, operations and compliance controls and to safeguard shareholders' investments as well as the Group's assets. While every effort is made to manage the significant risk, by its nature, the system can only provide reasonable but not absolute assurance against material misstatement or loss. Ongoing reviews are carried out by the Board, with the assistance of the Audit Committee, International Auditors and External Auditors, to safeguard the Group's assets.

9.2 Features of its risk management and internal control framework

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 45 of this Annual Report.

Intended Outcome 10.0

- **Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

10.1 Internal Audit Function

The Group has out-sourced the Internal Audit Function to an independent consulting firm to provide an independent assessment of the adequacy, efficiency, effectiveness of the Group's internal control system. The Internal Auditors reports directly to the Audit Committee on its activities based on approved annual Internal Audit plan.

The principal responsibility of the Internal Audit Function is to undertake regular and systematic review of the systems of internal control, risk management process and compliance with the Group's established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. Functionally, the Internal Auditors reviews and assesses the Group's systems of internal control and report to the Audit Committee directly.

Before the commencement of audit reviews for the financial year, an audit plan is produced and presented to the Committee for review and approval. This ensures that the audit direction is in line with the Committee's expectations.

Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 43 of this Annual Report 2022.

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

Principle C: Part 1 – Communication with Stakeholder

Intended Outcome 11.0

- **There is continuous communication between the company and stakeholder to facilitate mutual understanding of each other's objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

11.1 Effective, transparent and regular communication with its stakeholders

Along with good corporate governance practices, the Group is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis. The Board recognises the importance of keeping the shareholders informed and updated of development concerning the Group. In this regard, the Group strictly adheres to the disclosure requirements of Bursa Securities. The Group practices open communication with its investors.

In order to maintain its commitment of effective communication with shareholders, the Group embrace the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The practice of disclosure of information is to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with shareholders, it is not only established just to comply with the MMLR of Bursa Securities.

Corporate Governance Overview Statement (Cont'd)

The Group also endeavour to provide additional disclosures of information on a voluntary basis, where necessary. The management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

11.2 Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.jki.com.my incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.

The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

Shareholders and investors may also forward their queries to the Company via the Company's website, www.jki.com.my.

Intended Outcome 12.0

- **Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.**

12.1 Notice for an Annual General Meeting

General meeting serves as a principal platform for the Board and Senior Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

The Company Secretaries, by order of the Board, served a notice of AGM to all shareholders of the Company at least 28 days prior to its forthcoming 39th AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the 39th AGM. Notice of the 39th AGM clearly sets out details of the resolutions proposed accompanying with explanatory notes on the rationale of each resolution to enable the shareholders to make informed decision in exercising their voting rights.

The Notice of an AGM also provides information to the shareholders with regard to, amongst others their entitlement to attend the AGM, the right to appoint a proxy and also the qualifications of a proxy.

The Company held its 38th AGM in year 2022. In compliance with Practice 13.1 of the MCCG, shareholders received Annual Report, Circular and Notice of AGM, which were issued at least 28 days before the date of AGM. The Company served Notice of its 39th AGM together with the explanatory notes or a circular on items of special business and Administrative Guide, which furnished useful information regarding conduct of the AGM at least 28 days before the AGM, well in advance of the 21 days requirements under the Companies Act, 2016 and MMLR.

12.2 Attendance of Directors at General Meetings

The general meeting also serves as an avenue for the Chairman and the Board members to engage in a two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions.

The Board will ensure that all Board members, particularly the Chairman of each Board committee will make their endeavors to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders.

The external auditors will be present at the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the Company's financial position.

The 38^{th} AGM of the Company held in year 2022 was convened and held via fully virtual basis. All Directors including Chairman of the Board and the respective Chairman of the Board Committees attended the 38^{th} AGM to answer any questions put to them and address concerns from shareholders. The External Auditors were also participated in the AGM to address any shareholders' queries about the conduct of audit and the preparation and content of the auditors' reports.

12.3 Poll Voting

The Company's General Meeting is not held in a remote location. The Company has adopted manual polling for 2022 AGM in line with Paragraph 8.29A of the MMLR of Bursa Securities. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes cast at the general meeting.

As for voting in absentia and remote shareholders' participation, the existing proxy form authorizing proxies or Chairman of meeting is an alternative measure adopted by the Company. Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stead at a general meeting.

COMPLIANCE STATEMENT

The Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG as well as the relevant MMLR of Bursa Securities for the financial year ended 31 December 2022. Any practices in the MCCG which have not been implemented during the financial year will be reviewed by the Board and implemented where possible and relevant to the Group's business.

This Statement is made in accordance with the resolution of the Board dated 12 April 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for each financial year to give a true and accurate view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

i) Overseeing the overall conduct of the Company's business and that of the Group;
ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
iii) Reviewing the adequacy and integrity of Internal Controls System and Management Information System in the Company and within the Group;
iv) Adopting suitable accounting policies and apply them consistently;
v) Making judgments and estimates that are reasonable and prudent; and
vi) Ensuring compliance with application Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the Listing Requirements, the provisions of the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2022, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of Jiankun International Berhad ("Jiankun" or "the Company") is pleased to present the Audit Committee Report for the financial year ended 31 December 2022 ("FY2022").

COMPOSITION

As at the date of this Statement and during FY2022, the Audit Committee presently comprises the following members:

Chairman	:	P Ellango A/L Ponramu (Independent Non-Executive Director) (Appointed on 12 May 2022)
Member	:	Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman)
Member	:	Chew Huey Yen (Independent Non-Executive Director) (Appointed on 7 March 2022)

During FY2022, the composition of the AC comprises of three (3) members, all of whom are Independent Non-Executive Directors set out below:

- P Ellango A/L Ponramu (appointed as Chairman on 12 May 2022)
- Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman)
- Chew Huey Yen (Independent Non-Executive Director)(appointed on 7 March 2022)
- Azmi Bin Osman (resigned on 24 January 2022 as Chairman of AC)
- Dato' Saiful Nizam Bin Mohd Yusoff (resigned on 10 March 2022 as member of AC)

During FY2022, the composition of AC in line with Paragraph 15.09(1) and (2) of the MMLR of Bursa Securities and Step Up Practice 9.4 of the MCCG, which stipulated that the AC should comprise solely of Independent Directors.

The Committee has a clear written Terms of Reference ("TOR") defining its functions, qualifications for membership, scope of duties and responsibilities, as well as governing the manner in which the Committee is to operate and how decisions are to be made.

TERMS OF REFERENCE

The full TOR of the AC which set out its duties and responsibilities are accessible on the Company's website at www.jki.com.my.

ATTENDANCE

During the FY2022, five (5) meetings were held and the details of the attendance of each member at the AC meeting are as follows:-

Name of Members	Designation	No. of Meetings Attended
P Ellango A/L Ponramu (Appointed on 12 May 2022)	Chairman	3/3
Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	Member	4/5
Chew Huey Yen (Appointed on 7 March 2022)	Member	4/4

Other Board members, Financial Controller and representatives of the External Auditors and Internal Auditors were present by invitation to brief the Committee on specific issues, as and when necessary, with the Company Secretaries in attendance.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF THE AC

The activities of the Audit Committee during the FY2022 include the following:

a) Reviewed the unaudited quarterly financial reports of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities;

b) Reviewed with external auditors on their audit planning memorandum on the statutory audit of the Group for the FY2022;

c) Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;

d) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

e) Evaluated the performance of the external auditors for the FY2022 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors;

f) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

g) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;

h) Reviewed the effectiveness of the Group's system of internal control;

i) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;

j) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group;

k) Reviewed the Company's compliance with the MMLR, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;

l) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

m) Report to the Board on its activities and significant findings and results.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities requires the Board of Directors of the Company to make a statement in this Annual Report about the state of risk management and internal control in the Company as a Group. The Board of Directors recognise the importance of good practice of corporate governance and is committed to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. The Board is pleased to provide the following Statement on Risk Management and Internal Control which has been prepared in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal control and maintaining a sound risk management framework and reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. The review of the Group's risk management and system of internal control is a concerted and continuing process. In view of the inherent in any system of internal control, the system of internal control is designed to manage risks to tolerable levels rather than eliminate the risk of failure to achieve business objectives, Hence, the Directors can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the Financial Controller and Chief Executive Officer that the Group's risk management and internal control is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

KEY ELEMENTS OF INTERNAL CONTROL

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES

- Organisation structure with clearly defined lines of responsibility, authority and accountability;
- Clearly defined authorisation limits at appropriate levels are set out in an authority matrix for controlling and managing business operations;
- Experienced and competent staffs are placed in areas of responsibility to support and continuously monitor the effectiveness of the Group's system of internal control;
- Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements. These policies are subject to regular reviews to meet new business required.

MONITORING AND COMMUNICATION

- Regular meetings are held covering financial, business development and operations and to identify, assessment and mitigate any potential risk face by the Group timely;
- Regular Board meetings are held to deliberate the financial, operation and business strategic;
- Senior Management and the Board member's visit to site at appropriate time to mitigate any potential risk at site;
- Regular review of business processes to assess the effectiveness of internal controls by the independent internal auditor. Reports on findings of the internal audit are presented to the Audit Committee and subsequently recommendation to the Board for consideration for necessary action to be carried out by Management;
- Regularly review the management accounts and reports to monitoring of actual performance; and
- Review of financial and non-financial indicator to determine the Group performance.
- Review of potential new investment to determine the feasibility for the Group to invest.

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

RISK MANAGEMENT

The Board and the Management practice risks identification in the operations and activities of the Group particular to undertake with new proposed transactions, changes in the business activities and as well as the regulatory requirement of the industry which may entail to difference risks in carry out businesses of the Group.

The President, Chief Executive Officer, Executive Director and Financial Controller will be responsible to update the Audit Committee and the Board on any changes in material risk face by the Group.

INTERNAL AUDIT FUNCTIONS

Independent internal auditor reviews the internal control are essential to provide an objective assurance to the Board.

At present, the review mechanism is under the purview of the Audit Committee. The internal auditor report will be directed to the Audit Committee and are responsible to conduct reviews on the systems on risk management and internal control; report the weaknesses of the systems on risk management and internal control; and to provide essential recommendations for improvement to the management.

During the financial year, the internal auditors had performed the an internal audit due to the completion of project and handed over to buyers which limited the internal auditors to assess various risk audit.

For the financial year ended 31 December 2022, the internal auditor had carried out internal audit reviews and follow up as follow:

Audit Period	Reporting Month	Audited Areas
Financial year ended 31 December 2022	November 2022	Internal audit reviews on internal control environment of the Property Management functions of JKI Development Sdn Bhd (Amani Residences).

Financial year ended 31 December 2022 November 2022 Internal audit reviews on internal control environment of the Property Management functions of JKI Development Sdn Bhd (Amani Residences).

For the financial year ended 31 December 2022, the total fee incurred for the outsourced internal audit function were RM20,000.

CONCLUSION

For the year under review and up to the date of issuance of the statement in the Annual Report, the Board is of the opinion that current internal control system is in place, adequate and effective to safeguard the interests and assets of the Group. The Board will continually assess the adequacy and effectiveness of the Group's risk management and internal control system. The Board will strengthen the risk management and internal control system as necessary.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and had reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and system of internal control.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 December 2022 were as follows:

	Company (RM)	Group (RM)
Audit Services Rendered	46,000	172,554
Non-Audit Services Rendered		
(a) Review of Statement on Risk Management and Internal Control	5,000	5,000

2. REVALUATION POLICY

The Company does not have a revaluation policy on landed properties.

3. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

During the financial year under review, there was no other material contract and/or contracts relating to loan entered into by the Company and/or its subsidiary companies involving Directors and Major Shareholders' interests.

4. UTILISATION OF PROCEEDS

On 14 December 2022, Jiankun completed the 2022 Private Placement, raising total proceeds of RM18.56 million. The said proceeds have been utilised as follows:

Details of utilisation of proceeds	Proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance unutilised (RM'000)	Estimated timeframe for utilisation from listing of placement shares
Funding for the One Le Tower project[1]	18,182	957	17,225	Within 18 months
Estimated expenses for the 2022 Private Placement	379	379	-	Immediate
Total	**18,561**	**1,336**	**17,225**	

Note:

[1] The One Le Tower project involves construction of a 10-storey 160 units service apartment on a parcel of land held under Lot PT 497, Pekan Klebang Seksyen II, Daerah Melaka Tengah, Melaka measuring approximately 4,949 square meters, where the Group has been appointed as the main contractor of the aforesaid project.

The Group has utilised the proceeds raised for, amongst others, payments to contractors, suppliers, consultants, material costs, earthwork, piling works, site clearing, building and external works, staff costs as well as payment to the relevant authorities. As at the LPD, the Company is undergoing the structural works of the One Le Tower and the project is expected to be completed by fourth quarter of 2023.

Additional Compliance Information (Cont'd)

5. SHARE ISSUANCE SCHEME

The Share Issuance Scheme of the Company ("SIS") is governed by the SIS By-Laws and was approved by shareholders on 24 March 2021 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon the recommendation by the SIS Committee, provided always that the Initial Scheme Period above and such extension of the scheme made pursuant to the Bylaws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date of the SIS.

The SIS implemented on 9 July 2021 and offered 31,180,000 SIS Options to eligible employees on 3 August 2021.

Movement of the number of share options and the weighted average exercise prices are as follows: -

		Number of options over Ordinary Shares				
Date of Offer	**Exercise Price ('000)**	**At 1.1.2022 ('000)**	**Granted ('000)**	**Exercised ('000)**	**Lapsed ('000)**	**At 31.12.2022 ('000)**
3 August 2021	0.27	31,181	-	(31,181)	-	-
29 November 2022	0.192	-	17,627	-	-	17,627

Please refer to page 150 and page 151 of the Annual Report 2022 for the further details on the SIS.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of Jiankun International Berhad hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal Activities

The principal activities of the Company consist of the provision of management services and investment holding.

The details of the Company's subsidiaries are as disclosed in Note 8 to the financial statements.

Financial Results

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

	Group RM	Company RM
Loss for the financial year	17,272,259	30,105,779
Attributable to:		
Owners of the parent	17,270,615	
Non-controlling interests	1,644	
	17,272,259	

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transactions or event of a material and unusual nature.

Reserves and Provisions

All material transfers to or from reserves and provisions during the financial year are as disclosed in Note 16 to the financial statements.

Dividend

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

Issuance of Shares and Debentures

During the financial year, the Company issued:

(a) 98,000,000 new ordinary shares at issue price ranging from RM0.185 to RM0.192 per ordinary share for a total cash consideration of RM18,560,500 through private placement; and

(b) 31,180,800 new ordinary shares through the exercise of the Share Issuance Scheme ("SIS") Options at an issue price of RM0.27 for a total cash consideration of RM8,418,816.

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

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

At an Extraordinary General Meeting held on 24 March 2021, the Company's shareholders approved the establishment of SIS of not more than 15% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group. The salient features and other terms of the SIS are disclosed in the Note 31 to the financial statements.

Directors' Report
(Cont'd)

Options Granted Over Unissued Shares (Cont'd)

As at 31 December 2022, the options offered to take up unissued ordinary shares and the exercise price are as follows:

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**At 1.1.2022**	**Granted**	**Exercised**	**At 31.12.2022**
3 August 2021	RM 0.27	31,180,800	-	(31,180,800)	-
29 November 2022	RM 0.19	-	17,627,200	-	17,627,200
		31,180,800	17,627,200	(31,180,800)	17,627,200

Directors

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

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	
Dato' Saiful Nizam Bin Mohd Yusoff*	
Dato' Ir Lim Siang Chai*	
Edwin Silvester Das*	
Azmi Bin Osman	
Chew Huey Yen	
P Ellango A/L Ponramu	(Appointed on 12 May 2022)
Terence Cheah Eu Lee	(Appointed on 1 July 2022)
Dato' Yong Chong Long	(Appointed on 21 October 2022)
Datuk Seri Tan Choon Hwa*	(Resigned on 22 March 2023)

* *Director of the Company and its subsidiary companies*

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

Directors' Interests

The interests in shares and options over shares in the Company and in a related corporation of those who were Directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Interests in the Company				
Direct interests				
Dato' Ir Lim Siang Chai	2,000,000	-	(2,000,000)	-
Datuk Seri Tan Choon Hwa	160,000	2,494,400	-	2,654,400
Azmi Bin Osman	-	14,958,000	(9,833,000)	5,125,000
Dato' Saiful Nizam Bin Mohd Yusoff	-	22,940,000	(1,940,000)	21,000,000
Dato' Yong Chong Long	-	24,000,000	-	24,000,000

	Number of options over ordinary shares			
	At 1.1.2022	Granted	Exercise	At 31.12.2022
Interests in the Company				
Direct interests				
Datuk Seri Tan Choon Hwa	2,494,400	4,700,600	(2,494,400)	4,700,600
Edwin Silvester Das	11,225,200	9,401,200	(11,225,200)	9,401,200
Azmi Bin Osman	11,225,000	-	(11,225,000)	-

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

Directors' Benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration 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 he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report (Cont'd)

Directors' Benefits (Cont'd)

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

	Group RM	Company RM
Executive Directors		
- Salaries and other emoluments	942,274	10,000
- Defined contribution plans	107,484	-
- Social security contributions	10,707	-
	1,060,465	10,000
Non-Executive Directors		
- Fees	543,129	543,129
- Other emoluments	33,700	33,700
	576,829	576,829
Total	1,637,294	586,829

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM5,000,000 and RM15,380 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

 (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and

 (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

 (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

Other Statutory Information (Cont'd)

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

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

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

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

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

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

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

(d) In the opinion of the Directors:

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

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

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

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Directors' Report (Cont'd)

Auditors' Remuneration

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	172,554	46,000
- Non-statutory audit	5,000	5,000
	177,554	51,000

Auditors

The auditors, UHY have indicated their willingness to continue in office.

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

EDWIN SILVESTER DAS

DATO' IR LIM SIANG CHAI

KUALA LUMPUR

28 April 2023

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of Jiankun International Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of the financial performance and of the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

EDWIN SILVESTER DAS

DATO' IR LIM SIANG CHAI

KUALA LUMPUR

28 April 2023

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Wong Kok Fong (MIA Membership No: 28396), the Officer primarily responsible for the financial management of Jiankun International Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

WONG KOK FONG

Subscribed and solemnly declared by the abovenamed Wong Kok Fong at Kuala Lumpur in Federal Territory, this 28 April 2023.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JIANKUN INTERNATIONAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jiankun International Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 171.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, was 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.

Key Audit Matters	How we addressed the key audit matters
1. Investment properties The investment properties of the Group amounted to RM24.2 million are situated in HuiZhou, China. and audited by a component auditor. Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. The fair value of the investment properties was determined by the Directors based on valuations advised by the independent valuers by reference to market evidence of transaction prices of similar properties or comparable available market data.	- We have issued Group Audit Instruction ("GAI") and further communicated and discussed with the component auditors' on audit approach, audit findings and results relating to the investment properties. - We have discussed with component auditors and reviewed audit working papers prepared by component auditors - We have obtained the GAI deliverables from component auditors and evaluated whether sufficient appropriate audit evidence has been obtained to base the group audit opinion.

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
2. <u>Revenue and cost recognition for property development activities</u> The Group are involved in property development activities which span more than one accounting period. The revenue from property development activities is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The Group uses the percentage of completion method in accounting for the progress towards complete satisfaction of the performance obligations. We identified revenue and property development costs as key audit matters as significant management judgement and estimates are involved in estimating in total property development costs.	- We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition of property development activities. - We checked the reasonableness of the property development costs of projects, by agreeing to supporting documentation such as approved budgets, letter of awards, contracts and correspondences. - We verified, the property development costs incurred to date to supporting documents such as sub-contractors' progress claims, invoices from vendors and recalculating the percentage of completion at the reporting date. - We evaluated the project progress to supporting evidences to verify architect certificates and interview with project team.

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

Key Audit Matters (Cont'd)

<table>
<tr><th>Key Audit Matters</th><th>How we addressed the key audit matters</th></tr>
<tr><td>2. <u>Revenue and cost recognition for property development activities (Cont'd)</u>

Key management judgements and estimate include:

• estimating the budgeted costs to complete each project;
• the percentage of completion at the end of the reporting period.

Changes in theses judgements could lead to a material change in the value of revenue recognised.</td><td>- We checked the revenue recognised for property development, by agreeing to supporting documents such as contracts, letter of awards and contracted selling price of the property development units. We checked the mathematical accuracy of the revenue and profit based on the percentage of completion calculations.</td></tr>
</table>

Information Other Than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

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

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

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

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

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

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

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

Independent Auditors' Report
To The Members Of Jiankun International Berhad (Cont'd)

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matter

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

UHY
Firm Number: AF 1411
Chartered Accountants

TEOH WEI YEIN
Approved Number: 03655/04/2024 J
Chartered Accountant

KUALA LUMPUR

28 April 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	764,696	622,333	2,512	3,997
Goodwill	5	-	-	-	-
Investment properties	6	24,185,794	27,653,614	-	-
Right-of-use assets	7	4,101,057	-	-	-
Investment in subsidiary companies	8	-	-	16,763,004	17,443,627
Other receivables	9	-	-	-	-
		29,051,547	28,275,947	16,765,516	17,447,624
Current assets					
Inventories	10	32,802,119	28,177,253	-	-
Contract assets	11	4,204,043	45,415,233	-	-
Trade receivables	12	8,635,057	7,298,985	-	-
Other receivables	9	32,198,937	6,593,491	29,802	176,851
Amount due from subsidiary companies	13	-	-	34,308,237	35,133,189
Tax recoverable		1,470,607	384,663	-	-
Deposits, bank and cash balances	14	17,801,761	6,277,102	915,985	1,603,024
		97,112,524	94,146,727	35,254,024	36,913,064
Total assets		126,164,071	122,422,674	52,019,540	54,360,688
EQUITY					
Share capital	15	70,734,025	41,640,651	70,734,025	41,640,651
Reserves	16	22,945,978	39,097,042	(21,024,350)	9,138,393
Non-controlling interests		288,072	-	-	-
Total equity		93,968,075	80,737,693	49,709,675	50,779,044

Statements Of Financial Position As At 31 December 2022 (Cont'd)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Deferred tax liabilites	17	6,474,511	8,622,842	-	-
Bank borrowings	18	3,192,674	-	-	-
		9,667,185	8,622,842	-	-
Current liabilities					
Trade payables	19	4,283,921	1,792,203	-	-
Other payables	20	17,759,958	30,071,126	243,755	348,534
Bank borrowings	18	201,455	-	-	-
Lease liabilities	21	86,192	-	-	-
Amount due to Directors	22	197,285	-	-	-
Amount due to subsidiary companies	13	-	-	2,066,110	3,233,110
Provision for taxation		-	1,198,810	-	-
		22,528,811	33,062,139	2,309,865	3,581,644
Total liabilities		32,195,996	41,684,981	2,309,865	3,581,644
Total equity and liabilities		126,164,071	122,422,674	52,019,540	54,360,688

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	23	8,150,969	59,939,948	-	-
Cost of sales		(8,621,865)	(39,534,322)	-	-
Gross (loss)/profit		(470,896)	20,405,626	-	-
Other income		334,669	619,918	5,836	1,304
Administrative expenses		(19,153,642)	(12,122,380)	(5,025,697)	(3,407,936)
Distribution costs		(127,082)	(114,014)	-	-
Net gain/(loss) on impairment of financial instruments		5,283	(4,244,728)	(25,085,918)	-
(Loss)/Profit from operations		(19,411,668)	4,544,422	(30,105,779)	(3,406,632)
Finance costs	24	(56,609)	(7,239)	-	-
(Loss)/Profit before tax	25	(19,468,277)	4,537,183	(30,105,779)	(3,406,632)
Taxation	26	2,196,018	(2,386,282)	-	-
(Loss)/Profit for the financial year		(17,272,259)	2,150,901	(30,105,779)	(3,406,632)

Statements Of Profit Or Loss And Other Comprehensive Income For The Financial Year Ended 31 December 2022 (Cont'd)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		1,176,515	676,309	-	-
Total comprehensive (loss)/income for the financial year		(16,095,744)	2,827,210	(30,105,779)	(3,406,632)
(Loss)/Profit for the financial year attributable:					
Owners of the parent		(17,270,615)	2,150,901	(30,105,779)	(3,406,632)
Non-controlling interests		(1,644)	-	-	-
		(17,272,259)	2,150,901	(30,105,779)	(3,406,632)
Total comprehensive (loss)/income attributable:					
Owners of the parent		(16,094,100)	2,827,210	(30,105,779)	(3,406,632)
Non-controlling interests		(1,644)	-	-	-
		(16,095,744)	2,827,210	(30,105,779)	(3,406,632)
(Loss)/Earning per share (sen)					
Basic	27(a)	(6.90)	1.26	-	-
Diluted	27(b)	(6.84)	1.22	-	-

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to the owners of the parent						
	Non-Distributable						
	Share Capital RM	Foreign Currency Translation Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group							
At 1 January 2022	41,640,651	4,546,877	2,114,058	32,436,107	80,737,693	-	80,737,693
Loss for the financial year	-	-	-	(17,270,615)	(17,270,615)	(1,644)	(17,272,259)
Foreign exchange translation reserve	-	1,176,515	-	-	1,176,515	-	1,176,515
Total comprehensive loss for the financial year	-	1,176,515	-	(17,270,615)	(16,094,100)	(1,644)	(16,095,744)
Balance carried forward	-	1,176,515	-	(17,270,615)	(16,094,100)	(1,644)	(16,095,744)

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2022 (Cont'd)

		Attributable to the owners of the parent						
		Non-Distributable						
	Note	Share Capital RM	Foreign Currency Translation Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Balance brought forward		-	1,176,515	-	(17,270,615)	(16,094,100)	(1,644)	(16,095,744)
Transaction with owners:								
Issuance of ordianry shares:								
- private placement	15	18,560,500	-	-	-	18,560,500	-	18,560,500
- exercise of SIS options	15	10,532,874	-	(2,114,058)	-	8,418,816	-	8,418,816
Grant of SIS options	16	-	-	2,057,094	-	2,057,094	-	2,057,094
Non-controlling interests arising from acquisition of subsidiary company	8	-	-	-	-	-	289,716	289,716
Total transactions with owners		29,093,374	-	(56,964)	-	29,036,410	289,716	29,326,126
At 31 December 2022		70,734,025	5,723,392	2,057,094	15,165,492	93,680,003	288,072	93,968,075

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2022 (Cont'd)

	Attributable to the owners of the parent					
	Non-Distributable					
	Share Capital RM	Foreign Currency Translation Reserve RM	Warrants Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Group						
At 1 January 2021	45,291,145	3,870,568	13,376,860	-	(2,657,653)	59,880,920
Profit for the financial year	-	-	-	-	2,150,901	2,150,901
Foreign exchange translation reserve	-	676,309	-	-	-	676,309
Total comprehensive income for the financial year	-	676,309	-	-	2,150,901	2,827,210
Balance carried forward	-	676,309	-	-	2,150,901	2,827,210

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2022 (Cont'd)

		Attributable to the owners of the parent					
		Non-Distributable					
	Note	Share Capital RM	Foreign Currency Translation Reserve RM	Warrants Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Balance brought forward		-	676,309	-	-	2,150,901	2,827,210
Transaction with owners:							
Issuance of ordianry shares:							
- private placement	15	12,477,281	-	-	-	-	12,477,281
- exercise of warrants	15	5,372,225	-	(1,934,001)	-	-	3,438,224
- warrants expired	15	-	-	(11,442,859)	-	11,442,859	-
Grant of SIS options	16	-	-	-	2,114,058	-	2,114,058
Share capital reduction	15	(21,500,000)	-	-	-	21,500,000	-
Total transactions with owners		(3,650,494)	-	(13,376,860)	2,114,058	32,942,859	18,029,563
At 31 December 2021		41,640,651	4,546,877	-	2,114,058	32,436,107	80,737,693

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2022 (Cont'd)

		Attributable to the owners of the parent			
		Non-Distributable			
	Note	Share Capital RM	Share Issuance Scheme Option Reserve RM	Retained Earnings RM	Total Equity RM
Company					
At 1 January 2022		41,640,651	2,114,058	7,024,335	50,779,044
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(30,105,779)	(30,105,779)
Transactions with owners:					
Issuance of ordianry shares:					
- private placement	15	18,560,500	-	-	18,560,500
- exercise of SIS options	15	10,532,874	(2,114,058)	-	8,418,816
Grant of SIS options	16	-	2,057,094	-	2,057,094
Total transactions with owners		29,093,374	(56,964)	-	29,036,410
At 31 December 2022		70,734,025	2,057,094	(23,081,444)	49,709,675

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2022 (Cont'd)

		Attributable to the owners of the parent				
		Non-Distributable				
	Note	Share Capital RM	Warrants Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Company						
At 1 January 2021		45,291,145	13,376,860	-	(22,511,892)	36,156,113
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(3,406,632)	(3,406,632)
Transactions with owners:						
Issuance of ordianry shares:						
- private placement	15	12,477,281	-	-	-	12,477,281
- exercise of warrants	15	5,372,225	(1,934,001)	-	-	3,438,224
- warrants expired	15	-	(11,442,859)	-	11,442,859	-
Grant of SIS options	16	-	-	2,114,058	-	2,114,058
Share capital reduction	15	(21,500,000)	-	-	21,500,000	-
Total transactions with owners		(3,650,494)	(13,376,860)	2,114,058	32,942,859	18,029,563
At 31 December 2021		41,640,651	-	2,114,058	7,024,335	50,779,044

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash Flows from Operating Activities				
(Loss)/Profit before tax	(19,468,277)	4,537,183	(30,105,779)	(3,406,632)
Adjustments for:				
Depreciation of :				
- property, plant and equipment	124,964	53,503	1,035	1,679
- right-of-use assets	72,511	201,935	-	-
Fair value loss on investment properties	4,961,893	3,076,533	-	-
Finance costs	56,609	7,239	-	-
Finance income	(265,248)	(133,164)	(1,529)	(1,304)
Gain on termination of lease contract	-	(11,174)	-	-
Impairment loss on goodwill	3,271,484	2,399,998	-	-
Impairment loss on investment of subsidiary	-	-	1,380,623	-
Impairment loss on amount due from subsidiary	-	-	25,085,918	-
Impairment loss on other receivables	-	4,244,728	-	-
Property, plant and equipment written off	450	119	450	-
Reversal of impairment loss on trade receivables	(5,282)	-	-	-
Share based payments expenses	2,057,094	2,114,058	2,057,094	2,114,058
Unrealised gain on foreign exchange	(1,494,073)	(1,868,737)	-	-
Operating (loss)/profit before working capital changes	(10,687,875)	14,622,221	(1,582,188)	(1,292,199)

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31 December 2022 (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Changes in working capital:				
Inventories	(4,624,866)	(10,925,330)	-	-
Trade receivables	(1,336,072)	(1,898,223)	-	-
Other receivables	(21,931,683)	(4,897,432)	147,049	(110,930)
Trade payables	2,491,718	(3,357,801)	-	-
Other payables	(14,040,034)	12,436,346	(104,779)	284,432
Contract assets	41,211,190	(32,433,795)	-	-
	1,770,253	(41,076,235)	42,270	173,502
Cash used in operations	(8,917,622)	(26,454,014)	(1,539,918)	(1,118,697)
Interest received	265,248	133,164	1,529	1,304
Interest paid	(56,609)	(7,239)	-	-
Tax refunded	-	204,617	-	-
Tax paid	(2,569,761)	(2,594,946)	-	-
	(2,361,122)	(2,264,404)	1,529	1,304
Net cash used in operating activities	(11,278,744)	(28,718,418)	(1,538,389)	(1,117,393)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	(267,777)	(552,139)	-	-
Acquisition of subsidiary company	(4,718,474)	-	(700,000)	-
Acquisition of right of use asset	(4,092,000)	-	-	-
Advance from subsidiary companies	-	-	(24,260,966)	(13,695,624)
Net cash used in investing activities	(9,078,251)	(552,139)	(24,960,966)	(13,695,624)

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31 December 2022 (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows from Financing Activities					
Repayment to subsidiary companies		-	-	(1,167,000)	-
Increase in fixed deposit pledge		(146,787)	-	-	-
Payment of lease liabilities		(29,590)	(190,761)	-	-
Drawdown of borrowings		3,394,129	-	-	-
Advance from/(Repayment to) directors		28,589	(21,097)	-	(21,097)
Proceeds from issuance of ordinary shares:					
- private placement		18,560,500	12,477,281	18,560,500	12,477,281
- exercise of SIS options		8,418,816	-	8,418,816	-
Proceeds from exercise of warrants		-	3,438,224	-	3,438,224
Net cash from financing activities		30,225,657	15,703,647	25,812,316	15,894,408
Net increase/(decrease) in cash and cash equivalents		9,868,662	(13,566,910)	(687,039)	1,081,391
Cash and cash equivalents at the beginning of the financial year		2,447,102	15,121,802	1,603,024	521,633
Effect of exchange translation differences		1,509,210	892,210	-	-
Cash and cash equivalents at the end of the financial year		13,824,974	2,447,102	915,985	1,603,024

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31 December 2022 (Cont'd)

		Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	14	6,851,100	2,147,131	915,985	1,603,024
Housing Development Accounts	14	6,973,874	299,971	-	-
Fixed deposits with licensed banks	14	3,976,787	3,830,000	-	-
		17,801,761	6,277,102	915,985	1,603,024
Less: Fixed deposits pledged to licensed banks	14	(3,976,787)	(3,830,000)	-	-
		13,824,974	2,447,102	915,985	1,603,024

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. **Corporate Information**

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

The principal place of business of the Company is located at L21-03, Level 21, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor.

The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. With effect from 2 January 2023, the Company's registered office have been relocated to B-21-1, Level 2, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal activities of the Company consist of the provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. **Basis of Preparation**

(a) Statement of compliance

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

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(a) Statement of compliance (Cont'd)

Adoption of amended standards

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

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract

Annual Improvement to MFRSs Standards 2018 - 2020
- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to MFRS 16
- Amendments to MFRS 141

The adoption of the amendment to MFRSs did not have any significant impact on the financial statement of the Group and of the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – comparative information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investors and its Associates or Joint Venture	Deferred until further notice

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

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and the Company.

(b) Functional and presentation currency

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

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

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

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

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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

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

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

Judgements (Cont'd)

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

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

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group excludes the renewal period as part of the lease term for leases of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will not be a significant effect on operation and a replacement asset can be readily available.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment and right-of-use ('ROU') assets

The Group regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The details of property, plant and equipment and ROU assets are disclosed in Notes 4 and 7 respectively.

Notes To The Financial Statements
31 December 2022 (Cont'd)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of investment in subsidiary companies

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

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8.

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2022 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. The investment properties were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The key assumptions used to determine the fair value of the properties are provided in Note 6.

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

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

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 17.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10.

Revenue from property development contracts

Revenue is recognised when the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgements are required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

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

Key sources of estimation uncertainty (Cont'd)

Revenue from property development contracts (Cont'd)

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Notes 10 and 11 respectively.

Revenue from construction contracts

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

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

The contract assets and contract liabilities of the Group arising from construction activities are disclosed in Note 11.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

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

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

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

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

Provision for expected credit loss of financial assets at amortised cost

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

The carrying amounts at the reporting date for receivables are disclosed in Notes 9, 12 and 13 respectively.

Income taxes

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group has tax recoverable and payable of RM1,470,607 (2021: RM384,663) and RM Nil (2021: RM1,198,810) respectively.

Notes To The Financial Statements
31 December 2022 (Cont'd)

3. **Significant Accounting Policies**

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

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

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

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value less than the fair value of the net assets of the subsidiary company acquired (i.e., a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

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

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(b) Foreign currency translation (Cont'd)

(ii) Foreign operations (Cont'd)

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

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) to the financial statements on impairment of non-financial assets.

(i) Recognition and measurement

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

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

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

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computer and software	20%
Motor vehicles	20%
Office equipment and fixtures	10%-20%
Renovation	25%

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(d) Leases

(i) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) to the financial statements on impairment of non-financial assets.

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

Buildings	Over the remaining lease period
Motor vehicles	20%

The ROU assets are subject to impairment.

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

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

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

(d) Leases (Cont'd)

(i) As lessee (Cont'd)

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

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of MFRS 9 *Financial Instrument*, recognising an allowance for expected credit losses ("ECLs") on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e., after a deduction of the loss allowance).

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(d) Leases (Cont'd)

(ii) As lessor (Cont'd)

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

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

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

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

(e) Investment properties (Cont'd)

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

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

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies and deposits, bank and cash balances.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(f) Financial assets (Cont'd)

(b) Financial assets at fair value through other comprehensive income ("FVTOCI")

Debt instruments

A debt security is measured at fair value through other comprehensive income ("FVTOCI") if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value adjustment reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(f) Financial assets (Cont'd)

(c) Financial assets at fair value through profit or loss (Cont'd)

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(h) Offsetting the financial instruments

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

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make a payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

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

(j) Inventories

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

<u>Property under development and completed property</u>

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as expenses in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

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

(k) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

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

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

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each period at the same time.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(m) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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 other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

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

(m) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables are always measured 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 loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-months expected credit losses are the portion of expected credit losses that result from default events 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.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

Loss rates are based on actual credit loss experience over the past three years. At every reporting date, the historical observed default rates are updated and changes in forwardlooking estimates are analysed.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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 the financial asset have occurred.

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

(n) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

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

(o) Provisions

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

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(p) Employee benefits

(i) Short term employee benefits

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

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(p) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit and loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises, the impact of the revision of original estimates, if any, in the profit and loss, with a corresponding adjustment to the equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings or accumulated losses.

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

(q) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

Revenue is recognised over the period of the contract using input method (or cost-to-cost method) to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e., based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e., progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

Revenue from sales of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(q) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(a) Revenue from property development (Cont'd)

The Group provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under MFRS 137 *Provision, contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(o) to the financial statements.

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e., based on the level of completion of the physical proportion of contract work todate, certified by professional consultants.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e., progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(c) Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

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

(q) Revenue recognition (Cont'd)

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

(s) Income taxes

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

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

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

(s) Income taxes (Cont'd)

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

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

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

4. **Property, Plant and Equipment**

	Computer and software RM	Moter vehicles RM	Office equipment and fixtures RM	Renovation RM	Total RM
Group					
2022					
At cost					
At 1 January	218,660	6,302	417,355	367,034	1,009,351
Additions	9,824	-	104,809	153,144	267,777
Written off	-	-	-	(450)	(450)
At 31 December	228,484	6,302	522,164	519,728	1,276,678
Accumulated depreciation					
At 1 January	210,544	5,250	97,526	73,698	387,018
Charge for the financial year	14,187	1,049	60,207	49,521	124,964
At 31 December	224,731	6,299	157,733	123,219	511,982
Carrying amount					
At 31 December	3,753	3	364,431	396,509	764,696

Notes To The Financial Statements
31 December 2022 (Cont'd)

4. Property, Plant and Equipment (Cont'd)

	Computer and software RM	Moter vehicles RM	Office equipment and fixtures RM	Renovation RM	Total RM
Group					
2021					
At cost					
At 1 January	204,294	6,302	170,721	76,796	458,113
Additions	14,366	-	247,535	290,238	552,139
Written off	-	-	(901)	-	(901)
At 31 December	218,660	6,302	417,355	367,034	1,009,351
Accumulated depreciation					
At 1 January	191,777	3,990	77,162	61,368	334,297
Charge for the financial year	18,767	1,260	21,146	12,330	53,503
Written off	-	-	(782)	-	(782)
At 31 December	210,544	5,250	97,526	73,698	387,018
Carrying amount					
At 31 December	8,116	1,052	319,829	293,336	622,333

Notes To The Financial Statements
31 December 2022 (Cont'd)

4. **Property, Plant and Equipment (Cont'd)**

	Computer and software RM	Office equipment and fixtures RM	Renovation RM	Total RM
Company				
2022				
At cost				
At 1 January	167,272	7,511	450	175,233
Written off	-	-	(450)	(450)
At 31 December	167,272	7,511	-	174,783
Accumulated depreciation				
At 1 January	166,640	4,596	-	171,236
Charge for the financial year		1,035	-	1,035
At 31 December	166,640	5,631	-	172,271
Carrying amount				
At 31 December	632	1,880	-	2,512
2021				
At cost				
At 1 January/ At 31 December	167,272	7,511	450	175,233
Accumulated depreciation				
At 1 January	165,995	3,562	-	169,557
Charge for the financial year	645	1,034	-	1,679
At 31 December	166,640	4,596	-	171,236
Carrying amount				
At 31 December	632	2,915	450	3,997

Notes To The Financial Statements
31 December 2022 (Cont'd)

5. **Goodwill**

	Group	
	2022	**2021**
	RM	**RM**
Cost		
At 1 January	2,468,193	68,195
Addition through business combination	3,271,484	2,399,998
At 31 December	5,739,677	2,468,193
Accumulated impairment losses		
At 1 January	2,468,193	68,195
Impairment loss recognised	3,271,484	2,399,998
At 31 December	5,739,677	2,468,193
Carrying amount		
At 31 December	-	-

During the financial year, goodwill amounting to RM3,271,484 arose upon the acquisition of subsidiary companies, Embon Global Venture Sdn. Bhd. ("EGVSB") and Menara Rezeki Properties Sdn. Bhd. ("MRPSB") principally engaged in property development activities

In the previous financial year, goodwill amounting to RM2,399,998 arose upon the acquisition of a subsidiary company, Limpah Restu Development Sdn. Bhd. ("LRDSB").

The impairment loss recognised in goodwill amounting to RM3,271,484 (2021: RM2,399,998) was due to the recoverable amounts were lower than carrying amount of the goodwill.

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6. Investment Properties

	Group	
	2022	2021
	RM	RM
At fair value		
At 1 January	27,653,614	28,861,410
Change in fair value recognised in profit or loss	(4,961,893)	(3,076,533)
Foreign currency translation differences	1,494,073	1,868,737
At 31 December	24,185,794	27,653,614
At fair value		
Commercial properties	24,185,794	27,653,614

The investment properties are situated in Huizhou, China under long leases.

(a) Investment properties under leases

Investment properties comprise a number of leasehold commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from 3 to 10 years (2021: 4 to 10 years). Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

(b) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuer in China amounting to RMB37,872,700 (2021: RMB42,169,200). The fair values have been derived using the market comparison approach. Sales prices of comparable commercial properties in close proximity are adjusted for differences in key attributes such as property size. During the financial year, the fair value measurement was reclassified from level 2 to level 3 due to the valuation technique uses significant unobservable inputs that require more judgement and assumptions.

	Level 2	Level 3	Total
	RM	RM	RM
2022			
Investment properties	-	24,185,794	24,185,794
2021			
Investment properties	27,653,614	-	27,653,614

Notes To The Financial Statements
31 December 2022 (Cont'd)

6. Investment Properties (Cont'd)

(b) Fair value basis of investment properties (Cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Year	Significant unobservable inputs	Value used	Sensitivity analysis
2022	Sales price	RMB25,810 per square meter	The higher the sales price, the higher the fair value

The decrease in fair values of RM4,961,893 (31.12.2021: RM3,076,533) has been recognised in the profit or loss during the financial year.

(c) Income and expenses recognised in profit or loss

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

	Group	
	2022	**2021**
	RM	**RM**
Rental income	78,592	124,464
Direct operating expenses:		
- Income generating investment properties	5,044	7,930
- Non-income generating investment properties	26,366	21,606

7. Right-of-use Assets

	Buildings RM	**Motor vehicles RM**	**Total RM**
Group			
2022			
At cost			
At 1 January	95,849	-	95,849
Addition through business combination	-	277,300	277,300
Addition	4,092,000	-	4,092,000
Expiration of lease contract	(95,849)	-	(95,849)
At 31 December	4,092,000	277,300	4,369,300

7. **Right-of-use Assets (Cont'd)**

	Buildings RM	Motor vehicles RM	Total RM
Group			
2022			
Accumulated depreciation			
At 1 January	95,849	-	95,849
Addition through business combination	-	195,732	195,732
Charge for the financial year	17,050	55,461	72,511
Expiration of lease contract	(95,849)	-	(95,849)
At 31 December	17,050	251,193	268,243
Carrying amount			
At 31 December	4,074,950	26,107	4,101,057

	Buildings RM
Group	
2021	
At cost	
At 1 January	393,064
Addition	421,574
Expiration of lease contract	(196,532)
Termination of lease contract	(522,257)
At 31 December	95,849
Accumulated impairment losses	
At 1 January	393,064
Charge for the financial year	201,935
Expiration of lease contract	(196,532)
Termination of lease contract	(302,618)
At 31 December	95,849
Carrying amount	
At 31 December	-

As at 31 December 2022, leasehold buildings with carrying amount of RM4,074,950 (2021: RM Nil) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18.

Notes To The Financial Statements
31 December 2022 (Cont'd)

8. Investment in Subsidiary Companies

	Company 2022 RM	Company 2021 RM
In Malaysia		
At cost		
Unquoted shares	10,750,004	10,750,004
Add: Additional investment in subsidiary company	700,000	-
Less: Accumulated impairment losses	(3,250,000)	(1,869,377)
	8,200,004	8,880,627
Outside Malaysia		
At cost		
Unquoted shares	8,563,000	8,563,000
	16,763,004	17,443,627

Movements in the allowance for impairment loses of investment in subsidiary companies are as follows:

	Company 2022 RM	Company 2021 RM
At 1 January	1,869,377	1,869,377
Impairment loss recognised	1,380,623	-
At 31 December	3,250,000	1,869,377

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Equity interest 2022 %	Equity interest 2021 %	Principal activities
Nagamas Venture Sdn. Bhd.	Malaysia	100	100	Project management and consultation

Notes To The Financial Statements
31 December 2022 (Cont'd)

8. **Investment in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Equity interest 2022 %	Equity interest 2021 %	Principal activities
Nagamas Bizworks Sdn. Bhd.	Malaysia	100	100	Property development and construction
JKI Construction Sdn. Bhd.	Malaysia	100	100	General contractor of and for all buildings
JKI Development Sdn. Bhd.	Malaysia	100	100	Property development and construction
JKI Resources Sdn. Bhd.	Malaysia	100	100	General trading, real property holding and investment holding
Key Success Development Sdn. Bhd.	Malaysia	100	100	Property development and investment
Nagamas International (HK) Ltd*	Hong Kong	100	100	Property development and investment
Menara Rezeki Properties Sdn. Bhd.*	Malaysia	70	-	Dormant
Held by Nagamas Ventures Sdn. Bhd.:				
Limpah Restu Development Sdn. Bhd.	Malaysia	100	100	Real property and housing developer
Held by Nagamas Bizworks Sdn. Bhd.:				
Embon Global Venture Sdn. Bhd.	Malaysia	100	-	Dormant

** Subsidiary companies not audited by UHY Malaysia*

Notes To The Financial Statements
31 December 2022 (Cont'd)

8. **Investment in Subsidiary Companies (Cont'd)**

(a) Acquisition of a subsidiary company

2022

(i) On 10 March 2022, the Company announce that its wholly-owned subsidiary, Nagamas Bizworks Sdn. Bhd. ("NBSB" or "the Purchaser"), had on 10 March 2022 entered into a conditional share sale and purchase agreement ("SSPA") with Mr Abu Hurairah Bin Abdul Aziz and Mr Muhammad Shafiq Bin Jamuri ("the Vendors") for the acquisition of 1,000,000 ordinary shares in Embon Global Venture Sdn. Bhd. ("EGVSB") ("Sale Shares"), representing 100% equity interest in EGVSB. The cash consideration of RM4,091,551 was agreed subsequently during the financial year.

(ii) On 29 August 2022, the Company entered into a conditional share sale and purchase agreement ("SSPA") with Menara Rezeki Sdn. Bhd. ("the Vendor") for the acquisition of 700,000 ordinary shares in Menara Rezeki Properties Sdn. Bhd. ("MRPSB") ("Sale Shares"), representing 70% equity interest in MRPSB for a total cash purchase consideration of RM700,000 ("Proposed Acquisition").

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, the acquired subsidiary companies have contributed loss of RM69,568 to the Group for the financial year. If the business combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been increased by RM72,822.

The following summaries the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

Fair value of identifiable assets acquired and liabilities assumed	RM
Right-of-use assets	81,568
Other receivables	1,066,665
Amount due from related company	2,601,816
Cash and bank balances	73,077
Other payables	(1,728,865)
Lease liabilities	(115,782)
Amount due to directors	(168,696)
Total identifiable assets and liabilities	1,809,783
Non-controlling interest	(289,716)
Equity attributable to owners of the parent	3,329,850

8. **Investment in Subsidiary Companies (Cont'd)**

(a) Acquisition of a subsidiary company (Cont'd)

2022 (Cont'd)

Net cash outflows arising from the acquisition of subsidiary company

	RM
Purchase consideration satisfied by cash	4,791,551
Less: Cash and bank balances acquired	(73,077)
Net cash outflows from the acquisition of a subsidiary	4,718,474

Goodwill arising from business combination

	Note	RM
Fair value of consideration transferred		4,791,551
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree		289,716
Fair value of identifiable assets acquired and liabilities assumed		(1,809,783)
Goodwill on consolidation	5	3,271,484

The goodwill recognised arising from the acquisition is attributable mainly to the synergies expected to be achieved from integrating the subsidiary into the Group's property development business.

2021

On 3 March 2021, the Company announce that its wholly-owned subsidiary, Nagamas Venture Sdn. Bhd. ("NVSB" or "the Purchaser"), had on 3 March 2021 entered into a conditional share sale and purchase agreement ("SSPA") with Mr Sit Yew Hing and Mr Loh Siew Jiann ("the Vendors") for the acquisition of 2 ordinary shares in Limpah Restu Development Sdn Bhd ("LRDSB") ("Sale Shares"), representing 100% equity interest in LRDSB for a total cash purchase consideration of RM10,000,000 ("Proposed Acquisition").

(b) The Group's subsidiary companies which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

Notes To The Financial Statements
31 December 2022 (Cont'd)

9. Other Receivables

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Non-current					
Other receivables	(a)	4,244,728	4,244,728	-	-
Less: Accumulated impairment losses		(4,244,728)	(4,244,728)	-	-
		-	-	-	-
Current					
Other receivables		6,256,602	1,037,311	1,742	4,391
Deposits	(b)	15,870,772	5,370,159	2,150	146,550
Prepayments		10,071,563	186,021	25,910	25,910
		32,198,937	6,593,491	29,802	176,851

(a) This represents deposit paid by a wholly-owned subsidiary company, Nagamas Venture Sdn. Bhd. to Silverland Capital Sdn. Bhd. Management foreseen that the amount is not recoverable and has provided full impairment in the previous financial year.

(b) Included in deposits are amount of RM1,568,160 (2021: RM1,568,160) is refundable and paid to State Government of Melaka to secure the reclamation and development project and RM12,500,000 (2021: Nil) represents deposits paid for land in Melaka.

Movements in the accumulated impairment losses in other receivables are as follows:

	Group	
	2022	2021
	RM	RM
Non-Current		
At 1 Janaury	4,244,728	-
Impairment loss recognised	-	4,244,728
At 31 December	4,244,728	4,244,728

10. Inventories

		Group	
		2022	2021
	Note	RM	RM
Property development costs	(a)	32,802,119	28,177,253

Notes To The Financial Statements 31 December 2022 (Cont'd)

10. **Inventories (Cont'd)**

(a) Property development costs

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group				
2022				
Cumulative property development costs				
At 1 January	37,481,624	23,000,000	111,825,435	172,307,059
Costs incurred during the financial year	1,210,704	-	7,430,653	8,641,357
Reversal of completed projects	(38,692,328)	-	(109,453,969)	(148,146,297)
At 31 December	-	23,000,000	9,802,119	32,802,119
Less: Cumulative costs recognised in profit or loss				
At 1 January	(34,764,206)	-	(109,365,600)	(144,129,806)
Costs incurred during the financial year	(3,928,122)	-	(88,369)	(4,016,491)
Reversal of completed projects	38,692,328	-	109,453,969	148,146,297
At 31 December	-	-	-	-
Carrying amount				
At 31 December	-	23,000,000	9,802,119	32,802,119

10. **Inventories (Cont'd)**

(a) Property development costs (Cont'd)

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group				
2021				
Cumulative property development costs				
At 1 January	37,481,624	-	84,526,910	122,008,534
Costs incurred during the financial year	-	23,000,000	27,298,525	50,298,525
At 31 December	37,481,624	23,000,000	111,825,435	172,307,059
Less: Cumulative costs recognised in profit or loss				
At 1 January	(24,209,380)	-	(80,547,231)	(104,756,611)
Costs incurred during the financial year	(10,554,826)	-	(28,818,369)	(39,373,195)
At 31 December	(34,764,206)	-	(109,365,600)	(144,129,806)
Carrying amount				
At 31 December	2,717,418	23,000,000	2,459,835	28,177,253

10. **Inventories (Cont'd)**

(a) Property development costs (Cont'd)

During the financial year, the following costs are capitalised to property development costs:

	Group	
	2022	**2021**
	RM	**RM**
Sales commission	-	908,853
Staff costs (Note 28)	-	428,300

The Group capitalised sales commission in relation to the property development contracts entered into as incremental costs of obtaining contracts with customers in property development costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue is recognised. In the current financial year, RM225,684 (2021: RM1,949,559) was amortised and no impairment was recorded.

(b) Right-of-use assets

Included in the net carrying amount of leasehold land of the Group are right-of-use assets amounted to RM23,000,000 (2021: RM23,000,000).

(c) Leasehold land

The remaining lease term of leasehold land is ranging from 87 to 98 years (2021: 88 years to 99 years).

11. **Contract Assets**

	Group	
	2022	**2021**
	RM	**RM**
Current		
Contract assets		
Property development activities (a)	4,164,006	45,415,233
Construction activities (b)	40,037	-
	4,204,043	45,415,233

Notes To The Financial Statements
31 December 2022 (Cont'd)

11. **Contract Assets (Cont'd)**

(a) Property development activities

	Group	
	2022	**2021**
	RM	**RM**
At 1 January	45,415,233	12,981,438
Property development revenue recognised during the financial year	13,150,880	54,344,682
Less: Billings during the financial year	(54,402,107)	(21,910,887)
At 31 December	4,164,006	45,415,233
Presented as:		
Contract assets	4,164,006	45,415,233

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

(b) Construction activities

	Group	
	2022	**2021**
	RM	**RM**
Contract cost incurred to-date	521,407	-
Attributable profits	31,839	-
	553,246	-
Less: Progress billings	(513,209)	-
	40,037	-
Presented as:		
Contract assets	40,037	-

(c) Contract value yet to be recognised as revenue

As of the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) is RM28,124,693 (2021: RM13,499,350). The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 1-12 months.

12. Trade Receivables

	Group 2022 RM	Group 2021 RM
Trade receivables	364,936	7,304,267
Retension sum	8,270,121	-
	8,635,057	7,304,267
Less: Accumulated impairment losses	-	(5,282)
	8,635,057	7,298,985

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group 2022 RM	Group 2021 RM
At 1 January	5,282	5,282
Reversal of impairment losses	(5,282)	-
At 31 December	-	5,282

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Notes To The Financial Statements
31 December 2022 (Cont'd)

12. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period are as follow:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2022			
Not past due	8,403,368	-	8,403,368
Past due :			
61 to 90 days	68,713	-	68,713
More than 90 days	162,976	-	162,976
	231,689	-	231,689
	8,635,057	-	8,635,057
2021			
Not past due	7,283,091	-	7,283,091
Past due :			
More than 90 days	21,176	(5,282)	15,894
	7,304,267	(5,282)	7,298,985

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

As at 31 December 2022, trade receivables of RM231,689 (2021: RM15,894) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

13. **Amount Due from/(to) Subsidiary Companies**

	Company	
	2022	**2021**
	RM	**RM**
Amount due from subsidiary companies		
Non-trade related		
Non-interest bearing	59,470,885	35,209,919
Less: Accumulated impairment losses	(25,162,648)	(76,730)
	34,308,237	35,133,189
Amount due to subsidiary companies		
Non-trade related		
Non-interest bearing	(2,066,110)	(3,233,110)

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2022	**2021**
	RM	**RM**
At 1 January	76,730	76,730
Impairment losses recognised	25,085,918	-
At 31 December	25,162,648	76,730

Amount due from/(to) subsidiary companies are unsecured, non-interest bearing and repayable on demand.

Notes To The Financial Statements
31 December 2022 (Cont'd)

14. Deposits, Bank and Cash Balances

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	6,851,100	2,147,131	915,985	1,603,024
Housing Development Accounts	6,973,874	299,971	-	-
Deposits with license banks	3,976,787	3,830,000	-	-
Total cash and bank balances	17,801,761	6,277,102	915,985	1,603,024
Less: Deposits pledged with license banks	(3,976,787)	(3,830,000)	-	-
Total cash and cash equivalent	13,824,974	2,447,102	915,985	1,603,024

Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Fixed deposits pledged with licensed banks of the Company amounting to RM3,976,787 (2021: RM3,830,000) are pledged as performance bond guarantee favouring Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan, Jabatan Perumahan (KPKT) for the development of Amani Residence located in Bandar Puteri Puchong.

The interest rates and maturity period of deposits with licensed banks of the Group as at the end of the reporting period is 2.85% (2021: 2.9%) per annum and 1 month (2021: 1 month) respectively.

15. Share Capital

	Group and Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Unit	Unit	RM	RM
Issued and fully paid:				
At 1 January	213,706,069	168,116,219	41,640,651	45,291,145
Issuance of shares pursuant to:				
- private placement	98,000,000	34,845,400	18,560,500	12,477,281
- exercise of SIS options	31,180,800		10,532,874	
- exercise of warrant	-	10,744,450	-	3,438,224
Warrants reserve	-	-		1,934,001
Share capital reduction	-	-	-	(21,500,000)
At 31 December	342,886,869	213,706,069	70,734,025	41,640,651

During the financial year, the Company issued:

(a) 98,000,000 new ordinary shares at issue price ranging from RM0.185 to RM0.192 per ordinary share for a total cash consideration of RM18,560,500 through private placement; and

(b) 31,180,800 new ordinary shares through the exercise of the Share Issuance Scheme ("SIS") Options at an issue price of RM0.27 for a total cash consideration of RM8,418,816.

In the previous financial year, the Company issued:

(a) 34,845,400 new ordinary shares at issue price of ranging RM0.27 to RM0.4150 per ordinary share for a total cash consideration of RM12,687,367 through private placement; and

(b) 10,744,450 new ordinary shares pursuant to the conversion of Warrants 2014/2021 at the exercise price of RM0.32 per ordinary shares.

In the previous financial year, the Company completed a reduction of share capital via the cancellation of issued share capital of RM21,500,000 and the credit arising from such share reduction to be utilised to eliminate the accumulated.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Notes To The Financial Statements
31 December 2022 (Cont'd)

16. Reserves

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Warrants reserve	(a)	-	-	-	-
Foreign currency translation reserve	(b)	5,723,392	4,546,877	-	-
Share Issuance Scheme Option reserve	(c)	2,057,094	2,114,058	2,057,094	2,114,058
Retained earnings		15,165,492	32,436,107	(23,081,444)	7,024,335
		22,945,978	39,097,042	(21,024,350)	9,138,393

(a) Warrants reserve

On 24 December 2014, 75,586,889 units of Warrants 2014/2021 were issued for free by the Company to the subscribers of the rights issue of the Company's ordinary shares. The Warrants are constituted by a deed poll dated 2 December 2014. The Warrants were listed on Bursa Malaysia on 31 December 2014.

Salient features of the Warrants are as follows:

(i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one (1) new ordinary share of RM0.25 in the Company at the exercise price of RM0.32 per ordinary share.

(ii) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital by the Company in accordance with the conditions provided in the deed poll.

(iii) The Warrants shall be exercisable at any time within the period commencing on and including the date of issue on 24 December 2014 of the Warrants and ending on the date preceding the seventh anniversary of the date of issue of the Warrants.

(iv) Upon exercise of the Warrants into new ordinary shares, such shall rank pari passu in all respects with the existing shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants are exercised or any interim dividend declared prior to the date of exercise of the Warrants.

(v) At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

16. **Reserves (Cont'd)**

(a) Warrants reserve (Cont'd)

The warrants expired on 23 December 2021. Pursuant to that, warrants reserve in relation to the unexercised warrants has been transferred to retained earnings.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share Issuance Scheme Option reserve

Share Issuance Scheme Option reserve represents an equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Share Issuance Scheme Option is disclosed in Note 31.

17. **Deferred Tax Liabilities**

	Group	
	2022	**2021**
	RM	**RM**
At 1 January	8,622,842	7,053,764
Recognised in profit or loss (Note 26)	(2,481,026)	(1,046,823)
Addition through business combination	-	2,400,000
Exchange differences	332,695	215,901
At 31 December	6,474,511	8,622,842

Notes To The Financial Statements
31 December 2022 (Cont'd)

17. Deferred Tax Liabilities (Cont'd)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax liabilites	6,507,400	8,623,615	158	113
Deferred tax assets	(32,889)	(773)	(158)	(113)
	6,474,511	8,622,842	-	-

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows:

	Revaluation of investment property RM	Accelerated capital allowances RM	Others RM	Total RM
Group				
Deferred tax liabilities				
2022				
At 1 January	6,222,842	773	2,400,000	8,623,615
Recognised in profit or loss	(2,481,026)	32,077	-	(2,448,949)
Effect on changes in exchange rate	332,695	-	-	332,695
Under provision in prior year	-	39	-	39
At 31 December	4,074,511	32,889	2,400,000	6,507,400
2021				
At 1 January	7,053,764	1,059	-	7,054,823
Recognised in profit or loss	(1,046,823)	(286)	-	(1,047,109)
Acquisition through business combination	-	-	2,400,000	2,400,000
Effect on changes in exchange rate	215,901	-	-	215,901
At 31 December	6,222,842	773	2,400,000	8,623,615

Notes To The Financial Statements 31 December 2022 (Cont'd)

17. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows: (Cont'd)

	Unutlised tax losses RM	Unabsorbed capital allowances RM	Total RM
Group			
Deferred tax assets			
2022			
At 1 January	-	(773)	(773)
Recognised in profit or loss	(32,071)	(6)	(32,077)
Under provision in prior year	(660)	621	(39)
At 31 December	(32,731)	(158)	(32,889)
2021			
At 1 January		(1,059)	(1,059)
Recognised in profit or loss		286	286
At 31 December		(773)	(773)

	Accelerated capital allowances 2022 RM	2021 RM
Company		
Deferred tax liabilities		
At 1 January	113	61
Recognised in profit or loss	6	52
Under provision in prior year	39	-
At 31 December	158	113

	Unabsorbed capital allowances 2022 RM	2021 RM
Company		
Deferred tax assets		
At 1 January	(113)	(61)
Recognised in profit or loss	(6)	(52)
Under provision in prior year	(39)	-
At 31 December	(158)	(113)

Notes To The Financial Statements
31 December 2022 (Cont'd)

17. Deferred Tax Liabilities (Cont'd)

The amounts of temporary differences for which no deferred tax assets have been recognised are as: follow:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unabsorbed capital allowances	210,517	125,366	125,957	124,746
Unutilised tax losses	11,776,879	4,602,377	3,517,947	3,517,947
	11,987,396	4,727,743	3,643,904	3,642,693

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

18. Bank Borrowings

	Group	
	2022	2021
	RM	RM
Secured		
Term loans	3,394,129	-
Non-current		
Term loans	3,192,674	-
Current		
Term loans	201,455	-

(a) The term loans are secured by the following:

(i) fixed charges over the ROU assets as disclosed in Note 7; and

(ii) corporate guaranteed by the Company.

(b) The interest rates per annum is 5.42% (2021: Nil)

19. Trade Payables

	Group 2022 RM	Group 2021 RM
Third parties	4,283,921	1,792,203

Credit terms of trade payables of the Group ranged from 30 to 90 days (2021: 30 to 90 days) depending on the terms of the contracts.

20. Other Payables

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other payables	16,782,608	29,250,569	185,725	296,234
Accruals	977,350	820,557	58,030	52,300
	17,759,958	30,071,126	243,755	348,534

Included in other payables are RM12,377,252 (2021: RM12,030,639) being the balance of land owner entitlement payable to Fivestar Development (Puchong) Sdn. Bhd.. The amount is subject to payment upon completion and receive of Certificate Completion and Compliance for project Amani Residence.

21. Lease Liabilities

	Group 2022 RM	Group 2021 RM
At 1 January	-	-
Acquisition through business combination	115,782	-
Additions	-	421,574
Payments	(30,529)	(198,000)
Interest expense recognised in profit or loss	939	7,239
Termination of lease contract	-	(230,813)
At 31 December	86,192	-
Presented as:		
Current	86,192	-

Notes To The Financial Statements
31 December 2022 (Cont'd)

21. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period.

	Group 2022 RM	Group 2021 RM
Within one year	86,296	-
Less: Future finance charges	(104)	-
Present value of lease liabilities	86,192	-

The Group leases motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

22. Amount Due to Directors

This represents unsecured advances, non-interest bearing and is repayable on demand.

23. Revenue

	Group 2022 RM	Group 2021 RM
Revenue from contracts with customers, recognised over time:		
- Property development and construction	8,072,377	59,815,477
	8,072,377	59,815,477
Revenue from other sources, recognised point at time:		
- Rental income from investment properties	78,592	124,471
	8,150,969	59,939,948

23. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers:

	Property development and construction RM
Group	
2022	
Major goods and services	
Property development, representing total revenue from contracts with customers	8,072,377
Geographical market	
Malaysia, representing total revenue from contracts with customers	8,072,377
Timing of revenue recognition	
Over time, representing total revenue from contracts with customers	8,072,377
2021	
Major goods and services	
Property development, representing total revenue from contracts with customers	59,815,477
Geographical market	
Malaysia, representing total revenue from contracts with customers	59,815,477
Timing of revenue recognition	
Over time, representing total revenue from contracts with customers	59,815,477

Notes To The Financial Statements
31 December 2022 (Cont'd)

24. Finance Costs

	Group 2022 RM	Group 2021 RM
Interest expenses on:		
-Lease liabilities	939	7,239
-Term loans	55,670	-
	56,609	7,239

25. (Loss)/Profit Before Tax

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Auditors' remuneration:				
Statutory audit				
- Current year provision	172,554	152,079	46,000	41,000
- Non-audit services	5,000	5,000	5,000	5,000
Depreciation of:				
- property, plant and equipment	124,964	53,503	1,035	1,679
- right-of-use assets	72,511	201,935	-	-
Fair value loss on investment properties	4,961,893	3,076,533	-	-
Foreign exchange gain				
- Unrealised	(1,494,073)	(1,868,737)	-	-
Gain on termination of lease contract	-	(11,174)	-	-
Government subsidy	-	(69,176)	-	-
Interest income	(265,248)	(133,164)	(1,529)	(1,304)
Impairment loss on goodwill	3,271,484	2,399,998	-	-
Impairment loss on other receivables	-	4,244,728	-	-
Impairment loss on investment of subsidiary companies	-	-	1,380,623	-

25. **(Loss)/Profit Before Tax (Cont'd)**

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Impairment loss on amount due from subsidiary companies	-	-	25,085,918	-
Lease expenses relating to				
- Short-term leases	939	26,500	-	-
- Low-value assets	-	49,680	-	-
Non-executive Directors' remuneration				
- Fees	543,129	260,500	543,129	260,500
- Other emoluments	33,700	4,000	33,700	4,000
Property, plant and equipment written off	450	119	450	-
Reversal of impairment loss on trade receivables	(5,282)	-	-	-
Share based payments expenses	2,057,094	2,114,058	2,057,094	2,114,058

26. **Taxation**

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Tax expenses recognised in profit or loss				
Current tax provision				
- Malaysia income tax	-	3,628,096	-	-
Under/(Over) provision in prior years	285,008	(194,991)	-	-
	285,008	3,433,105	-	-
Deferred tax (Note 17)				
Origination and reversal of temporary differences	(2,481,026)	(1,046,823)	-	-
Tax (credit)/expense for the financial year	(2,196,018)	2,386,282	-	-

Notes To The Financial Statements
31 December 2022 (Cont'd)

26. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
(Loss)/Profit before tax	(19,468,277)	4,537,183	(30,105,779)	(3,406,632)
At Malaysian statutory tax rate of 24% (2021: 24%)	(4,672,386)	1,088,924	(7,225,387)	(817,592)
Effects of different tax rates in other jurisdictions	373,187	154,491	-	-
	(4,299,199)	1,243,415	(7,225,387)	(817,592)
Expenses not deductible for tax purposes	2,579,448	2,418,916	7,226,130	660,706
Effect of group relief	-	(156,806)	-	-
Income not subject to tax	(22,566)	(53,968)	(1,034)	-
Deferred tax movement arising from investment property	(2,481,026)	(1,046,823)	-	-
Deferred tax assets not recognised during the financial year	1,742,317	176,539	291	156,886
Under/(Over) provision of tax in prior years	285,008	(194,991)	-	-
Tax (credit)/expense for the financial year	(2,196,018)	2,386,282	-	-

26. Taxation (Cont'd)

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unabsorbed capital allowances	211,177	126,000	126,617	125,380
Unutilised tax losses	11,913,260	4,605,129	3,517,947	3,517,947
	12,124,437	4,731,129	3,644,564	3,643,327

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unutilised tax losses can be carried forward for a maximum period of ten consecutive years of assessment. The unutilised tax losses accumulated up to year of assessment 2018 can be carried forward for another ten consecutive years of assessment until year of assessment 2028. The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses to be carried forward until year of assessment:				
- YA2028	4,456,512	4,456,512	3,517,947	3,517,947
- YA2030	148,617	148,617	-	-
- YA2031	59,044	-	-	-
- YA2032	7,249,087	-	-	-
	11,913,260	4,605,129	3,517,947	3,517,947

Notes To The Financial Statements
31 December 2022 (Cont'd)

27. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022 RM	2021 RM
(Loss)/Profit attributable to owners of the parent	(17,270,615)	2,150,901
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	213,706,069	168,116,219
Effect of ordinary shares issued during the financial year	36,592,696	2,900,365
Weighted average number of ordinary shares at 31 December	250,298,765	171,016,584
Basic (loss)/earnings per shares (in sen)	(6.90)	1.26

Notes To The Financial Statements 31 December 2022 (Cont'd)

27. **(Loss)/Earnings Per Share (Cont'd)**

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share are calculated based on the adjusted consolidated (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2022 RM	**2021 RM**
(Loss)/Profit attributable to owners of the parent	(17,270,615)	2,150,901
Weighted average number of ordinary shares used in the calculation of basic earnings per share	250,298,765	171,016,584
Effect of share options on issue	2,126,029	4,837,699
Weighted average number of ordinary shares at 31 December (diluted)	252,424,794	175,854,283
Diluted (loss)/earnings per shares (in sen)	(6.84)	1.22

28. **Staff Costs**

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Salaries and other emoluments	3,640,279	2,961,402	10,000	-
Defined contribution plans	410,696	337,389	-	-
Social security contributions	23,453	20,022	-	-
Employee Insurance Scheme	3,806	2,127	-	-
	4,078,234	3,320,940	10,000	-
Less: Staff costs capitalised in property development costs (Note 10)	-	(428,300)	-	-
	4,078,234	2,892,640	10,000	-

Notes To The Financial Statements
31 December 2022 (Cont'd)

28. Staff Costs (Cont'd)

Included in staff cost is aggregate amount of remuneration received and receivable by the Executive Directors of the Company during the financial year as below:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Executive Directors				
Existing Directors of the Company				
Salaries and other emoluments	942,274	683,974	10,000	-
Defined contribution plans	107,484	81,065	-	-
Social security contributions	10,707	1,186	-	-
	1,060,465	766,225	10,000	-

29. Related Party Disclosures

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. Other than the related party balances disclosed in Notes 13 and 22 the Group and the Company do not have any related party transaction during the financial year.

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 28.

30. **Reconciliation of Liabilities Arising from Financing Activities**

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

			Non-cash changes	
	At 1 January	Financing cash flows (i)	Acquisition through business combination	At 31 December
Group	RM	RM	RM	RM
2022				
Term loan	-	3,394,129	-	3,394,129
Lease liabilities	-	(29,590)	115,782	86,192
	-	3,364,539	115,782	3,480,321

			Non-cash changes		
	At 1 January	Financing cash flows (i)	New lease (Note 21)	Other changes (ii)	At 31 December
	RM	RM	RM		RM
2021					
Lease liabilities	-	(190,761)	421,574	(230,813)	-

	At 1 January	Financing cash flows (i)	At 31 December
Company	RM	RM	RM
2022			
Amount due from subsidiary companies	3,233,110	(1,167,000)	2,066,110

Notes To The Financial Statements
31 December 2022 (Cont'd)

30. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

(i) The net amount of the financing cash flows was make-up from the followings:

(a) proceeds from and repayment of borrowings;

(b) repayment of lease liabilities; and

(c) repayment of amount due to subsidiary companies.

(ii) Other changes include termination of lease contracts and finance cost charged.

31. **Share Issuance Scheme ("SIS")**

At an Extraordinary General Meeting held on 24 March 2021, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

The salient features of the SIS Options are as follows:

(a) Any employee of the Group shall be eligible if as at the date of offer, the employee:

(i) has attained at least eighteen (18) years of age;
(ii) is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
(iii) who falls under such categories and criteria that the Option Committee may decide as its absolute discretion from time to time.

(b) Any Director of the Group shall be eligible if as at the date of offer, the Director

(i) is at least eighteen (18) years of age; and
(ii) has been appointed as Director of a company within the Group, which is not dormant.

(c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Scheme shall not exceed fifteen percent (15%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.

(d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.

(e) The SIS shall be in force for a period of five (5) years from the first grant date.

31. **Share Issuance Scheme ("SIS") (Cont'd)**

The salient features of the SIS Options are as follows: (Cont'd)

(f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

The terms and conditions relating to the grants of the new share option programme are as follows; all options are to be settled by physical delivery of shares:

Granted date	Number of options	Vesting conditions	Contractual life of options
3 August 2021	31,180,800	Not applicable	5 years
29 November 2022	17,627,200	Not applicable	5 years

Movement in the number of share options and the weighted average exercise price ("WAEP") are as follows:

	Number of options over ordinary shares			
	At 1.1.2022	Granted	Exercised	At 31.12.2022
SIS				
First Grant	31,180,800	-	(31,180,800)	-
Second Grant	-	17,627,200	-	17,627,200
WAEP	0.27	0.19	0.27	0.19

The fair values of share options granted were estimated using a binomial option pricing model taking into account the terms and conditions upon which the options were granted.

32. **Material Litigations**

(i) Nagamas Venture Sdn. Bhd. ("Plaintiff" or "NVSB") vs Silverland Capital Sdn Bhd. ("Defendant" or "SCSB")

NVSB had on 28 July 2021 commenced a civil litigation via Writ of Summons dated 28 July 2021 against SCSB.

NVSB is claiming the following from SCSB through the Writ of Summon and Statement of Claim:

(a) SCSB pays NVSB a sum of RM4,430,000.00;

Notes To The Financial Statements 31 December 2022 (Cont'd)

32. **Material Litigations (Cont'd)**

(i) Nagamas Venture Sdn. Bhd. ("Plaintiff" or "NVSB") vs Silverland Capital Sdn Bhd. ("Defendant" or "SCSB") (Cont'd)

NVSB is claiming the following from SCSB through the Writ of Summon and Statement of Claim: (Cont'd)

(b) SCSB shall transfer and/or cause the registration of ownership and title of the property units in Silverlakes Brands Village, that is identified and chosen by the NVSB and equivalent to the developer selling price of RM4,430,000.00, in the name of the NVSB and/or its nominees within Thirty (30) days of issuance of the Certificate of Completion and Compliance toward the said Development;

(c) Interest at the rate of 5% per annum on the judgment sum from the date of judgment till full and final settlement;

(d) Costs; and

(e) Any other relief that this Honourable Court thinks fit and proper.

On 22 November 2021, NVSB filed an application for summary judgement of its claim ("SJ application"). The SJ application was dismissed on 28 July 2022 and this matter was ordered to proceed for trial. The Court has fixed the above matter for pre-trial case management (e-review) on 18 July 2023.

(ii) Chan Sei Yong, Lionel Khoo Tiong Giaw and Fu Sek Jin (collectively, the "Applicants") and Ministry of Urban Wellbeing, Housing and Local Government ("R1"), Controller of Housing of the Ministry of Urban Wellbeing, Housing and Local Government ("R2") and JKI Development Sdn. Bhd. (a wholly-owned subsidiary of the Company) ("R3") (collectively, the "Respondents")

On 17 June 2022, the Applicants filed an application for Judicial Review ("JR Application") seeking among others, the following reliefs:

(a) The Applicants to be given leave to apply for an extension of time to file this JR Application;

(b) The Applicants to be given leave to apply for a Certiorari Order to revoke the decision of R2 vide its letter dated 24 February 2017 ("R2 Letter") in amending the time period for delivery of vacant possession from 36 months to 48 months in respect of the Sale and Purchase Agreement (Schedule H) signed between R3 and the Applicants as buyers of the Amani Residence in Puchong ("SPA");

32. **Material Litigations (Cont'd)**

(ii) Chan Sei Yong, Lionel Khoo Tiong Giaw and Fu Sek Jin (collectively, the "Applicants") and Ministry of Urban Wellbeing, Housing and Local Government ("R1"), Controller of Housing of the Ministry of Urban Wellbeing, Housing and Local Government ("R2") and JKI Development Sdn. Bhd. (a wholly-owned subsidiary of the Company) ("R3") (collectively, the "Respondents") (Cont'd)

On 17 June 2022, the Applicants filed an application for Judicial Review ("JR Application") seeking among others, the following reliefs: (Cont'd)

(c) The Applicants to be given leave to apply for a Certiorari Order to revoke the decision of R1 vide its letter dated 11 March 2022 ("R1 Letter") in granting a waiver period of 153 days pursuant to the Temporary Measures for Reducing the Impact of the Coronavirus Disease 2019 (COVID-19) (Amendment) Act 2022 ("Covid Act"), for the purpose of computing the date of delivery of vacant possession in respect of the SPA;

(d) The Applicants be given leave to apply or in the alternative, a declaration that:

(i) The R2 Letter is invalid and in excess of jurisdiction as provided under the Housing Development (Control and Licensing) Act 1966 ("HDA");

(ii) The R1 Letter is invalid and in excess of jurisdiction and/or contravenes the provisions of the Covid Act and/or HDA; and

(iii) Rule 11(3) of the Housing Development (Control and Licensing) Regulations 1989 is ultra vires the HAD.

(e) An order that the Applicants are entitled to claim liquidated ascertained damages under the SPA ("LAD"), calculated from the expiry of a 36-month period from the date booking payment is made by the Applicants.

The application has been fixed for case management (e-review) on 15 May 2023, for parties to comply with the following directions:

(a) 1st and 2nd respondents to file their Affidavit in reply on or before 10 April 2023; and

(b) Applicants to file their Affidavit in reply on or before 10 May 2023.

Notes To The Financial Statements
31 December 2022 (Cont'd)

32. **Material Litigations (Cont'd)**

(iii) JKI Development Sdn. Bhd. ("JKIDSB") vs Fivestar Development (Puchong) Sdn. Bhd. ("FDSB")

On 6 December 2022, JKIDSB received a Statutory Notice of Demand Pursuant To Section 455(1)(e) read together with Section 466(1)(a) of the Companies Act 2016 dated 6 December 2022 ("Notice") by Messrs. James Monteiro, the Solicitors who act on behalf of FDSB demanding for the payment of the outstanding sums of RM12,983,569.67 due and owing by JKIDSB arising from failure to pay pursuant to the Joint Venture Development Agreement dated 28 July 2015 and the Supplementary Joint Venture Development Agreement dated 5 October 2016 ("Agreement").

On 14 December 2022, JKIDSB filed a Fortuna Injunction to prohibit and restrain FDSB from filing and presenting a winding-up petition against JKIDSB. The hearing was fixed for Decision on 20 April 2023.

On 20 April 2023, JKIDSB has successfully obtained the following orders against FDSB:

(a) A Declaration that the Section 466 Notice issued by FDSB to JKIDSB is an abuse of Court's process;

(b) A Declaration that there are bona fide issues in dispute between FDSB and JKIDSB;

(c) A Declaration that the Section 466 Notice issued by FDSB was not bona fide but an act to apply undue pressure on JKIDSB to pay sums that are disputed and not due and owing from JKIDSB;

(d) A prohibitory Injunction against FDSB from filing any winding up petition against JKIDSB;

(e) General Damages to be assessed; and

(f) No order as to cost.

33. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

Property development and construction	Develop and provides construction services for residential, industrial and commercial property
Property management and investment holding	Provision of management, marketing and consultancy services

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes To The Financial Statements
31 December 2022 (Cont'd)

33. **Segment Information (Cont'd)**

	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Consolidated RM
Group					
2022					
Revenue					
External customers					
- Property development	8,072,377	-	8,072,377		8,072,377
- Rental income from investment properties	-	78,592	78,592	-	78,592
	8,072,377	78,592	8,150,969	-	8,150,969
Inter-segment	4,169,302	-	4,169,302	(4,169,302)	-
Total Revenue	12,241,679	78,592	12,320,271	(4,169,302)	8,150,969
Results					
Segment result	(7,891,480)	(45,216,251)	(53,107,731)	33,430,815	(19,676,916)
Finance costs	(56,609)	-	(56,609)	-	(56,609)
Finance income	263,719	1,529	265,248	-	265,248
Loss before tax	(7,684,370)	(45,214,722)	(52,899,092)	33,430,815	(19,468,277)
Taxation	(285,008)	2,481,026	2,196,018	-	2,196,018
Loss for the financial year	(7,969,378)	(42,733,696)	(50,703,074)	33,430,815	(17,272,259)

33. **Segment Information (Cont'd)**

	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Consolidated RM
Group					
2022					
Segment assets	119,022,761	76,978,836	196,001,597	(69,837,526)	126,164,071
Including in the measurement of assets are:					
Capital expenditure relating to:					
-property, plant and equipment	267,777	-	267,777	-	267,777
- right-of-use assets	4,092,000	-	4,092,000	-	4,092,000
Segment liabilities	91,292,062	20,811,564	112,103,626	(79,907,630)	32,195,996
Other non-cash items					
Depreciation of:					
- property, plant and equipment	123,915	1,049	124,964	-	124,964
- right-of-use assets	72,511	-	72,511	-	72,511
Fair value loss on investment properties	-	4,961,893	4,961,893	-	4,961,893
Unrealised foreign exchange gain	-	(1,494,073)	(1,494,073)	-	(1,494,073)
Impairment loss on goodwill	3,271,484	-	3,271,484	-	3,271,484
Property, plant and equipment written off	-	450	450	-	450
Share based expenses	-	2,057,094	2,057,094	-	2,057,094
Reversal of impairment loss in trade receivables	(5,282)	-	(5,282)	-	(5,282)

Notes To The Financial Statements
31 December 2022 (Cont'd)

33. **Segment Information (Cont'd)**

	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Consolidated RM
Group					
2021					
Revenue					
External customers					
- Property development	59,815,477	-	59,815,477	-	59,815,477
- Rental income from investment properties	-	124,471	124,471	-	124,471
	59,815,477	124,471	59,939,948	-	59,939,948
Inter-segment	17,868,909	-	17,868,909	(17,868,909)	-
Total Revenue	77,684,386	124,471	77,808,857	(17,868,909)	59,939,948
Results					
Segment result	15,333,179	(9,914,933)	5,418,246	(1,006,988)	4,411,258
Finance costs	(7,239)	-	(7,239)	-	(7,239)
Finance income	131,860	1,304	133,164	-	133,164
Profit/(Loss) before tax	15,457,800	(9,913,629)	5,544,171	(1,006,988)	4,537,183
Taxation	(3,433,105)	1,046,823	(2,386,282)	-	(2,386,282)
Profit/(Loss) for the financial year	12,024,695	(8,866,806)	3,157,889	(1,006,988)	2,150,901

33. **Segment Information (Cont'd)**

	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Consolidated RM
Group					
2021					
Segment assets	83,335,349	107,699,735	191,035,084	(68,612,410)	122,422,674
Including in the measurement of assets are:					
Capital expenditure relating to:					
-property, plant and equipment	552,139	-	552,139	-	552,139
Segment liabilities	49,349,530	39,107,098	88,456,628	(46,771,647)	41,684,981
Other non-cash items					
Depereciation of:					
- property, plant and equipment	51,636	1,867	53,503	-	53,503
- right-of-use assets	201,935	-	201,935	-	201,935
Fair value loss on investment properties	-	3,076,533	3,076,533	-	3,076,533
Unrealised foreign exchange gain	-	(1,868,737)	(1,868,737)	-	(1,868,737)
Gain on termination of lease contract	(11,174)	-	(11,174)	-	(11,174)
Impairment loss on goodwill	2,399,998	-	2,399,998	-	2,399,998
Impairment loss on other receivables	-	4,244,728	4,244,728	-	4,244,728
Share based expenses	-	2,114,058	2,114,058	-	2,114,058
Property, plant and equipment written off	119	-	119	-	119

Notes To The Financial Statements
31 December 2022 (Cont'd)

33. **Segment Information (Cont'd)**

Geographic information

Breakdown of the Group's revenue from contract with customers:

	Property development and construction RM	Property management and investment holding RM	Total segments RM	Adjustments and elimination RM	Consolidated RM
Group					
Revenue					
Geographical market:					
2022					
Malaysia					
- Property development	12,241,679	-	12,241,679	(4,169,302)	8,072,377
People's Republic of China	-	78,592	78,592	-	78,592
	12,241,679	78,592	12,320,271	(4,169,302)	8,150,969
2021					
Malaysia					
- Property development	77,684,386	-	77,684,386	(17,868,909)	59,815,477
People's Republic of China	-	124,471	124,471	-	124,471
	77,684,386	124,471	77,808,857	(17,868,909)	59,939,948

Notes To The Financial Statements
31 December 2022 (Cont'd)

33. **Segment Information (Cont'd)**

Geographic information (Cont'd)

Non-current assets information based on the geographical location of assets are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Non-current assets		
Malaysia	4,865,753	622,333
People's Republic of China	24,185,794	27,653,614
	29,051,547	28,275,947

34. **Financial Guarantee**

	Company	
	2022	**2021**
	RM	**RM**
Unsecured		
Corporate guarantee		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiary company	3,394,129	-
Corporate guarantee issued to third parties to obtain credit term from suppliers of a subsidiary company	2,000,000	2,000,000
	5,394,129	2,000,000

35. **Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

Notes To The Financial Statements
31 December 2022 (Cont'd)

35. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	
	2022	**2021**
Group	**RM**	**RM**
Financial assets		
Trade receivables	8,635,057	7,298,985
Other receivables	22,127,374	6,407,470
Deposits, bank and cash balances	17,801,761	6,277,102
	48,564,192	19,983,557
Financial liabilities		
Trade payables	4,283,921	1,792,203
Other payables	17,759,958	30,071,126
Bank borrowings	3,394,129	-
Lease liabilities	86,192	-
Amount due to Directors	197,285	-
	25,721,485	31,863,329
Company		
Financial assets		
Other receivables	3,892	150,941
Amount due from subsidiary companies	34,308,237	35,133,189
Deposits, bank and cash balances	915,985	1,603,024
	35,228,114	36,887,154
Financial liabilities		
Other payables	243,755	348,534
Amount due to subsidiary companies	2,066,110	3,233,110
	2,309,865	3,581,644

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to previous financial year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables and contract assets are credit impaired.

Notes To The Financial Statements
31 December 2022 (Cont'd)

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies.

The Company's maximum exposure in this respect is RM5,394,129 (2021: RM2,000,000), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2022						
Non-derivative financial liabilities						
Trade payables	4,283,921	-	-	-	4,283,921	4,283,921
Other payables	17,759,958	-	-	-	17,759,958	17,759,958
Bank borrowings	352,164	352,164	1,040,737	2,809,241	4,554,306	3,394,129
Lease liabilities	86,296	-	-	-	86,296	86,192
Amount due to Directors	197,285	-	-	-	197,285	197,285
	22,679,624	352,164	1,040,737	2,809,241	26,881,766	25,721,485

Notes To The Financial Statements
31 December 2022 (Cont'd)

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Group			
2021			
Non-derivative financial liabilities			
Trade payables	1,792,203	1,792,203	1,792,203
Other payables	30,071,126	30,071,126	30,071,126
	31,863,329	31,863,329	31,863,329
Company			
2022			
Non-derivative financial liabilities			
Other payables	243,755	243,755	243,755
Amount due to subsidiary companies	2,066,110	2,066,110	2,066,110
Financial guarantees*	5,394,129	5,394,129	-
	7,703,994	7,703,994	2,309,865
2021			
Non-derivative financial liabilities			
Other payables	348,534	348,534	348,534
Amount due to subsidiary companies	3,233,110	3,233,110	3,233,110
Financial guarantees*	2,000,000	2,000,000	-
	5,581,644	5,581,644	3,581,644

* Based on the maximum amount that can be called for under financial guarantee contract.

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk though fair value valuation of investment properties that denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily Renminbi (RMB).

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in RMB	
	2022	**2021**
	RM	**RM**
Group		
Investment properties	24,185,794	27,653,614
Trade receivables	-	2,598
Other receivables	729,291	622,465
Other payables	(413,594)	(361,390)
	24,501,491	27,917,287

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

Notes To The Financial Statements
31 December 2022 (Cont'd)

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the RMB exchange rates against RM, with all other variables held constant.

	Change in currency rate RM	Effect on profit/(loss) before tax RM
2022		
RMB	Strengthened 1%	245,015
	Weakened 1%	(245,015)
2021		
RMB	Strengthened 1%	279,173
	Weakened 1%	(279,173)

(b) Interest rate risks

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rate obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risks (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets	3,976,787	3,830,000
Financial liabilities	(86,192)	-
	3,890,595	3,830,000
Floating rate instrument		
Bank borrowings	(3,394,129)	-

a

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Notes To The Financial Statements
31 December 2022 (Cont'd)

35. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risks (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's (loss)/profit before tax by RM33,941 (2021: RM Nil), arising mainly as a result of higher/lower interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

36. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital of the Group consists of issued share capital and cash and cash equivalent.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirements.

37. Capital Commitment

	Group	
	2022	**2021**
	RM	**RM**
Approved and contracted for:		
- Land held for property development	13,500,000	-

38. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2023.

LIST OF PROPERTIES

Location	Description, Built-Up Area & Usage	Age of Building	Tenure	Net Book Value (RM)	Date of Revaluation (Acquisition Date)
Unit No. 3,4,5 & 6 on Level 1 and Unit No. 2,3,4,5,6 & 7 on Level 2 of Block 1 (Long Xian Ge) and Unit No. 2 & 3 on Level 1 and Unit No. 3 & 4 on Level 2 of Block 2 (Long He Ge), Dragon Mall, Danshui, Bai Yun 2nd Road, Huiyang District, Huizhou City, Guangdong Province, the People's Republic of China	The properties comprise 14 shops in two buildings completed in 2010 The properties have a total gross floor area of approximately 1,467.39 square meter The properties are partial rented	11 years	The land use rights were granted for a term of 70 years commencing from 1 December 2004 until 1 December 2074 for commercial and residential uses	24,185,794	2 February 2023 (29 December 2009)
No. H.S.(D) 70546, PT 498, Pekan Klebang Sek. II, Daerah Melaka Tengah, Negeri Melaka	The land is measuring 18,387 square meters The land currently is vacant	12 years	Leasehold land for a term of 99 years commencing from 13 January 2012 until 12 January 2111	13,000,000	31 December 2020
No. H.S.(D) 932488, PT 19204, Mukim Belanja, Kinta, Negeri Perak	The land is measuring 64,736 square meters The land currently is vacant	2 years	Leasehold land for a term of 99 years commencing from 6 July 2021 until 5 July 2120	10,000,000	3 March 2021

ANALYSIS OF SHAREHOLDINGS
AS AT 30 MARCH 2023

SHARE CAPITAL

Total Number of Issued Shares	:	360,514,069
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 MARCH 2023

Size of Holding	No. of shareholders	%	No. of Shares	%
1 – 99	107	2.706	4,051	0.001
100 - 1,000	1,134	28.680	614,377	0.170
1,001 - 10,000	1,238	31.310	7,014,287	1.946
10,001 - 100,000	1,198	30.298	44,748,475	12.412
100,001 – ← 5% of shares	272	6.879	192,906,479	53.509
5% and above	5	0.127	115,226,400	31.962
Total	3,954	100.000	360,514,069	100.000

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows: -

No.	Name of Directors	No. of Shares held Direct	%	No. of Shares held Indirect	%
1	Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	-	-	-	-
2	Dato' Saiful Nizam Bin Mohd Yusoff	23,500,000	6.518	-	-
3	Edwin Silvester Das	20,626,400	5.721	-	-
4	Dato' Ir Lim Siang Chai	-	-	-	-
5	P Ellango A/L Ponramu	-	-	-	-
6	Dato' Yong Chong Long	24,000,000	6.657	-	-
7	Azmi Bin Osman	5,125,000	1.422	-	-
8	Chew Huey Yen	-	-	-	-
9	Terence Cheah Eu Lee	1,117,100	0.310	-	-

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows: -

No.	Name	No. of Shares held Direct	%	No. of Shares held Indirect	%
1	Teh Hooi Tyug	25,000,000	6.935	-	-
2	Dato' Yong Chong Long	24,000,000	6.657	-	-
3	Dato' Saiful Nizam Bin Mohd Yusoff	23,500,000	6.518	-	-
4	Tai Tean Seng	22,100,000	6.130	-	-
5	Edwin Silvester Das	20,626,400	5.721	-	-

Analysis Of Shareholdings
As At 30 March 2023 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS
(According to the Record of Depository As At 30 March 2023)

No.	Name of Shareholders	No. of Shares	%
1	TEH HOOI TYUG	25,000,000	6.935
2	DATO' YONG CHONG LONG	24,000,000	6.657
3	DATO' SAIFUL NIZAM BIN MOHD YUSOFF	23,500,000	6.518
4	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG	22,100,000	6.130
5	EDWIN SILVESTER DAS	20,626,400	5.721
6	ADVANCE INFORMATION MARKETING BERHAD	16,369,600	4.541
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BAN KEONG	12,200,000	3.384
8	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	9,819,800	2.724
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG	5,250,000	1.456
10	AZMI BIN OSMAN	5,125,000	1.422
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' SRI TEH CHEE TEONG	4,850,000	1.345
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK SERI TAN CHOON HWA (7007201)	4,700,600	1.304
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VALUEVEST VENTURES SDN. BHD. (MY4453)	4,477,000	1.242
14	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP SIEW LYNN	4,355,000	1.208
15	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAI AI LOO	4,277,800	1.187
16	MOHAMED IZANI BIN MOHAMED JAKEL	4,250,000	1.179
17	KOK SENG PING	4,084,400	1.133
18	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAT SEW CHUONG	3,558,500	0.987
19	WAI CHAN KEET	3,461,300	0.960
20	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK SERI TAN CHOON HWA	2,654,400	0.736
21	ASYRAF BIN HASIM	2,613,000	0.725
22	LIM BAN KEONG	2,568,800	0.713
23	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GENIA CHEAH SUAN LI	2,526,000	0.701
24	OON SZE SHUN	2,432,800	0.675
25	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GENIA CHEAH SUAN LI	2,222,000	0.616
26	LEE KHIM HWA	1,750,000	0.485
27	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI WEI YEE	1,700,000	0.472
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH HOI CHUAN (MP0469)	1,655,500	0.462
29	CH'NG EWE TEAT	1,440,000	0.399
30	SAFRI BIN CHE KUB	1,437,800	0.399

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting ("39th AGM") of Jiankun International Berhad ("Jiankun" or "the Company") will be held on a virtual basis via remote participation and electronic voting through online meeting platform at https://rebrand.ly/JKI-AGM operated by Mlabs Research Sdn Bhd from the Broadcast Venue at L21-03, Level 21, PJX-HM Shah Tower, No.16a, Persiaran Barat, 46050 Petaling Jaya, Selangor on Thursday, 15 June 2023 at 10.00 a.m. or at any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. — ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees up to RM650,000 and other benefits of up to RM50,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 39th AGM until the conclusion of the next AGM of the Company. — *Ordinary Resolution 1*

3. To re-elect the following Directors who retire by rotation in accordance with Clause 105(1) of the Company's Constitution and being eligible, have offer themselves for re-election:

   i. Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali — *Ordinary Resolution 2*
   ii. Dato' Saiful Nizam Bin Mohd Yusoff — *Ordinary Resolution 3*

4. To re-elect the following Directors who retire pursuant to Clause 114 of the Company's Constitution and being eligible, have offer themselves for re-election:

   i. Dato' Yong Chong Long — *Ordinary Resolution 4*
   ii. P Ellango A/L Ponramu — *Ordinary Resolution 5*
   iii. Terence Cheah Eu Lee — *Ordinary Resolution 6*

5. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — *Ordinary Resolution 7*

   As Special Business:
   To consider and, if thought fit, to pass the following resolutions:

6. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** — *Ordinary Resolution 8*

   "THAT pursuant to section 85 of the Companies Act 2016 ("the Act"), read in conjunction with Clause 61 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from the allotment and issuance of shares.

Notice Of Annual General Meeting (Cont'd)

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the 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 the approval of Shareholders for the Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 at an AGM to be convened (i.e. passing of the resolutions which shall contain the waiver of the Statutory Pre-Emptive Right) shall mean that Shareholders will be waiving their Statutory Pre-Emptive Right. Accordingly, the resolutions in respect of the Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016, if passed, will exclude the Shareholders' statutory pre-emptive right to be offered new Shares to be issued by the Company pursuant to the Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. **Proposed Renewal of Authority for the Company to purchase its own shares** *Ordinary Resolution 9*

"THAT, subject to the Act, the provisions of the Constitution of the Company, the MMLR of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;

ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and

iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

Notice Of Annual General Meeting (Cont'd)

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

8. To transact any other business of which due notices shall have been given in accordance with the Act.

BY ORDER OF THE BOARD,

Tan Tong Lang (MAICSA 7045482/ SSM PC No. 202208000250)
Thien Lee Mee (LS0010621 / SSM PC No. 201908002254)
Company Secretaries

Kuala Lumpur
Date: 28 April 2023

Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.

2. The form of Proxy must be duly completed and deposited at the office of the Share Registrar office, Aldpro Corporate Services Sdn Bhd, B-21-1, Level 21, Tower B, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.

3. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.

4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.

Notice Of Annual General Meeting (Cont'd)

7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 6 June 2023 and only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

1. Audited Financial Statements for the Financial Year Ended 31 December 2022

This Agenda item is meant for discussion only as Section 340(1) (a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Payment of Directors' Fees and Other Benefits Payable

The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' Fees and Other Benefits payable to Directors.

The other benefits comprise the allowances and other benefits. The total estimated amount of other benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings for the period from the conclusion of the 39th AGM until the next AGM of the Company.

3. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue and allot new shares at any time to such persons, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital 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 and/or acquisition(s) at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

As at the date of this Notice, 98,000,000 new ordinary shares were issued with total proceeds raised of RM18.56 million pursuant to the previous General Mandate granted to the Directors at the 38th AGM held on 27 June 2022.

4. Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company's shares through Bursa Securities up to ten percent (10%) of the issued and paid-up capital of the Company for the time being. This authority will be expired at the conclusion of the next AGM unless earlier revoked or varied by ordinary resolution passed by shareholders at a general meeting.

For further information on this resolution, please refer to the Statement to Shareholders dated 28 April 2023 which is despatched together with the Company's Annual Report 2022 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of MMLR of Bursa Securities)

1. As at date of this Notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

2. The renewal of General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the MMLR of Bursa Securities.

3. Details of the renewal of the General Mandate to issue securities in the Company pursuant to Sections 75 & 76 of the Act are set out in Note 3 of the Explanatory Notes of this Notice.

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No. of Shares held	
CDS Account No.	

JIANKUN INTERNATIONAL BERHAD

[Registration No.198301015973 (111365-U)]
(Incorporated in Malaysia)

FORM OF PROXY

I/We, ______________________________ (Full Name in Block Letters) NRIC No. / Passport No. / Company Registration No. ____________________ of ____

____ (Full Address)

______________________________ [Email Address] ______________________________ [Contact No.]

being a member(s) of JIANKUN INTERNATIONAL BERHAD, hereby appoint

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
Contact No.		
NRIC No. / Passport No.		
Full Address		

and/or

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
Contact No.		
NRIC No. / Passport No.		
Full Address		
		100%

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 Thirty-Ninth Annual General Meeting ("39th AGM") of the Company to be held on a virtual basis via remote participation and electronic voting through online meeting platform at https://rebrand.ly/JKI-AGM operated by Mlabs Research Sdn Bhd from the Broadcast Venue at L21-03, Level 21, PJX-HM Shah Tower, No.16a, Persiaran Barat, 46050 Petaling Jaya, Selangor on Thursday, 15 June 2023 at 10.00 a.m. or at any adjournment thereof, on the following resolutions in the manner indicated below:-

My/Our proxy is to vote as indicated below:-

No.	Agenda	Resolutions	For	Against
1.	To approve the payment of Directors' fees up to RM650,000 and other benefits of up to RM50,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 39th AGM until the next AGM of the Company.	Ordinary Resolution 1		
2.	To re-elect Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali as Director of the Company.	Ordinary Resolution 2		
3.	To re-elect Dato' Saiful Nizam Bin Mohd Yusoff as Director of the Company.	Ordinary Resolution 3		
4.	To re-elect Dato' Yong Chong Long as Director of the Company.	Ordinary Resolution 4		
5.	To re-elect P Ellango A/L Ponramu as Director of the Company.	Ordinary Resolution 5		
6.	To re-elect Terence Cheah Eu Lee as Director of the Company.	Ordinary Resolution 6		
7.	To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 7		
As Special Business:				
8.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 8		
9.	Proposed Renewal of Authority for the Company to purchase its own shares	Ordinary Resolution 9		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

Signed this ____________ day of ________________________, 2023.

Signature : ____

(If shareholder is a corporation, this form should be executed under seal)

Notes:
1. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
2. The form of proxy must be duly completed and deposited at the office of the Share Registrar office, Aldpro Corporate Services Sdn Bhd, B-21-1, Level 21, Tower B, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("ROD") as at 6 June 2023 and only a member whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Fold this flap for sealing

AFFIX
STAMP

The Share Registrar of
JIANKUN INTERNATIONAL BERHAD
[REGISTRATION NO. 198301015973 (111365-U)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur

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JIANKUN INTERNATIONAL BERHAD
[Registration No. 198301015973 (11365-U)]

L21-03, Level 21, PJX-HM Shah Tower,
No. 16A, Persiaran Barat, 46050 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 7932 3666
Fax : +603 7932 2866

www.jki.com.my