



JIANKUN INTERNATIONAL BERHAD

[Registration No. 198301015973 (111365-U)]

ANNUAL REPORT

2024





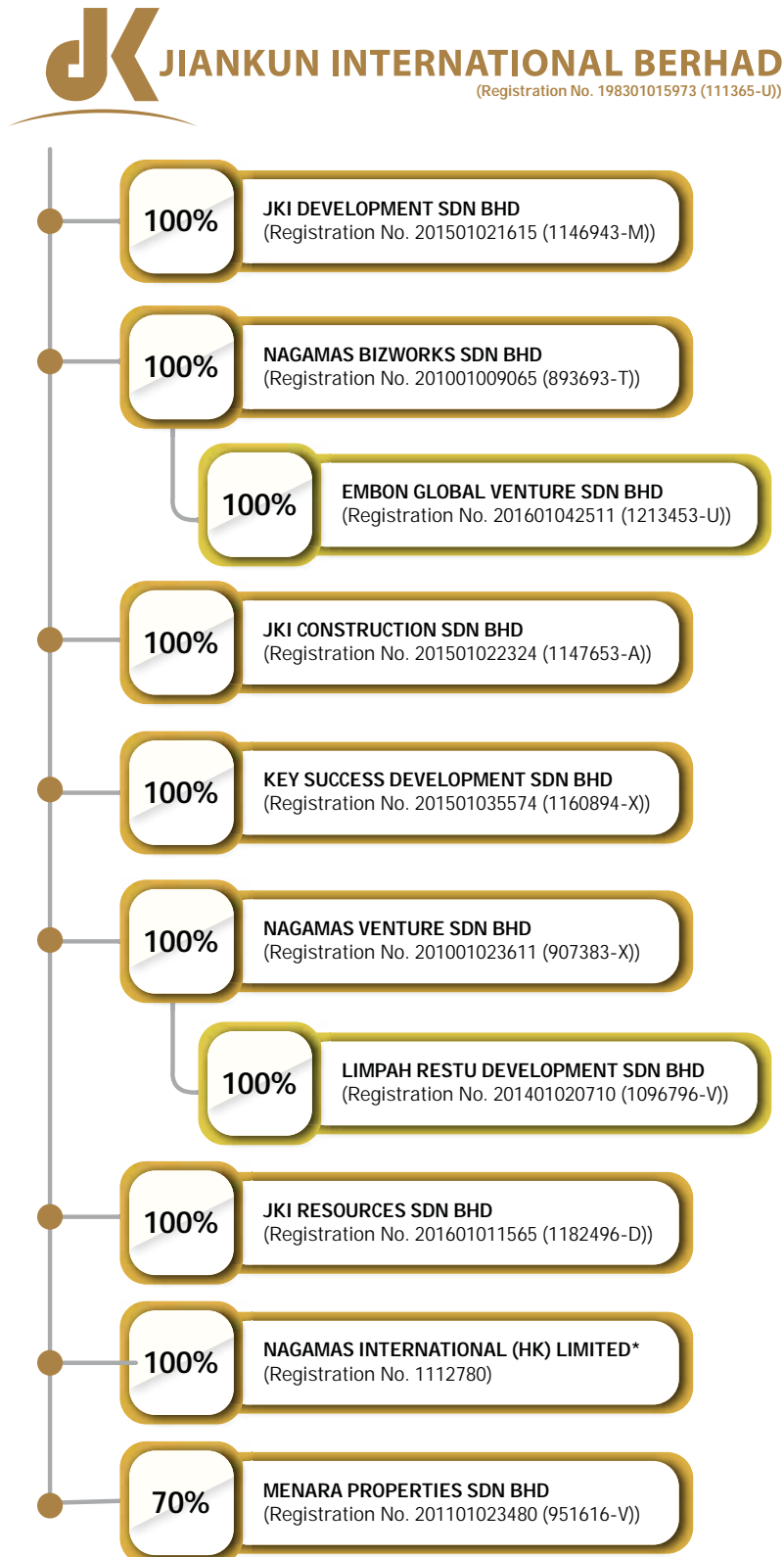
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CORPORATE STRUCTURE

Our core business of the Group is in properties development.

The Group structure of the subsidiary companies are as follows:



* Incorporated in Hong Kong

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Saiful Nizam Bin Mohd Yusoff
Non-Independent Non-Executive Chairman
(Re-designated on 10 May 2024)

Edwin Silvester Das
Executive Director / Chief Executive Officer

Dato' Ir Lim Siang Chai
Executive Director

P Ellango A/L Ponramu
Independent Non-Executive Director

Datuk Azmi Bin Osman
Non-Independent Non-Executive Director

Dato' Yong Chong Long
Non-Independent Non-Executive Director

Chew Huey Yen
Independent Non-Executive Director

Terence Cheah Eu Lee
Independent Non-Executive Director

BOARD COMMITTEES

Audit Committee

P Ellango A/L Ponramu (Chairman)
Chew Huey Yen (Member)
Terence Cheah Eu Lee (Member)

Nomination Committee

P Ellango A/L Ponramu (Chairman)
Chew Huey Yen (Member)
Terence Cheah Eu Lee (Member)

Remuneration Committee

Datuk Azmi Bin Osman (Chairman)
Dato' Ir Lim Siang Chai (Member)
P Ellango A/L Ponramu (Member)
Terence Cheah Eu Lee (Member)

Risk Management Committee

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

Investment Committee

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

Share Issuance Scheme Committee

Edwin Silvester Das (Chairman)
Terence Cheah Eu Lee (Member)
Wong Kok Foong (Member)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482/ SSM Practising
Certificate No. 202208000250)

Thien Lee Mee
(LS0010621/ SSM Practising
Certificate No. 201908002254)

Low Ven Sin
(MAICSA 7076080/ SSM Practising
Certificate No. 202208000340)

REGISTERED OFFICE

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.: 03-2201 7774
Email:
boardroom@boardroom.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Sector: Properties
Stock Name: JIANKUN
Stock Code: 8923

Warrants B 2024/2027
Stock Name: JIANKUN -WB
Stock Code: 8923 -WB

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
Wilayah Persekutuan
Tel No.: 03-9770 2200
Fax No.: 03-2201 7774
Email: admin@aldpro.com.my

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 Malaysia (AF 1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel No.: 603-22793088
Fax No.: 603-22793099

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 (Resigned on 30 April 2024), Mr. Edwin Silvester Das, Dato' Ir Lim Siang Chai, Datuk Azmi Bin Osman, Madam Chew Huey Yen

BOARD OF DIRECTORS' PROFILES



DATO' SAIFUL NIZAM BIN MOHD YUSOFF

*Non-Independent Non-Executive Chairman
54 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 and later on 10 May 2024, he was re-designated as Non-Independent Non-Executive Chairman of the Company.

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.

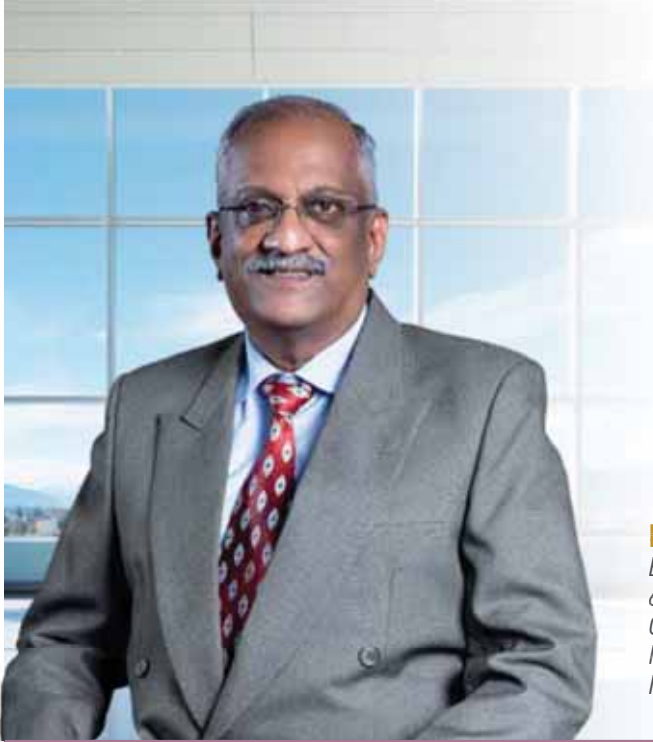
He is the Group Managing Director of Menara Rezeki Group with more than 20 years experience in property development, construction and maintenance. He also started his career in oil & gas industry. After spending two years in Miri, Sarawak, he joined a few well-known construction companies before setting up his own business entity known as Menara Rezeki Sdn. Bhd. ("MRSB") in 2002. His commitments and dedication have propelled MRSB from a small entrepreneur to a G7 CIDB Registered construction company. In 2011, MRSB has been

certified as one of the High Performance Bumiputera company under the TERAJU Program, one of the Strategic Unit in the Prime Minister Department. Through his leadership and vision, MRSB Group has now ventured into various other business segments namely healthcare facility management, asset management, hospitality services, artificial intelligent ("AI") technology, agriculture and mining.

He does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended all eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



EDWIN SILVESTER DAS

*Executive Director / Chief Executive Officer
66 years of age, Malaysian, Male
Chairman of Risk Management Committee and Share
Issuance Scheme 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 having worked both locally and abroad.

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

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

Mr. Das experiences ranges from corporate and investment banking to restructuring and risk management. He was also instrumental in restructuring two aviation companies in Malaysia and India.

He also served with Oracle Corporation (USA) as Industry Expert with 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 or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended seven (7) out of eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



DATO' IR LIM SIANG CHAI

Executive Director

69 years of age, Malaysian, Male

Chairman of Investment Committee

*Member of Risk Management Committee and
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 Executive Deputy 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 is the Non-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 or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended seven (7) out of eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



P ELLANGO A/L PONRAMU

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

Mr. P Ellango A/L Ponramu ("Mr. Ellango") 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, graduated from Association of Chartered Certified Accountants (UK), member of Malaysia Institute of Accountants, 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 specialty 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 facilitatory and runs Governance Advocacy, a firm focusing in Anti Bribery & Corruption.

He does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended all eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



DATUK AZMI BIN OSMAN

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

Datuk 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 has 20 years of experience with various business industries including but not limited to banking, oil & gas, mining, international trading, food and beverage and construction etc.

He holds a Bachelor of Arts in Accountancy with First Class Honors from University of Humber, Hull, United Kingdom. He is a Fellow of Chartered & Certified Accountant, Member of Malaysia Institute of Accountants and Mongolian Institute of Certified Public Accountants.

He started his career as a Team Leader and Country Director in 2000 with KPMG Kuala Lumpur and he 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 Advisor of Malaysia Smelting Corporation Berhad.

He is currently the Managing Director of ABO Consultancy Sdn Bhd, Advisor of Crowe 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 or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended seven (7) out of eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



DATO' YONG CHONG LONG

*Non-Independent Non-Executive Director
56 years of age, Malaysian, Male*

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

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

Dato' Yong also the Jasa Perdamai (JP) from Kelantan. He is actively involving himself in non-profit activities.

He does not hold any directorship in other public companies and listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended five (5) out of eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



MADAM CHEW HUEY YEN

*Independent Non-Executive Director
66 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 2021.

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 (Government Appointee Company) as VP International Relations from 2021 until now focus on government relations and industry partners in Asean region.

For the past 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 does not have any family relationship with any Director and/ or major shareholder of the Company. She does not have any family relationship with any Director and/ or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

She attended all eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

Board Of Directors' Profiles (Cont'd)



TERENCE CHEAH EU LEE

*Non-Independent Non-Executive Director
51 years of age, Malaysian, Male
Member of Audit Committee, Nomination Committee,
Remuneration Committee and Share Issuance
Scheme Committee*

Mr. Terence Cheah Eu Lee (“Mr. Terence Cheah”) 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 who responsible for Business Development and Marketing. On 4 April 2022, he was appointed as the Independent Non-Executive Director of AHB Holdings Berhad.

He does not have any family relationship with any Director and/ or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Jiankun International Berhad or its subsidiaries and has no convictions for any offences (other than traffic offence, if any) within the past 5 years nor any public sanction or penalty imposed by regulatory bodies during the financial period ended 30 June 2024.

He attended all eight (8) Board of Directors' Meeting held during the financial period ended 30 June 2024.

PROFILES OF KEY SENIOR MANAGEMENT

The Management team is headed by 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 6 to 7 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 18 months financial period ended 30 June 2024 (FPE 2024).

BUSINESS OPERATIONS

For FPE 2024, the Group entered into a Conditional Share Sale and Purchase Agreement with Lee Khoon Eng and Lee Phaik Choo to purchase a 99.99% of the entire equity interest in Oriental Link Properties (M) Sdn. Bhd. remarks the Group venture and expanded our business to the northern part of Malaysia. The purchase of Oriental Link Properties (M) Sdn. Bhd. will give the Group an opportunity to a piece of freehold triangular flat land measuring approximately 7.58 acres at Lot 544, Jalan Bukit Panchor, Nibong Tebal, Pulau Pinang consist of 116 units of gated and guarded double storey terrace house. The estimated gross development value of RM72.69 million and expected to commence the construction in first quarter 2025.

During the FPE 2024, the Group reported a turnover of RM19.41 million (FY2022 RM8.15 million) and reported a loss after tax of RM47.86 million (FY2022 profit after tax of RM17.27 million). The revenue was derived construction One Le Tower in Klebang Melaka. During the FPE2024, the Group has made a provision for impairment of RM13.48 million, expenses off RM7.32 million being share based

expenses under Share Issuance Scheme granted to directors and employees and RM7.95 million for the net revaluation loss from our China Properties.

CORPORATE PROPOSAL AND ACHIEVEMENT

The Group had completed a corporate proposal for the acquisition of a parcel of leasehold land in Klebang, Melaka measuring 40,469 square metres identified as H.S.(D) 89612, PT 10, Kawasan Bandar XLV, District of Melaka Tengah, State of Melaka by our fully owned subsidiary, Key Success Development Sdn Bhd from Cash Support Group Sdn Bhd for RM26.0 million. The purchase consideration was satisfy by raising fund by private placement and issuance of shares to vendor. The completion of this land acquisition has increase the Group landbanks by approximately 10 acres.

The Company has issued free warrants in Jiankun (“Warrants B”) on the basis of 1 Warrant B for every 2 existing Shares to our shareholders, the issuance of free warrants was entail a return to our existing shareholder to liquidate in the market or increase it participation in company equity.

Chairman Statement (Cont'd)



During the year, the Company signed a Memorandum of Understanding with Micro Energy Holdings (M) Sdn. Bhd. to provide solar power generation system to the Group future development proven that the Group's is care for the environment and to minimise the negative impact to the environment.

BUSINESS OUTLOOK IN 2024/2025

The Board is of the view that the construction and development market is trending to affordable housing which highly supported by government and financial institutions. The Group strategy and direction will be accord to the current market needs and supply for affordable development.

The Board will expect the construction material price and cost of labour to surge higher this year which will have a significant impact on the housing development market. The Board and together with the Management will continue monitoring the market condition and will take necessary step to mitigate the impact on cost increase.

The Board will expect the 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,

Dato' Saiful Nizam Bin Mohd Yusoff
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Management and the Board of Directors (“Board”) 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 period ended 30 June 2024 (“FY2024”) together with the Management Discussion and Analysis (“MD&A”).

On 31 October 2023, the Company announced that the Group has make and application for extension of time to hold the Annual General Meeting (“AGM”) pursuant to Section 340 of the Companies Act 2016 (“the Act”) and on 3 November 2023, the company received the approval from Companies Commission of Malaysia on the Company’s application for the extension of time to hold its 2024 AGM up to 31 December 2024 and circulate its FY2024 up to 10 December 2024 in accordance with Section 340(4) and Section 259(2) of the CA 2016.

The following MD&A regarding the operating performance and financial position of the Company and the Group for the 18 months FY2024, 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 2022, 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 Securities Malaysia Berhad (“Bursa Securities”) under the Property category. Currently the Company’s issued and fully paid up capital is RM105,714,078 consisting of 516,103,969 ordinary shares.

The Group’s Revenue recorded RM19.41 million (2022: RM8.15 million) and the loss after tax of RM47.86 million (2022: RM17.27 million). The revenue was derived from One Le Tower project in Klebang Melaka. The Group has granted Share Issuance Scheme (“SIS”) to directors, senior management and staffs, the granting of SIS has resulted a share-based expenses of RM7.32 million. The China properties hold by the group has results of a revaluation loss of RM12.13 million and write back of deferred tax of RM4.18 million. The Group has made an impairment loss of RM13.48 million.

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 completing 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 FY2024 are summarised as follows:

| | 2024 RM million | 2022 RM million |
|--|--------------------|--------------------|
| Turnover | 19.41 | 8.15 |
| Earnings Before Interest, Depreciation, Amortisation and Taxation (EBITDA) | 52.04 | (19.48) |
| Profit Before Taxation | (48.05) | (19.47) |
| Taxation | 4.18 | 2.20 |
| Profit After Taxation and Minority Interest | (47.85) | 17.27 |
| Total Comprehensive Income | 46.56 | 16.10 |
| Net Tangible Assets | 84.64 | 93.97 |

Management Discussion And Analysis (Cont'd)

Turnover

For FY2024, the Group achieved a turnover of RM19.41 million (2022: RM8.15 million). The revenue breakdown as follows:

| | 2024 RM million | 2022 RM million |
|---------------------------------------|--------------------|--------------------|
| Property development and construction | 15.99 | 8.07 |
| Trading | 3.40 | 0.00 |
| Rental | 0.02 | 0.08 |
| Total Revenue | 19.41 | 8.15 |

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 RM47.86 million (2022: loss profit after tax of RM17.27 million) and EDITDA loss of RM52.04 million (2022: RM19.61 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 financial period ended 2024, there is no loan borrowing for the Group on project development save for the loan to finance the corporate office of RM3.12 million.

Expansion and Strategic

To ensure sustainability business for the Group, the Group had acquired a few pieces of lands for development. The developments may required financing from financial institutions as well as fund raising exercise to support.

Other than the lands acquisition the Group also involved in joint venture with landowner for development in order to minimise the Group outflow.

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.

Significant changes in performance, financial position & liquidity

The Board anticipated that the performance, financial position and liquidity in year 2025 remain challenging. The Management will ensure sufficient funds to maintain its performance, financial position and liquidity 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.

Management Discussion And Analysis (Cont'd)

Capital expenditure

The Group will not require massive capital expenditure in development. The machinery and equipment will be provided by subcontractor in sub-contract the construction works in development 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 after 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.

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 property sold.

Management Discussion And Analysis (Cont'd)

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 to ensure timely completion of the development.

Forward looking statement

Possible trend, outlook & sustainability of each principal business segment

The management will focus on affordable residential properties in view of the current economic conditions. The Management anticipate that the economic will support our development concepts.

Prospects for new business or investments

The Group continues to receive development opportunities from various sources. The management will perform detailed study of each opportunity before proposing to the Board to further evaluate all potential opportunities in order 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 the Group's financial performance, cash flow position and fund needs for future expansion of the Group, the Board will act in the best interest to continue growing the business as well as reward the shareholders who had given strong support to the Group.

Conclusion

The Management believe that the development industry will be remain challenging. However, the management is confident that with the business opportunities identified and will proceed cautiously to ensure continued business growth.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Our focus on creating sustainable, high-quality property developments remains central to our business. Aligned with our theme “Develop Smart Partnership and Collaborative Models”, we harness innovation to deliver exceptional value to our customers and the environment.

Jiankun International Berhad (“Jiankun”) or (“the Group”) is pleased to present our Annual Sustainability Statement for 2024. We are fully committed to incorporating sustainability into our business operations.

Scope And Basis of Scope

This Sustainability Statement (SS) presents our performance in Malaysia from 1 January 2023 to June 2024, unless stated otherwise. We continually assess key sustainability matters, including environmental, social, and governance (ESG) factors. This report highlights our most significant sustainability challenges and opportunities and covers all our Malaysian operations.

Reporting Frameworks and Standards

This Statement has been developed according to Bursa Malaysia’s Listing Requirements, concerning Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (“GRI”) Standards, FTSE4Good Bursa Malaysia Index (“FTSE4Good”), Sustainability Accounting Standards Board (“SASB”) Standards and the UN Sustainable Development Goals (“UNSDG”).

This statement outlines the key sustainability challenges and opportunities facing our company and its subsidiaries. These factors influence how we operate and manage our business.

DETERMINATION OF DATA / CONTENT FOR INCLUSION AND ASSURANCE

The SS 2024 is aligned with the GRI Standards. To ensure the accuracy, balance, clarity, comparability, reliability, and timeliness of data and disclosures, Jiankun sources data internally and has it verified by the respective business units or information owners. Jiankun seeks external assurance for its sustainability reporting and financial data has been audited by external auditors. Jiankun applied the GRI principle of materiality in selecting topics and disclosures for inclusion in SS 2024. The materiality assessment process and materiality are provided in the Material Matters section of SS 2024.

STATEMENT OF ASSURANCE

In strengthening the credibility of our sustainability disclosures, Jiankun has conducted third party assurance through engagement of NBS Smart Focus Group, a consultancy specialising in ESG, to undertake independent limited assurance for our ESG data and the Sustainability Statement section set out on page 71 of our Annual Report.

MEMBERSHIP OF ASSOCIATIONS

Jiankun is a member of the following professional bodies as well as industry associations, and it complies with industry policies, standards and regulations of the following:



Construction Industry
Development Board
 (“CIDB”)



Bursa Malaysia Securities
Berhad – Main Market
Listing Requirements



REHDA – Housing
Development



HRDF

Sustainability Statement (Cont'd)

Feedback

We welcome and encourage our stakeholders to provide feedback about this Statement and the issues covered to our channel at <https://jki.com.my/contact-us/>.

About Jiankun

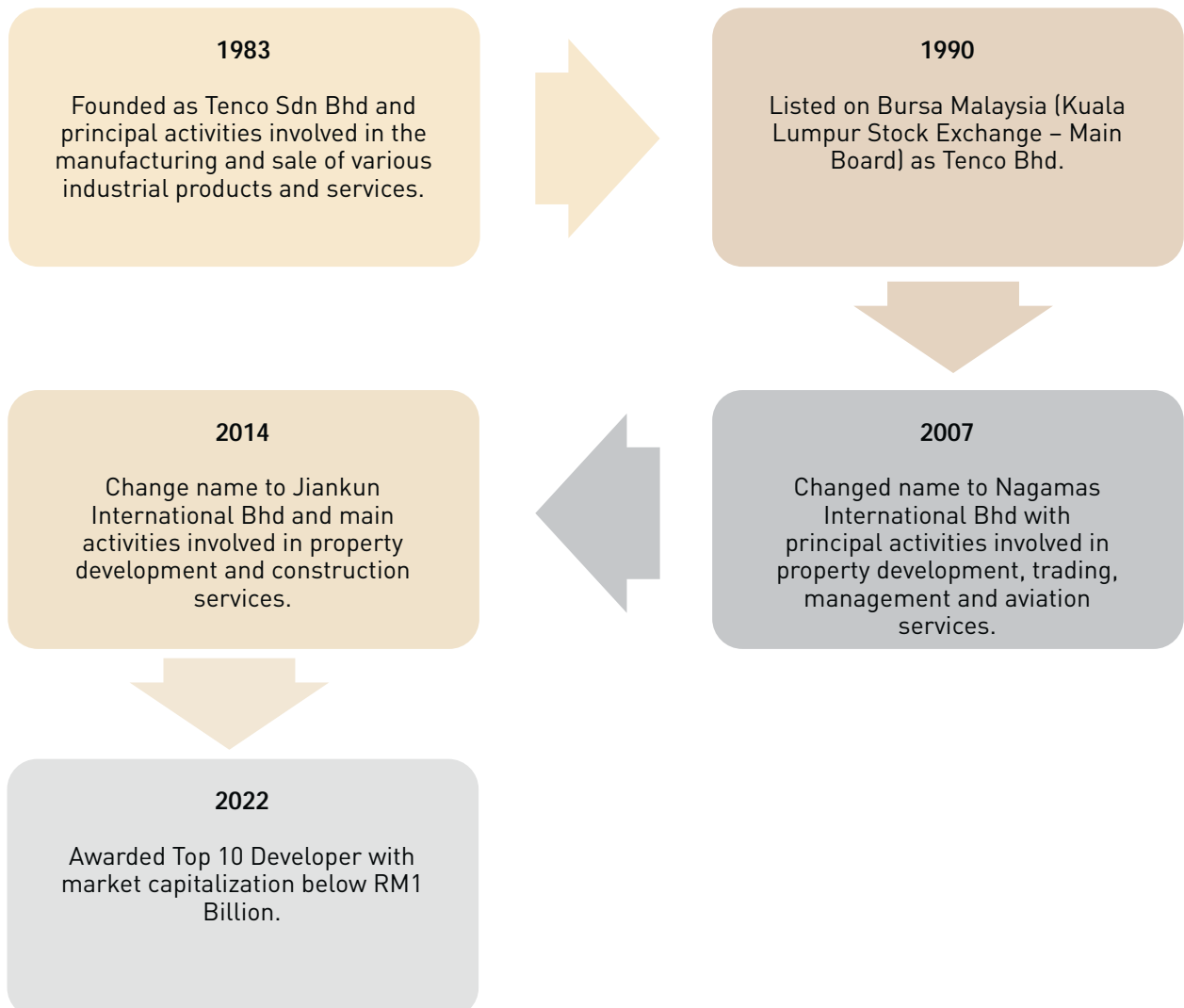
Vision:

To achieve affordable housing to customers and enhance value from diversity.

Mission:

- Strive to become a leading property developer.
- Enhance value to our customers in our products and services quality.

We strive for excellence in all aspects of our operations mainly in the property development and construction industries. We are dedicated to operating sustainably and responsibly, considering the environmental, social, and governance impacts of our activities.



Sustainability Statement (Cont'd)

WHERE WE OPERATE

**Our Business
Operation is in
Malaysia**

**Our Revenue:
RM28,925,820**

Our Employees:

**Our Key Location:
Petaling Jaya,
Selangor Darul
Ehsan**

REVIEW OF OPERATIONS

The Group's review of operations is elaborated in the "Management Discussion and Analysis" section set out in this Annual Report.

OUR APPROACH TO SUSTAINABILITY

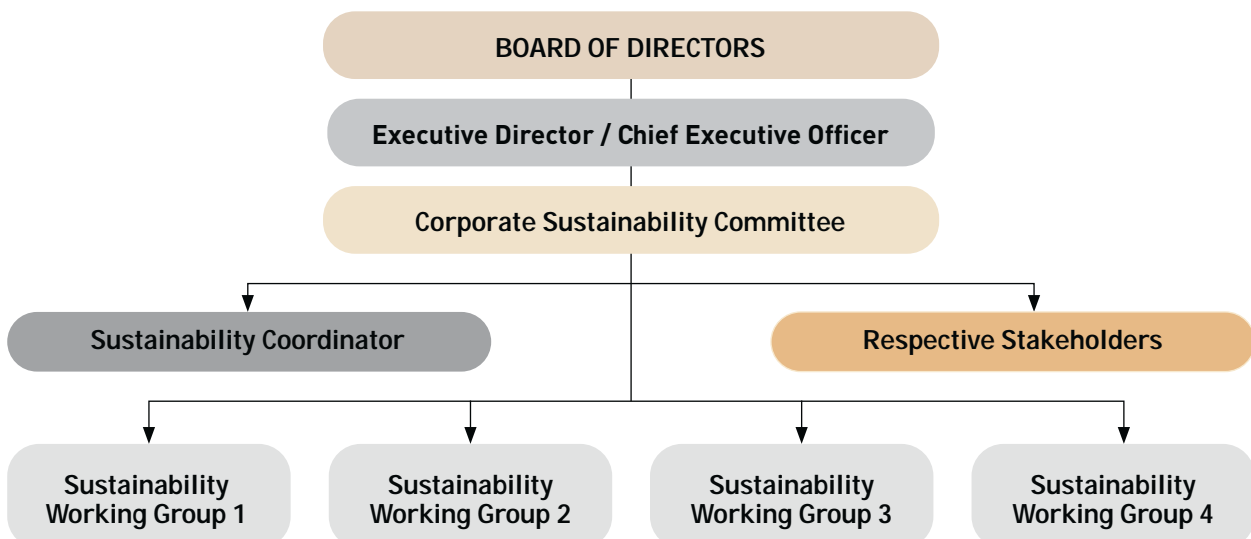
Sustainability Governance

Our sustainability practices are firmly integrated into our overall corporate governance. To ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors is ultimately responsible for our sustainability strategy, supported by the respective Board Committees by delegation.

We have established a corporate sustainability committee ("CSC") led by the Chief Executive Officer ("CEO") to support the Board in managing critical sustainability issues, the CSC includes senior executives and department heads.

Under the purview of the CSC is the Sustainability Working Group ("SWG"), represented by members from middle management across our operating units. The SWG is responsible for the day-to-day implementation of the organisation's strategies and plans. Separately, the Sustainability Coordinator acts as a subject matter expert and coordinates the group's efforts and performance (including undertaking the materiality assessment process).

The Board is committed to staying informed about sustainability challenges and opportunities, including climate-related issues. We regularly assess our Board's capabilities to ensure effective leadership and oversight in this area.



Sustainability Statement (Cont'd)

Responsibilities of the Corporate Sustainability Committee (CSC)

| CSC | RESPONSIBILITIES |
|---|--|
| Board of Directors | <ul style="list-style-type: none"> Leads sustainability efforts for the Group, including developing strategy and targets, assessing materiality, and managing climate risks and opportunities. Promotes sustainability integration across the Group and its businesses, fostering a strong sustainability culture. |
| Executive Director / Chief Executive Officer | <ul style="list-style-type: none"> Approves key sustainability plans, including strategies, targets, policies, and the materiality assessment. Oversees the integration of sustainability and climate considerations into the Group's Risk Management ("RM") framework. Manages and monitors critical sustainability issues, encompassing climate-related risks and opportunities. Tracks progress towards sustainability goals and identifies areas for improvement. Advises the Board on sustainable strategies and monitors their implementation. |
| Corporate Sustainability Committee | <ul style="list-style-type: none"> Crafts sustainability strategies and policies, seeking Board committee approval. Drives consistent implementation across all business segments and locations. Assesses overall sustainability risks and opportunities, prioritising climate-related aspects. Evaluate and refine the materiality assessment process and outcomes. Review and provide feedback on the sustainability statement before Board approval. Develops and recommends sustainability-linked KPIs for performance evaluation of the Board and senior management. Oversees engagement with stakeholders, ensuring their concerns are incorporated into sustainability initiatives. Recommends material sustainability matters, policies, goals, and targets for Board approval. Monitors the implementation of sustainability policies and initiatives. |
| Sustainability Coordinator | <ul style="list-style-type: none"> Coordinates and supports the Sustainability Working Group in managing material matters. Consolidates sustainability reports and data from the Working Group for the CSC. Guides the materiality assessment process. Oversees the management of material sustainability matters. Leads the preparation of the Sustainability Statement and recommends it for Board approval. |
| Sustainability Working Group | <ul style="list-style-type: none"> Links the gap between strategy and execution, ensuring local practices align with the overall sustainability agenda and targets. Assists the CSC in implementing and monitoring sustainability initiatives and performance. |

Sustainability Statement (Cont'd)

Sustainability Strategy

As a Public Listed Company

- As a public listed company, we are pre-emptive of the sustainability matters mainly on the Economic value creation for the shareholder and stakeholder;
- We plan to elevate sustainability in company governance, through engaging in direct board oversight and accountability over environmental and social issues, more diversity and special expertise on boards and linking executive and other employee compensation to sustainability goals;
- We have regular dialogues with key company stakeholders on sustainability challenges, including employees, investors, suppliers and consumers;
- We are in the process of having balanced reporting on sustainability strategies, goals and accomplishments;
- We are in the progress of developing systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products.

As a Service Provider

We provide quality product to all of the clients as they are part of our valued stakeholders.

Strategies and Directions

Despite the challenging operating environment, the Group continues to practice prudence and stay focused on delivering quality growth, while being watchful of emerging risks. The Group is fully committed to upholding responsible financing which is reflected through its prudent infrastructure transformation as well as sustainability in its supply chain.

Our Contribution Towards Sustainable Development

Seventeen (17) Sustainable Development Goals (SDGs) were set by the United Nations General Assembly in 2015 to counter major global issues such as urbanisation, climate change, resource scarcity, demographic and social change and global economic condition by the year 2030 contributions from governments, civil society and businesses. All the countries and stakeholders, acting in collaboration, will strive to implement this plan. The 2030 Agenda for Sustainable Development shapes the journey and sustainable enhancement in Malaysia. Aligning to the aspiration of our government, we will enhance our strategies and efforts to adopt these goals progressively as part of our sustainability journey.



Sustainability Statement (Cont'd)

Sustainability Frameworks

Jiankun’s sustainability framework has been enhanced to align with our business strategy and is guided by the Group’s vision and mission. Our framework aims to meet stakeholder expectations, reduce environmental impact, and positively impact the communities where we operate. It highlights our key priorities: Delivering Excellence, Responsible Supply Chain, Empowering Our People and the Community, and Caring for the Environment. By addressing each of these areas, we aim to achieve the goals set for each priority. To track and improve our sustainability performance, we have established specific objectives.



Sustainability Statement (Cont'd)

Performance Scorecard

Below are our key targets and progress to date:

| Focus Areas | Material Matters | Targets | Current Progress Against Targets |
|---------------------------------|-----------------------|---|---|
| Delivering Excellence | Customer Satisfaction | <ul style="list-style-type: none"> To ensure 90% of the employees are satisfied with the workplace culture and environment. | <ul style="list-style-type: none"> Carry out a survey/ questionnaire on employee satisfaction through the company. The purpose is to identify employees' needs and satisfaction. |
| | | <ul style="list-style-type: none"> Improve employee's trust. | <ul style="list-style-type: none"> On-the-job training provided one-to-one for new joiners. |
| | | <ul style="list-style-type: none"> To provide convenient customer support | <ul style="list-style-type: none"> All approved invoices from contractors are being recommended within the time frame. |
| | | <ul style="list-style-type: none"> To recommend contractors' payment on time | |
| | | <ul style="list-style-type: none"> Average Qlassic Score of 75% Customer Satisfaction Survey during Vacant Possession and Defect Liability Period | <ul style="list-style-type: none"> Upcoming Projects <ul style="list-style-type: none"> - Kajang - Taman Panchor Jaya |
| Responsible Supply Chain | Human Rights | <ul style="list-style-type: none"> Deliver human rights training to staff and ensure suppliers participate in training and capacity-building programs. | <ul style="list-style-type: none"> Send 15% of staff for training related to their job scope |
| | | <ul style="list-style-type: none"> Zero tolerance for labour law violations | <ul style="list-style-type: none"> Compliance with the Employment Act. |
| | | <ul style="list-style-type: none"> To provide the fair trade To carry out pre-qualification and background check of contractors before submitting for management approval | <ul style="list-style-type: none"> Collect subcontractor pre-qualification forms to analyse their qualifications, certificates and licenses before registering to the approved subcontractor list Tender clauses compliant with statutory/regulatory & Occupational Safety and Health |
| | Staff Well - fare | <ul style="list-style-type: none"> Provide insurance for employees to protect employees on construction sites and in the office | <ul style="list-style-type: none"> All employees being insured under insurance |

Sustainability Statement (Cont'd)

Performance Scorecard (Cont'd)

Below are our key targets and progress to date: (Cont'd)

| Focus Areas | Material Matters | Targets | Current Progress Against Targets |
|--|-------------------------------|---|--|
| Empowering Our People and the Community | Health & Safety | <ul style="list-style-type: none"> Ensuring that adequate employees are safe and secure in the workplace Aiming to decrease the number of workplace accidents or injuries | <ul style="list-style-type: none"> Support in creating a safer workplace by offering awareness-raising training and encouraging employees to take part in building management's fire drill. |
| | | <ul style="list-style-type: none"> Develop a safe, hygienic and conducive working environment | <ul style="list-style-type: none"> Ensure that the office environment is always conducive for employees to work |
| | | <ul style="list-style-type: none"> Zero fatalities and work-related injuries at the project site | <ul style="list-style-type: none"> At the project site, the safety officer or supervisor will carry out a safety induction and inspection to make sure everything is secure and well-maintained. Establishment of Safety and Health Policy |
| | Diversity, Equity & Inclusion | <ul style="list-style-type: none"> Develop a clear diversity, equity and inclusion strategy with specific, measurable targets and action plans. | <ul style="list-style-type: none"> Registered and implemented under HR SOP – recruitment |
| | | <ul style="list-style-type: none"> Have a diverse workforce while containing multiple ethnic groups in leadership positions | <ul style="list-style-type: none"> Provide equal opportunities for all ethnic groups to be promoted |
| | | <ul style="list-style-type: none"> To gain more knowledge on technologies and working methods from a potential business partner | <ul style="list-style-type: none"> Awarded jobs to the most competent contractors or service providers who are qualified according to the documentation submitted |
| <ul style="list-style-type: none"> HR engagement/hiring by gender/ age Employee's survey | | | |
| Caring for the Environment | Climate Change | <ul style="list-style-type: none"> Reduce carbon footprint and emissions made by operations and projects | <ul style="list-style-type: none"> The usage of solar panels in upcoming developments provides clean energy with less carbon emissions. |
| | | <ul style="list-style-type: none"> To introduce 3R (Reduce, Reuse & Recycle) concept | |
| | | <ul style="list-style-type: none"> Go paperless or as close to paperless as possible | <ul style="list-style-type: none"> Currently configuring methods to keep the majority of records on an online system. (NAS) |

Sustainability Statement (Cont'd)

Performance Scorecard (Cont'd)

Below are our key targets and progress to date: (Cont'd)

| Focus Areas | Material Matters | Targets | Current Progress Against Targets |
|-------------|------------------|--|---|
| | Waste Management | <ul style="list-style-type: none"> To reduce wastage in the office by up to 50% To consider the use of a waste management system in developing a project | <ul style="list-style-type: none"> To clear wastage on time to prevent odour Adopted Spiral Waste Bin at Amani Residences which compresses the waste of tenants saves space and avoids the smell. To track and keep records of the construction waste disposed of directed to landfills and scrap metal being sold for recycling |
| | Water Management | <ul style="list-style-type: none"> Reduce water wastage | <ul style="list-style-type: none"> Issuance of the memo to the employees on water consumption |
| | | <ul style="list-style-type: none"> To obtain necessary permits or approvals for water use and treatment | <ul style="list-style-type: none"> Appointed C&S Consultant for the project to assist in applying and submitting for approval |
| | | <ul style="list-style-type: none"> Usage of natural resources like rainwater for multiple purpose | <ul style="list-style-type: none"> To be implemented on our upcoming project at Kajang with a minimum scale. |

Our Materiality Assessment Process

Objective and Scope

- The Group undertook a materiality study within the top management and middle management to determine the objectives and scope of the sustainability reporting.

Identification and Categorisation of Sustainability Matters

- Review of Internal and External Sources
- Review current and future risks and opportunities in our markets
- Refine our management approach

Stakeholder Engagement

- Engage with the stakeholders to rank the sustainability matters

Prioritisation of Material Sustainability Matters

- Assess the level of influence and dependence of each stakeholder group on the Group materiality matrix

Process Review

- The materiality process is undertaken as a key component of the Group journey towards identifying sustainability matters.
- The management has reviewed and endorsed the process and outcome of the materiality which guides the Group in addressing and managing its material sustainability matter

Validation and Approval

- Report the validated results to the Board for consideration and deliberation
- The board approved the process and outcome of the materiality assessment
- Review the outcome on annual basis

Sustainability Statement (Cont'd)

Stakeholder Engagement

Jiankun has a broad range of stakeholder groups that affect, or are affected by the Group and our activities. Our key stakeholder groups include shareholders, regulators and government authorities, customers, employees, community, suppliers, media as well as the general public. They were identified based on their different levels of influence over and dependence on our business.

As a Group, we prioritise constructive communication with all our key stakeholder groups through formal and informal interactions. These interactions help us to identify key sustainability issues, and gain insights into future opportunities and risks, allowing us to stay ahead of the curve, respond effectively to stakeholder needs, build trust and foster collaboration. Our business and functional units actively engage with their respective stakeholders on chosen platforms. They bring all raised issues to the Management Committee, ensuring everyone remains informed and involved. Regularly engaging stakeholders is crucial for our business development, relationships, and commitment to sustainability.

Our key stakeholders are outlined in the below table, along with the forms of engagement and key topics of interest that we seek to address.

| Key Stakeholder | Engagement Platform | Engagement Focus & Objective | Our Initiative & Achievement |
|--|--|---|--|
| Shareholders/ Investor | <p>As needed</p> <ul style="list-style-type: none"> Statutory Announcement One-on-one and group meetings <p>Quarterly</p> <ul style="list-style-type: none"> Financial reports and announcements Investor briefings Conferences <p>Annually</p> <ul style="list-style-type: none"> General Meetings Annual reports Corporate Events | <ul style="list-style-type: none"> Maintains proactive engagement with investors A clear and consistent business strategy, strong governance, ethics and transparency, and long-term business value. Communicates effectively with the investment community on various topics. | <p>Initiative</p> <ul style="list-style-type: none"> Updating any information with Bursa Updating the latest news on the corporate website. Strive to achieve corporate mission and vision. <p>Achievement</p> <ul style="list-style-type: none"> Shareholders and Investors are updated and aware of the company's development. Established business objectives with investors. |
| Regulators and Government Authorities | <p>As needed</p> <ul style="list-style-type: none"> Scheduled/ ad-hoc meetings <p>Regularly</p> <ul style="list-style-type: none"> Participation in government and regulatory events <p>Yearly</p> <ul style="list-style-type: none"> Renewal of various licenses/permits | <ul style="list-style-type: none"> Ensures compliance with the guidelines and regulations Increasing the delivery rate of new homes, improving the quality and sustainability of developments, and regulating resource efficiency standards | <p>Initiative</p> <ul style="list-style-type: none"> Ensure all the requirements by the authority level are obeyed. Hired a document liaison officer to integrate with authorities. <p>Achievement</p> <ul style="list-style-type: none"> Implemented and stayed up to date in government-mandated regulations and amendments from time to time, then amended the employee handbook to comply with law and regulations. |

Sustainability Statement (Cont'd)

| Key Stakeholder | Engagement Platform | Engagement Focus & Objective | Our Initiative & Achievement |
|------------------|--|---|---|
| Customers | <p>Immediately</p> <ul style="list-style-type: none"> Customer support channels <p>Yearly</p> <ul style="list-style-type: none"> Public engagement events Customer Satisfaction Survey | <ul style="list-style-type: none"> Enhance customer experience Maintain open communication and engagement Strive for service excellence when dealing with all parties (internal and external). To negotiate the best terms and conditions in the best interest of the company. Discuss strategies to improve and enhance the Group's strategies and operations | <p>Initiative</p> <ul style="list-style-type: none"> Introducing renewable energy for upcoming projects to the buyers as a cost and energy saving exercise by installing Solar power on each unit Attractive sales package such as a rebate for buyers when purchasing the units Competent design for the unit <p>Achievement</p> <ul style="list-style-type: none"> Able to fully sell the previous/ completed projects |
| Employees | <p>As needed</p> <ul style="list-style-type: none"> Internal communications Corporate announcements Workshop and training Employee engagement events <p>Annually</p> <ul style="list-style-type: none"> Town halls Employee feedback survey Employee appraisals | <ul style="list-style-type: none"> Employee engagement and development Promote employee well-being through various initiatives Manage employee welfare and benefits programs Career development opportunities: Provide employees with opportunities to grow and develop their skills. Performance reviews: Assess staff performance, provide feedback and support for continuous improvement, recognition and appreciation of achievements, and identify training needs To recruit talented candidates and ensure all employees aware and clear on their job description. | <p>Initiative</p> <ul style="list-style-type: none"> Introduce shortened working options fringe benefits for the staff. Encourage the participation of employees in training and courses related to their job Create a structured onboarding program that goes beyond basic orientation. Include mentorship opportunities, culture integration activities, and personalized development plans to help new hires acclimate quickly and feel valued <p>Achievement</p> <ul style="list-style-type: none"> Low turnover rate Most of the employees has attended and participated in some courses and trainings Hire the right person for the vacant position. |

Sustainability Statement (Cont'd)

| Key Stakeholder | Engagement Platform | Engagement Focus & Objective | Our Initiative & Achievement |
|---|--|---|--|
| Community | <p>As needed</p> <ul style="list-style-type: none"> Strategic and ad-hoc meetings/ visits <p>Yearly</p> <ul style="list-style-type: none"> CSR events Community development program | <ul style="list-style-type: none"> Community engagement and social responsibility Manage sponsorship and donation requests Address social requirements and concerns regarding specific programs Community investment and development initiatives | <p>Initiative</p> <ul style="list-style-type: none"> Providing Donations in the range of (Rm 5000 to RM 10000) to a needy organisation every year. <p>Achievement</p> <ul style="list-style-type: none"> No achievement recorded |
| Suppliers/ Contractors & Business Partners | <p>As needed</p> <ul style="list-style-type: none"> Meetings <p>Annually</p> <ul style="list-style-type: none"> Supplier assessment/ performance appraisals | <ul style="list-style-type: none"> Strive for service excellence when dealing with external parties. To negotiate the best terms and conditions for the company while being effective and efficient Ethical procurement and supplier management Maintain compliance with ethical business conduct practices throughout the supply chain Engage regularly with suppliers and subcontractors to understand their needs and concerns Develop strategic partnerships with key suppliers for mutual benefit | <p>Initiative</p> <ul style="list-style-type: none"> Have a meeting with subcontractors to ensure the job progress moves forward without any obstacles. Implement a comprehensive supplier evaluation process focusing on service quality, reliability & financial stability by collecting subcontract prequalification forms. Carries out subcontractor performance evaluation for post-contract. <p>Achievement</p> <ul style="list-style-type: none"> Able to fully complete the Amani Project. 60% of the One Le Tower projects have been completed. Established long-term collaboration |

Sustainability Statement (Cont'd)

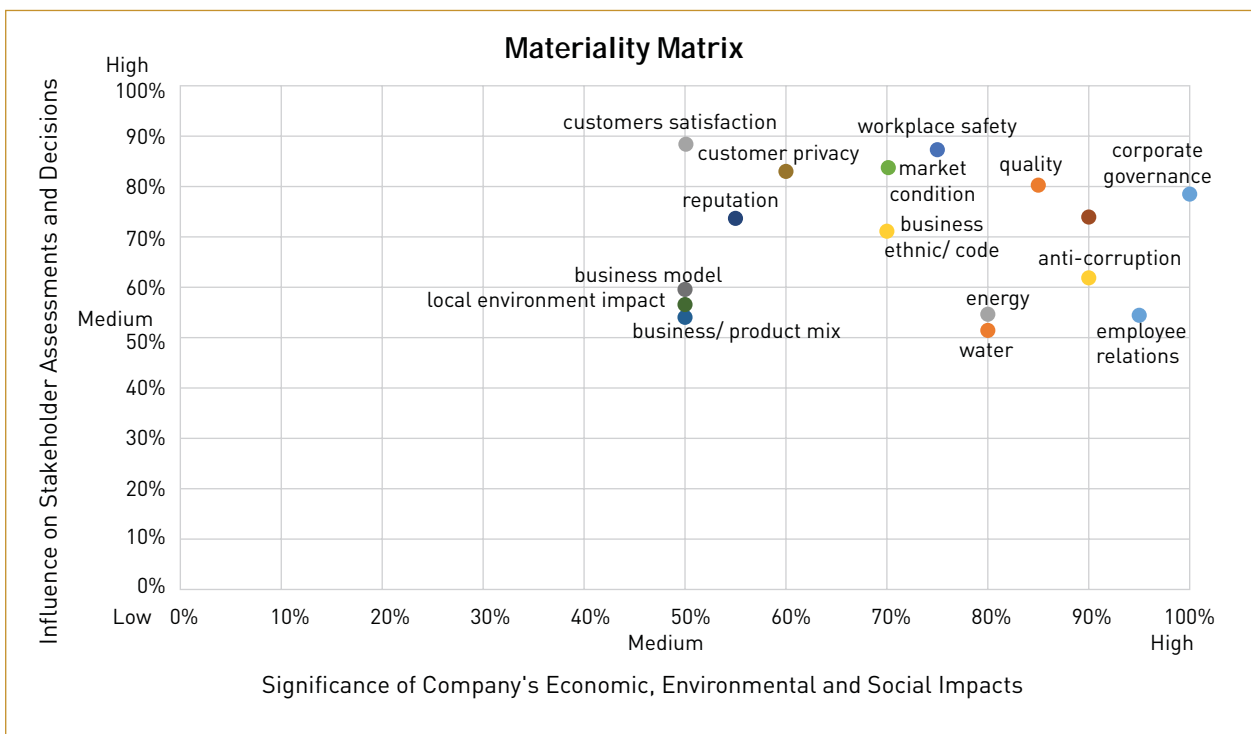
| Key Stakeholder | Engagement Platform | Engagement Focus & Objective | Our Initiative & Achievement |
|-----------------|---|---|---|
| Media | Ad hoc basis <ul style="list-style-type: none"> Media releases and interview Media briefings and press kit Public events networking | <ul style="list-style-type: none"> Public communication and engagement New developments and updates for public knowledge and awareness Secure press coverage and media exposure for relevant information Continuous and meaningful communication Events and utilise various advertising channels to engage with the public To ensure complete and timely job advertisements are posted to find the right candidates for job vacancies. Disseminate the corporate objectives and values through key channels. | Initiative <ul style="list-style-type: none"> Using Job Street and LinkedIn as a platform to promote job vacancy Work towards gaining recognition in the construction and development industry Achievement <ul style="list-style-type: none"> Receiving the award for Malaysian Developer Awards 2022 Our director was featured in OIC Today Business & Investment magazine |

Sustainability Statement (Cont'd)

Material Matters

As an organisation, we are cognizant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. We have conducted a comprehensive materiality assessment, engaging both internal and external stakeholders to capture their voices and concerns. The identified material matters guide our business strategy and resource allocation towards the most impactful sustainability topics. We review the relevance of these topics annually, ensuring we constantly adapt to evolving needs and challenges.

This year through our limited-scale materiality review, we concluded that all our existing 16 material matters are aligned with our strategic priorities and stakeholder expectations. We are in the process of benchmarking against our local and regional peers as well as considering emerging risks and relevant frameworks which are Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), GRI Standards and SASB Standards.



Our Materiality Matrix renews our focus on material matters which forms the basis of this report, while the respective indicators facilitate the monitoring and measurement of our sustainability performance.

The process of materiality assessment shapes a company's sustainability strategy and defines its reporting. It helps a company analyse risk factors and upgrade its business process for prospects. Materiality assessment is also an important tool to meet the expectations of stakeholders. The frequency of materiality assessment is done once a year however it is also being discussed on an ad hoc basis during the monthly management meeting.

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each material factor. Understanding our key priorities allows us to set our time, resources and investment to the best use. Combining the views of stakeholders and Management from the preliminary materiality process, the materiality matrix has been derived to show the different levels of importance of sustainability matters.

To navigate the Group towards sustainable business growth and success, we have assessed the material sustainability matters which are most significant to the Group as well as to our various stakeholders. This material matters assessment enables us to identify, assess and prioritise the risks and opportunities arising from the ESG context, to take advantage of any potential opportunities in this ever-change business environment.

Sustainability Statement (Cont'd)

Material Factors

(Environment- E, Social- S, Governance- G)

The materiality factors are based on the priority of the organisation.

| Material Matters | Why Material & Managing Materiality | Management Approach |
|--|--|--|
| Anti-Corruption (G)  | Why Material <ul style="list-style-type: none"> To prevent manipulation of company resources that can lead to inefficiencies and disruptions in business productivity Managing Materiality <ul style="list-style-type: none"> Internal memo and email to all employees to inform them of the policy on anti-corruption. Whistle-Blowing Channell and Policy. | Annually <ul style="list-style-type: none"> Provide anti-corruption training to all employees. |
| Data Privacy and Security (G)  | Why Material <ul style="list-style-type: none"> To avoid misuse of the information for personal interest. Managing Materiality <ul style="list-style-type: none"> Obtained Personal Data Protection Act (PDPA) cert to keep customers informed on our company's private and confidential policy. | Regularly <ul style="list-style-type: none"> Implement data privacy policies to ensure data is not released to outsiders without management knowledge. |
| Regulatory Compliance (G)  | Why Material <ul style="list-style-type: none"> To avoid penalties and fines from the authorities. Compliance ensures that company practices are consistent, standardized and efficient across the organization. Managing Materiality <ul style="list-style-type: none"> Working with Consultants who keep us updated on the latest guidelines and regulations. | Regularly <ul style="list-style-type: none"> Develop clear and comprehensive policies that address all relevant regulatory requirements. |
| Market Condition (G)  | Why Material <ul style="list-style-type: none"> To obtain economic and financial factors that affect the property development industry. Managing Materiality <ul style="list-style-type: none"> Carry out Feasibility studies and market research <ul style="list-style-type: none"> Property. Investment. Projects. | Each Project <ul style="list-style-type: none"> Compliance with corporate governance and adherence to relevant laws and guidelines. |


Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|--|--|---|
| <p>Corporate Governance (G)</p>  | <p>Why Material</p> <ul style="list-style-type: none"> To enable the company to comply with employment laws, regulations and industry standards which is a good corporate governance Enable management to make informative decisions. <p>Managing Materiality</p> <ul style="list-style-type: none"> Conduct regular reviews of relevant policies, practices and governance processes to ensure they remain effective and up to date. | <p>Regularly</p> <ul style="list-style-type: none"> Compliance with regulatory requirements on company operation. |
| <p>Cyber Security (G)</p>  | <p>Why Material</p> <ul style="list-style-type: none"> To secure the privacy and confidential information <p>Managing Materiality</p> <ul style="list-style-type: none"> Raising awareness to all staff of the importance of data security by issuing policies and memos. | <p>Regularly</p> <ul style="list-style-type: none"> Firewalls and Antivirus Software: Use up-to-date firewalls and keep antivirus software updated to detect and block malicious activities |
| <p>Supply Chain Management (S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> Promoting diversity and inclusion within the supply chain workforce enhances creativity, problem-solving and decision-making. <p>Managing Materiality</p> <ul style="list-style-type: none"> To formalize the process and procedures involved throughout the supply chain. | <p>Regularly</p> <ul style="list-style-type: none"> To carry out pre-qualification to ensure shortlisted vendors/contractors are capable To check on vendors/contractor's financial positions. |





Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|--|--|---|
| <p>Optimization/ Resources (S)</p>  | <p>Why Material</p> <ul style="list-style-type: none"> To optimize utilization of staff resources and maximize the returns. <p>Managing Materiality</p> <ul style="list-style-type: none"> Employing suitable employees with relevant experience and qualifications. | <p>Regularly</p> <ul style="list-style-type: none"> Perform regular internal audits to identify areas for improvements in terms of where resources and staff could be employed more optimally. Conduct monthly Management meetings to report and discuss the current operation and business status. |
| <p>Occupational Health and Safety (S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> Identifying and mitigating risks prevents accidents and reduces potential liabilities. <p>Managing Materiality</p> <ul style="list-style-type: none"> Ensure that all employees are aware of the OSH policies and understand their importance. | <p>Regularly</p> <ul style="list-style-type: none"> Implementing comprehensive OSHA policies and procedures in the office. Provide training to management and seminars covering topics such as hazard identification, emergency procedures & safe work practices. |
| <p>Labour Practices and Standards (S)</p>  | <p>Why Material</p> <ul style="list-style-type: none"> Ensuring compliance with local and national labour laws and regulations is fundamental to avoid legal penalties and lawsuits. <p>Managing Materiality</p> <ul style="list-style-type: none"> Regularly update policies to reflect changes in laws and best practices. | <p>Regularly</p> <ul style="list-style-type: none"> Implemented company handbook and policies that comply with laws and regulations. Conduct employee satisfaction surveys to gather feedback and identify areas for improvement. Creating SOPs for projects and monthly project briefings. |

Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|--|--|--|
| <p>Training and Development (S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> • Training programs equip employees with the skills needed to perform their jobs more effectively and efficiently. • To ensure employees constantly achieve high productivity and acquire relevant skills to progress at work. <p>Managing Materiality</p> <ul style="list-style-type: none"> • Employees participate in the relevant training and courses to stay updated and with the latest technical knowledge and skills to be applied at work. | <p>Regularly</p> <ul style="list-style-type: none"> • provide the proper training for staff to further their knowledge and other relevant skills either on-job training or public training • Offer study leave to allow employees time off to focus on their educational pursuits |
| <p>Compensation and Remuneration (S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> • To ensure fairness and compatibility with market practices. <p>Managing Materiality</p> <ul style="list-style-type: none"> • AGM to discuss the employee's benefits and salary increment. | <p>Regularly</p> <ul style="list-style-type: none"> • Fair salary and fringe benefits for the staff. • Yearly increment. |

Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|---|---|---|
| <p>Community Welfare and Well-Being (E, S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> Positive community engagement can lead to favourable media coverage and public perception <p>Managing Materiality</p> <ul style="list-style-type: none"> To give donations to the needy organisation. | <p>Annually</p> <ul style="list-style-type: none"> Does not practise regular donation to any organisation. |
| <p>Diversity and Equality Opportunity Workplace (S)</p>   | <p>Why Material</p> <ul style="list-style-type: none"> Overall management and fair treatment of employees in addressing human rights, labour practices, and employers embracing workplace diversity. <p>Managing Materiality</p> <ul style="list-style-type: none"> Implement fair and equal job opportunities and staff appraisal. | <p>Regularly</p> <ul style="list-style-type: none"> Inclusive of diversified personnel in leadership positions referring to the company organisation chart. |

Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|--|---|---|
| Energy Management (E)  | <p>Why Material</p> <ul style="list-style-type: none"> Efficient energy systems reduce the risk of health issues related to poor indoor air quality, inadequate lighting and extreme temperature <p>Managing Materiality</p> <ul style="list-style-type: none"> Assess the impact of energy management initiatives on both the workplace and organizational performance to identify areas for improvement. | <p>Regularly</p> <ul style="list-style-type: none"> Recording the monthly usage of electrical energy at the site (One Le Tower) Implication of renewable energy in projects by signing a Memorandum of Understanding for collaboration with solar system company for future developments Promote energy awareness amongst staff to improve energy-saving behaviours by issuing out an internal memo |
| Water Management (E)  | <p>Why Material</p> <ul style="list-style-type: none"> Efficient water uses and conservation measures can lead to significant cost savings, freeing up resources for company initiatives <p>Managing Materiality</p> <ul style="list-style-type: none"> Issuance of memo to employees to turn off water taps when not in use. | <p>Regularly</p> <ul style="list-style-type: none"> Recording the monthly usage of water consumption at the site and HQ. Collect and store rainwater for use in upcoming projects. Promote water-saving awareness amongst staff by issuing out internal memo. |
| Employee Satisfaction (S)  | <p>Why Material</p> <ul style="list-style-type: none"> Having a good relationship with employees would result in effective and efficient workflow and high employee retention. A high level of employee satisfaction leads to lower turnover rates and reduces the costs associated with recruiting, hiring and training new employees <p>Managing Materiality</p> <ul style="list-style-type: none"> Seek feedback from employees of relevant departments through survey forms. | <p>Annually</p> <ul style="list-style-type: none"> A questionnaire has been issued only to check on the office environment, facilities and employee satisfaction. Improving to provide career growth programs like training and development. |

Sustainability Statement (Cont'd)

| Material Matters | Why Material & Managing Materiality | Management Approach |
|---|--|--|
| Reputation (S)  | Why Material <ul style="list-style-type: none"> A good reputation is often built on strong values and ethical practices, which are integral to a healthy organizational culture A strong and positive reputation helps attract top talent. Prospective employees are likely to seek out and join organizations known for their good reputation Managing Materiality <ul style="list-style-type: none"> Increase the exposure of news and articles to boost the brand's name | Regularly <ul style="list-style-type: none"> Ensure that the company's values, culture and benefits are published on the official website. Improve the quality and regularity of communication with stakeholders by reporting to the press. |
| Direct Economic Values (G)  | Why Material <ul style="list-style-type: none"> To maximize the revenue and profit generated in the group as a whole. Managing Materiality <ul style="list-style-type: none"> Always keep up to date with the company's performance in terms of revenue and profit achievement and report to top management. | Quarterly <ul style="list-style-type: none"> Attractive sales package such as a rebate for buyers when purchasing the units To create a better product enhancement to generate revenue and profit. |
| Indirect Economic Values (G)   | Why Material <ul style="list-style-type: none"> To optimize the utilization of available resources. Managing Materiality <ul style="list-style-type: none"> Control and manage the budget allocation. | Annually <ul style="list-style-type: none"> Track down energy and water usage and plan for budgeting |

Sustainability Statement (Cont'd)

Risk Management

Jiankun International Bhd understands the importance of being prepared for any challenges. In line with our Risk Management Guidelines, we proactively identify and manage potential risks throughout our organization. Our Enterprise Risk Management (ERM) framework extends beyond traditional methods by incorporating sustainability and climate-related risks alongside corporate, financial, and operational concerns. This comprehensive approach helps us address all potential threats and opportunities. Effectively managing our risk appetite is key. Designated risk owners carefully monitor and track all identified risks, providing regular updates to the Board Committee for review and strategic decision-making. This teamwork ensures that all risks remain within our defined tolerance levels, helping to protect our long-term stability.

| Material Factors | Risk & Opportunities | Our Approach |
|--------------------|--|---|
| Competition | <p>Risk</p> <ul style="list-style-type: none"> Talent / Staff might leave the company if no career advancement A rise in competition may result in a decrease in sales and market share and thus hinder the growth of the company. As more developments sprout, the availability of land decreases leading to higher land prices thereby making it more difficult to acquire prime locations. Reputation Damage - Fierce competition might lead to unethical practices or negative public relations efforts to undermine competitors, risking damage to the industry's reputation. There will be an impact on the company's capacity to maintain its revenue and business. <p>Opportunities</p> <ul style="list-style-type: none"> Providing training will ensure better performance and company growth Competition could promote innovation by forcing the company to figure out how to produce quality products at more competitive prices and also encourage the creation of unique value propositions, allowing for the strengthening of brand differentiation. Market Expansion - Companies may expand into new markets or segments to find growth opportunities amidst competition. Set the business objectives that will help you become recognised. To establish oneself as the public's preferred business partner. | <ul style="list-style-type: none"> Provide training in order to improve performance of the staff Promote career growth Analyse market trends to keep products and services relevant Compensate higher than market price with attractive packages that include adopting ESG factors such as solar panel Explore opportunities for collaboration with other companies, where mutually beneficial. Strategic partnerships can help leverage strengths, access new markets, or share resources, ultimately strengthening competitive positioning. To perform admirably when it comes to firm business Practices that promote stakeholder and customer satisfaction |

Sustainability Statement (Cont'd)

| Material Factors | Risk & Opportunities | Our Approach |
|-------------------------|--|---|
| Market Stability | <p>Risk</p> <ul style="list-style-type: none"> • Changes in regulations or laws may impact the stability of the market as well as business operations. • Economic and currency fluctuations can make the market more volatile and unpredictable, thus making it harder to devise appropriate business strategies. • Vulnerability to External Shocks - A stable market may not be resilient to external economic, political, or technological shocks. Companies may struggle to adapt quickly if significant disruptions occur. • Unexpected price increases and economic deflation in certain nations <p>Opportunities</p> <ul style="list-style-type: none"> • Leading the way in adapting to regulatory and economic changes can put the company in an advantageous position by capitalising on the changes. • Regulatory Compliance - Stable markets often have clear regulatory frameworks and industry standards. Companies can navigate compliance requirements more effectively, reducing legal and regulatory risks. • Maintain the company's sustainability towards business and avoid bankruptcy | <ul style="list-style-type: none"> • Implement scenario planning to devise contingency plans by anticipating any potential market changes. • Regular monitoring and compliance with legal and corporate governance regulations • Maintain flexibility to adapt to changing market conditions, technological advancements, and consumer demands. • To set aside and get ready a prior budget • To regularly research and assess the nation's economic situation |
| Anti-Corruption | <p>Risk</p> <ul style="list-style-type: none"> • Misleading employers and employees towards illegal action in the business • Embezzlement of funds by staff • Manipulation and diversion of company resources • Loss of trust among all stakeholders • Reputation Damage - Failure to address corruption risks can lead to significant reputational damage. This can result in a loss of trust from stakeholders, including customers, investors, and the public. • The product's quality and warranty will deteriorate. <p>Opportunities</p> <ul style="list-style-type: none"> • Business may be more integrity and efficient with the guidance policy • Having strong anti-corruption practices helps to build a strong positive reputation by fostering trust amongst stakeholders. • Anti-corruption enforcement helps to strengthen investor confidence. Investors may be more willing to invest in the company as the chances of scandals will be lower. • Compliance with anti-corruption laws will help the company to avoid fines and other legal penalties. • Enhanced Reputation and Trust - Companies that prioritize anti-corruption measures can enhance their reputation as ethical and trustworthy entities. This can attract customers, investors, and business partners who value integrity. | <ul style="list-style-type: none"> • Training courses to the employees on the awareness of anti-corruption. • Establishment of an anti-corruption policy • The manager in charge as well as cheque signatories to cross-check and verify the supporting documents before endorsing the payment. • Briefings and sufficient training to provide clarity on good work practices to avoid corruption. • Include a whistleblowing policy in the employee handbook and make sure all staff are aware of it. • Must abide by the authority's rules and laws |

Sustainability Statement (Cont'd)

| Material Factors | Risk & Opportunities | Our Approach |
|-----------------------------------|--|--|
| <p>Health & Safety</p> | <p>Risk</p> <ul style="list-style-type: none"> • Employee health & well – being will be affected • Unhygienic and unsafe working conditions may lead to illnesses or injuries resulting in a less productive workforce due to the inability to carry out tasks efficiently. • Any non-compliance could lead to legal repercussions. In the event of an incident due to non-compliance, lawsuits and fines may ensue which may divert the company’s time and resources away from its main business activities. • Injuries, casualties and other accidents may damage brand reputation and thus result in a loss of customer trust as well as hindering opportunities for talent recruitment. • Financial Costs - Managing workplace accidents and injuries can incur significant costs, such as medical expenses, compensation claims, and costs associated with production downtime or equipment damage. • Employee negligence about health and safety impacts work progress at the site. <p>Opportunities</p> <ul style="list-style-type: none"> • Having good health and safety practices boosts employee morale and satisfaction, thus increasing productivity as well as loyalty. • Robust policies along with a good track record of safety usually means that insurance premiums would be less costly • Get the task done quickly, affordably, and on schedule. • Acknowledgement of the business in the fields of safety and health at the project site | <ul style="list-style-type: none"> • To ensure employee work in a safe environment and control hazards at the workplace by • Compliance to the Occupational Safety and Health Act. • Explicitly illustrate safety procedures as well as provide training and seminars for staff to be well informed. • Penalties and memos sent to subcontractors and staff • Organise weekly meetings to remind individuals about safety |

Sustainability Statement (Cont'd)

| Material Factors | Risk & Opportunities | Our Approach |
|--|--|---|
| Cybersecurity & Data Protection | <p>Risk</p> <ul style="list-style-type: none"> • Lost privacy and confidential info. The operation will be disrupted • The mishandling of customer data resulting in leaks may cause consumer distrust and significantly harm the company's reputation. • Cyberattacks such as a ransomware attack can cause a complete halt in operations • Data Breaches - The risk of data breaches, where sensitive information such as customer data, intellectual property, or financial records is compromised, leading to financial losses, legal liabilities, and reputational damage. <p>Opportunities</p> <ul style="list-style-type: none"> • Smooth run of the business will enhance productivity and secure better business opportunities • Fortification of cybersecurity protocols and data protection to make systems more resilient against any chance of attack • Operational Resilience - Effective cybersecurity measures improve operational resilience by minimizing the impact of cyber incidents. Companies can maintain business continuity, protect critical assets, and respond swiftly to cyber threats. • Make sure the company's data is safe and reusable in the future. | <ul style="list-style-type: none"> • To ensure all staff are aware of the importance of data security by issuing a memo. • Ensuring all handling of data complies with the Personal Data Protection Act (PDPA). • Disclosure of data usage and reasoning behind data collection to all relevant stakeholders. • Implementation of data minimisation principle whereby only the most necessary data is collected. • Brief all staff to be able to identify suspicious cyber activity as well as how to address it. • Establishment of a crisis recovery plan to recover data systems in the event of an attack. • Implement continuous monitoring of networks, systems, and applications for suspicious activities and potential security breaches. • To install data protection software • To keep hardcopy for all the documents for backup purposes • Having an appropriate framework for organising data |

Sustainability Statement (Cont'd)

| Material Factors | Risk & Opportunities | Our Approach |
|-------------------------------------|--|---|
| Legal & Regulatory Risks | <p>Risk</p> <ul style="list-style-type: none"> Contract terms, disputes, or liability issues. Delays or issues in obtaining necessary permits or approvals from regulatory bodies. <p>Opportunities</p> <ul style="list-style-type: none"> Powerful and clear contract Clarity, and transparency of terms and conditions | <ul style="list-style-type: none"> Appoint an external legal advisor on the Contract Payments are made timely to the Authority Engage liaisoning specialised officer to follow up on approvals |
| Variation on Design Risk | <p>Risk</p> <ul style="list-style-type: none"> Delaying physical work Additional cost and time incurred <p>Opportunities</p> <ul style="list-style-type: none"> Improvement of end product Customer Satisfaction with enhanced product quality | <ul style="list-style-type: none"> Consultant & Subcontractor to propose Value Engineering Design consultant resolves on time with the budget and meets the timeline |
| Final Account Management | <p>Risk</p> <ul style="list-style-type: none"> Unable to have a mutual agreement on the final account contract amount <p>Opportunities</p> <ul style="list-style-type: none"> Able to close the account and settle the final payment Good paymaster and company image | <ul style="list-style-type: none"> Conduct final joint inspection & remeasurement at the site with consultant & contractor |

Sustainability Statement (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS

This section aims to provide insights into the Group's sustainability commitments and practices across the three key areas of environmental, social and governance undertaken by our key business divisions.

GOVERNANCE

Our communities, workers, investors, consumers, and stakeholders are all partners in our quest for a prosperous future. We understand that the environment and society at large are impacted by our development goals and strategies in addition to economic growth. Our Board actively supervises our efforts to be sustainable. For us, building long-lasting and sustainable value for our stakeholders requires incorporating ESG factors into business strategy, governance, and decision-making processes. Making sure that our company is flexible and robust in the face of global problems, involves taking proactive steps to foresee and handle significant ESG risks and opportunities.

Our goal is to instil confidence and trust in all of our stakeholders. Our long-term sustainability plan and strategy are well-defined, with the main objective being to facilitate the world's shift to a more sustainable future. We actively communicate with our internal and external stakeholders to learn about their expectations and points of view on matters such as data protection, climate action, and health and safety. We can better develop our strategies and actions with the help of this input, making them meaningful and relevant. Our Board establishes the company's sustainability goals and priorities and tracks our advancement toward them. We are open and honest with stakeholders about our performance, both inside and beyond the company. Additionally, we have a committed manager who leads our sustainability strategy and makes sure it is completely incorporated into our daily operations.

We acknowledge that the sustainability landscape is ever-changing. The Board is always expanding its knowledge and experience in this field to make sure it is capable of managing our sustainability initiatives. We regularly assess the Board's and senior management's performance, taking remedial action where needed and taking into account the advancement of sustainability aims. As the economy is ever-evolving, we are dedicated to adjusting and prospering in this dynamic setting. We recognize important risks and act proactively to reduce them so that our company may continue to grow and compete. We are convinced that we can create a better future for everyone if we collaborate with our stakeholders and adopt sustainability as a guiding principle.

Our commitment is to strong corporate governance and prudent management amid challenging conditions, reinforced by the following aspects:

➤ ECONOMIC PERFORMANCE – RELATED UNSDGs 8

Jiankun believes that financial performance directly supports our long-term value creation and sustainability goals. We are committed to creating meaningful employment opportunities and fostering economic development within the communities we serve. By effectively leveraging our assets and sharing the generated wealth with our stakeholders, we aim to ensure long-term resilience.

Jiankun's strategy for achieving and sustaining strong economic performance involves executing our business plan, which includes staying informed about market trends, maintaining a healthy financial position, embracing technological advancements, mitigating relevant risks, and expanding into new markets through diversification.

In the financial period ended on 30 June 2024, the Group generated a total revenue of RM28,925,820.00. As the table below demonstrates, Jiankun continues to create value for our stakeholders.

Sustainability Statement (Cont'd)

Our Performance

This year, the Group generated a total revenue of RM19,405,351. The table below demonstrates that Jiankun remains a consistent source of value for our stakeholders.

To make the table in Group

JKI Development Sdn Bhd

| | FYE 2021 RM | FYE 2022 RM | FYE 2023/ 2024 RM |
|--|----------------|----------------|-------------------------|
| Economic value generated (i.e., revenue and other income) | 54,705,345 | 13,453,693 | 308,447 |
| Economic value distributed: | | | |
| Operating costs | 687,262 | 1,026,036 | 2,834,899 |
| Employee wages and benefits | 1,497,981 | 2,087,122 | 3,411,749 |
| Payment to providers of capital (i.e., dividend and financing costs) | 2,469 | 172,560 | 0 |
| Payment to government (i.e., tax) | 152,775 | 1,596,544 | 471,100 |
| Community investment | 0 | 0 | 0 |
| Economic value retained | 52,364,859 | 8,571,432 | (6,409,301) |

JKI Construction Sdn Bhd

| | FYE 2021 RM | FYE 2022 RM | FYE 2023/ 2024 RM |
|--|----------------|----------------|-------------------------|
| Economic value generated (i.e., revenue and other income) | 23,484,726 | (914,372) | 19,679,428 |
| Economic value distributed: | | | |
| Operating costs | 196,732 | 567,100 | 3,783,173 |
| Employee wages and benefits | 1,440,234 | 2,005,659 | 3,237,785 |
| Payment to providers of capital (i.e., dividend and financing costs) | 0 | 55,669 | 296,470 |
| Payment to government (i.e., tax) | 160,066 | 589,215 | 510,240 |
| Community investment | 0 | 0 | 0 |
| Economic value retained | 21,687,695 | (4,131,970) | 11,851,761 |

Sustainability Statement (Cont'd)

Nagamas Bizworks Sdn Bhd

| | FYE 2021 RM | FYE 2022 RM | FYE 2023/ 2024 RM |
|--|----------------|----------------|-------------------------|
| Economic value generated (i.e., revenue and other income) | 113,060 | 1,628 | 4,253 |
| Economic value distributed: | | | |
| Operating costs | 201,319 | 408,718 | 3,229,003 |
| Employee wages and benefits | 220 | 300 | 113 |
| Payment to providers of capital (i.e., dividend and financing costs) | 4,912 | 0 | 0 |
| Payment to government (i.e., tax) | 3 | 0 | 3,745 |
| Community investment | 0 | 0 | 0 |
| Economic value retained | (93,394) | (407,390) | (3,228,608) |

Nagamas Venture Sdn Bhd

| | FYE 2021 RM | FYE 2022 RM | FYE 2023/ 2024 RM |
|--|----------------|----------------|-------------------------|
| Economic value generated (i.e., revenue and other income) | 0 | 0 | 0 |
| Economic value distributed: | | | |
| Operating costs | 4,410,909 | 10,130,666 | 137,474 |
| Employee wages and benefits | 0 | 0 | 0 |
| Payment to providers of capital (i.e., dividend and financing costs) | 0 | 196 | 0 |
| Payment to government (i.e., tax) | 4 | 0 | 1,387 |
| Community investment | 0 | 0 | 0 |
| Economic value retained | (93,394) | (10,130,862) | (138,861) |

Sustainability Statement (Cont'd)

Jiankun International Berhad

| | FYE 2021 RM | FYE 2022 RM | FYE 2023/ 2024 RM |
|--|----------------|----------------|-------------------------|
| Economic value generated (i.e., revenue and other income) | 1,304 | 5,836 | 7,303 |
| Economic value distributed: | | | |
| Operating costs | 3,036,325 | 27,353,734 | 2,264,309 |
| Employee wages and benefits | 292,959 | 2,755,822 | 8,052,975 |
| Payment to providers of capital (i.e., dividend and financing costs) | 0 | 0 | 0 |
| Payment to government (i.e., tax) | 0 | 0 | 0 |
| Community investment | 77,500 | 2,000 | 2,000 |
| Economic value retained | (3,405,479) | (30,105,720) | (10,311,980) |

➤ ANTI-CORRUPTION - RELATED UNSDGs 16

Jiankun maintains a strict adherence to high ethical standards and compliance practices throughout the Group. This is essential for safeguarding our business and stakeholder interests while building trust and fostering ongoing confidence from those we serve.

The Board and senior management are committed to conducting business with integrity, guided by our Code of Ethics and Conducts (CEC). The CEC outlines our fundamental principles and guidelines for all employees, including Directors, in addressing ethical issues and fulfilling their responsibilities. Our zero-tolerance stance against corruption is clearly stated in our Anti-Corruption, Gifts and Anti-Bribery (ACGAB) Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission (MACC) Act 2009.

All new employees are required to complete an induction program where they familiarize themselves with the Group's CEC, ACGAB Policy, and other relevant policies and procedures. Following induction, all employees must participate in a mandatory annual training module to ensure they understand and update these policies and procedures.

Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as outlined in the CEC for Third Parties and ACGAB Policy. All suppliers must sign a declaration agreeing to adhere to these guidelines and policies in their business dealings with Jiankun.

We have established a dedicated whistleblowing channel under the Whistleblowing Policy, allowing employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made our CEC, ACGAB Policy, and Whistleblowing Policy readily accessible on our corporate website and company intranet to ensure they are available to all stakeholders.

Sustainability Statement (Cont'd)

Our Performance

1) Corruption risk assessment

This year we have undertaken a corruption risk assessment that covers all of our operations, both in the Property Development and Construction segments.

2) Corruption-related training

All employees have completed the necessary annual training in 2023. Additionally, employees are required to complete an integrity pledge to indicate compliance.

| Employee Category | Completion Rate (%) | | |
|--------------------------------|---------------------|----------|-------------------|
| | FYE 2021 | FYE 2022 | FYE 2023/ 2024 |
| Directors | 0 | 0 | 100 |
| Management | 0 | 0 | 100 |
| Executive | 0 | 0 | 100 |
| Non-Executive/ Technical Staff | 0 | 0 | 0 |

3) Corruption Incidents

As at 30 June 2024, we recorded zero incidents of corruption across Jiankun's business operations.

| | FYE 2021 | FYE 2022 | FYE 2023/ 2024 |
|--|----------|----------|-------------------|
| Number of confirmed corruption incidents | 0 | 0 | 0 |

➤ DATA PRIVACY AND SECURITY - RELATED UNSDGs 16

The rise of remote work, e-commerce, and automation has accelerated our reliance on technology and infrastructure, creating new opportunities but also exposing data to increased cybersecurity risks. We recognize our responsibility to safeguard our customers and their sensitive information. We actively monitor the evolving threat landscape and implement robust measures to prevent data leaks, threats, and loss.

The Group is committed to enhancing cybersecurity by adhering to our Personal Data Protection Policy, which is compliant with the Personal Data Protection Act (PDPA) 2010. We maintain a strong cybersecurity framework integrated into our operations and processes, ensuring compliance with all regulatory standards.

Data and security management is a key component of our Enterprise Risk Management (ERM) framework. We regularly review our data privacy and security controls to ensure their effectiveness. We collect data legally and are transparent about how data is collected, used, and protected. We obtain necessary consent for handling customer data, which is stored securely with access restricted to authorized personnel only. User access and activities are closely monitored to prevent unauthorized access or misuse. Our data retention and destruction policy ensure that data is kept only for as long as necessary and disposed of securely when no longer required.

We also prioritize educating our employees about data protection and privacy. They are required to complete training that covers their responsibilities in safeguarding data.

Sustainability Statement (Cont'd)

Our Performance

As of 30 June 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

SOCIAL

We believe that when our employees thrive, the company thrives as well. That is why we are continually enhancing our processes to ensure a safe and supportive work environment. Our success extends beyond financial results; we are dedicated to embedding social responsibility into our core operations, understanding its importance for long-term sustainability and stakeholder value. This includes protecting and improving our brand reputation through meaningful social programs.

Positive news about a company's good deeds can foster a great working environment and attract dedicated employees who value corporate social responsibility. We invest in initiatives that benefit our employees, community, and environment. This involves promoting a safe and healthy workplace with dedicated programs and creating a positive, engaged workforce through impactful events and activities. By focusing on our people and purpose, we are building a company that is not only successful but also sustainable and meaningful.

➤ COMMUNITY/ SOCIETY INVESTMENT - RELATED UNSDGs 4

Jiankun believes that fostering positive relationships between businesses and communities can lead to better social inclusion and long-term benefits for all. We strive to be a responsible corporate citizen by giving back to the communities where we operate through our community engagement and impact programs, focusing on education and social welfare.

Throughout the financial year, we contribute to local welfare initiatives to strengthen our relationships with these communities.

- 1) Jiankun Partners Micro Energy to Equip Homes in Penang's Taman Panchor Jaya with Solar PV Systems A breakthrough collaboration between Jiankun International Berhad and Micro Energy Holdings (M) Sdn Bhd in the solar photovoltaic system for Oriental Link Properties (M) Sdn Bhd Panchor Sanctuary Garden project Nibong tebal, Penang.



Sustainability Statement (Cont'd)

- 2) Panchor Sanctuary Garden, a gated and guarded residential development by Oriental Link Properties Sdn. Bhd. at Nibong Tebal. Located adjacent to TamanResidensi Panchor just a mere minutes' drive from Nibong Tebal town centre. Nearby amenities include but not limited to Bukit Panchor Health Clinic, Vocational College Nibong Tebal, SMK Tunku Abdul Rahman, several eateries and convenience stores. This development comprises 116 units of 2-storey terrace houses and a clubhouse, featuring the Eurasian concept.

| | |
|------------------|--|
| Project Name | : Panchor Sanctuary Garden |
| Location | : Nibong Tebal |
| Property Type | : Gated and guarded |
| Built-up Size | : 1523 & 1840 sq ft |
| Total Units | : 116 |
| Indicative Price | : RM600,000 onwards |
| Developer | : Oriental Link Properties (M) Sdn. Bhd. |



- 3) Residensi Maya is a commercial development by Nagamas Bizwork Sdn Bhd at Kajang, located at Bandar Teknologi Kajang. Nearby amenities include Kajang Hospital, SMK Bandar Teknologi, several eateries, and convenience stores. This development comprises two tower blocks with 600 residential units and 41 retail shops.

| | |
|--------------------------|---|
| Project Name | : Maya Residence |
| Location | : Kajang, Selangor |
| Developer | : Nagamas Bizworks Sdn Bhd. |
| Development Type | : Service Apartment |
| Land Tenure | : Freehold |
| Land Size | : 3.25 acres |
| Expected Completion Date | : 36 months from SPA Date |
| Product Component | : <ul style="list-style-type: none"> • 600 units of residential units & 41 units of retail shops • 31 levels of residential units (from Level 1 – Level 31) • 12 / 24 units per floor & served by 5+1 lifts • 12 levels of car park • Facilities on level 13 |



Sustainability Statement (Cont'd)

Key highlights of Jiankun,s contributions for the year 2024 are as follows:

Donation
RM 3,000

- Tabung Jawatan Kuasa RT Kg. Pad – Donation for Majlis Sambutan Hari Raya Aidilfitri Perdana Kampong Padang (20/05/2023)
- PIBG SK Bangsar – Sumbangan bagi Menjayakan Majlis Makan Malam Tahun 6 SK Bangsar Lembaga Pengelola Sekolah –

Jiankun has contributed RM 3,000 worth of monetary donations to educational institutions, non-profit organizations (“NGOs”), and organisational events across the regions we operate in. Non-monetary donations include but are not limited to food packs, necessities and groceries.

➤ DIVERSITY, EQUITY & INCLUSION - RELATED UNSDGs 5 & 8

Diversity and inclusivity at work provide us with a competitive edge by allowing us to accumulate and leverage a wide range of knowledge, perspectives, and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination by actively encouraging diversity of gender, race, religion, age, and nationality.

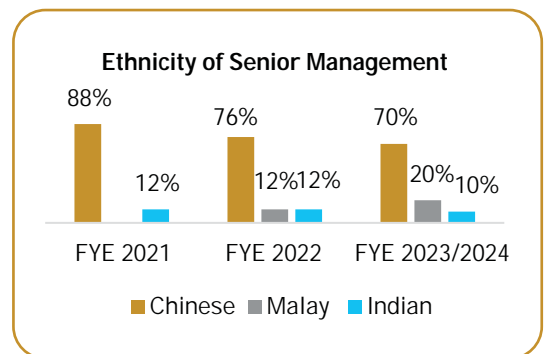
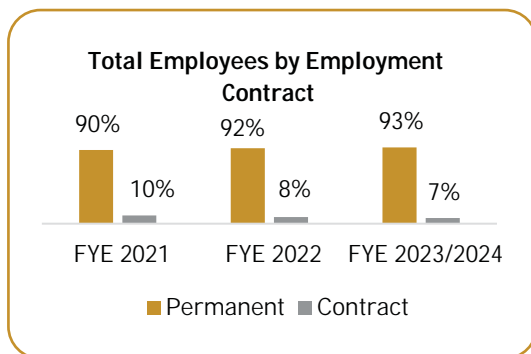
We achieve equity through policies and actions that are supported by both fairness and inclusiveness. We promote a culture that respects and values differences, advocates for equality, and encourages growth and development to help individuals reach their full potential.

We are committed to maintaining fair employment practices and consistently reviewing our recruitment process to ensure equality from the outset, in alignment with our Recruitment Policy and procedures. Our employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees’ performance and merit.

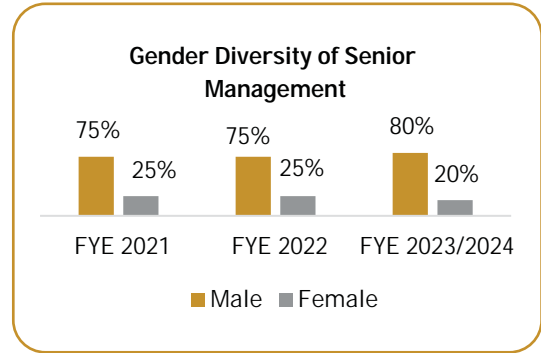
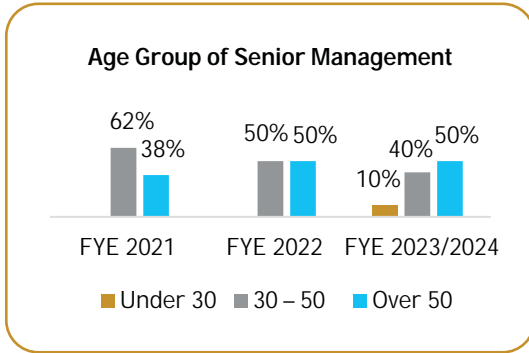
For further information on the Talent Transformation programme, please read our Employee Management section in this Sustainability Statement.

Our Performance

1) Senior Management Profile

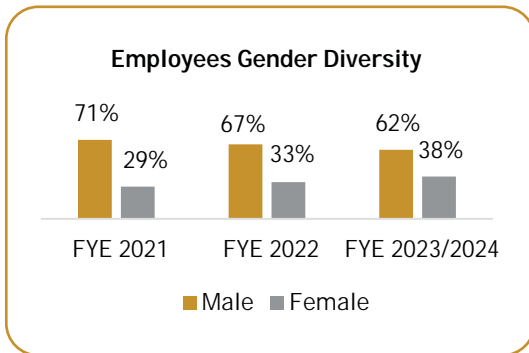
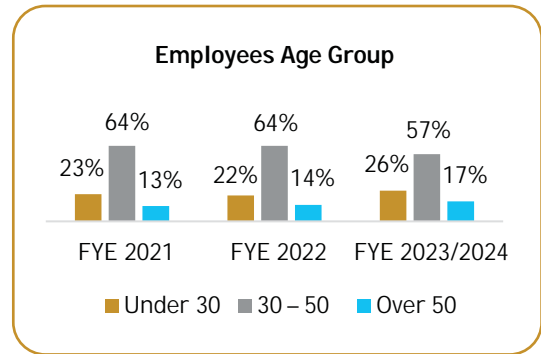
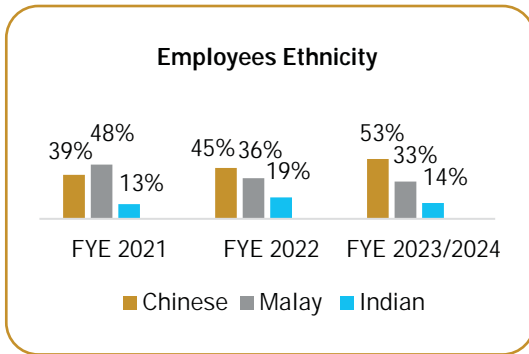


Sustainability Statement (Cont'd)



2) Employees Profile

Total Employees for Year 2023 – 42



Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT - RELATED UNSDGs 8

Jiankun believes that our employees are our most valuable assets and drive our success and growth. We are committed to recruiting, developing, and retaining top talent while providing a conducive and empowering work environment. Additionally, we invest significantly in development programs to ensure our employees remain competitive, progressive, and future-ready.

We adhere to local labour and employment-related laws in all our human resources practices and management. We believe in creating a workplace where everyone feels welcome and empowered, regardless of gender, age, or ethnicity.

Our Human Resources Department focus on five objectives:

1) Talent Acquisition and Onboarding

Building a strong future begins with attracting and recruiting the best talent. Jiankun adheres to our Policy and Procedures to ensure we hire based on merit alone, focusing on skills, experience, and cultural fit. We believe in being fair and unbiased throughout the process to build a diverse and talented workforce and a strong employer brand that attracts top performers. This approach benefits us in multiple ways. A strong employer brand not only attracts top talent but also boosts customer loyalty and improves overall organisational performance.

Top management ensures that the requirements of the management system, including the policies and objectives, are consistent with the strategic context and the direction of our organisation and that the policies and objectives are established whilst ensuring that the human and financial resources needed for implementing the Management System are available.

2) Upskilling and Reskilling

Investing in our people is key to our success. We offer a comprehensive development program that includes on-the-job training, personalised coaching and mentoring, and formal learning opportunities. This blended approach ensures our employees stay skilled, resilient, and adaptable, ready to conquer new technologies and trends with confidence.

Jiankun offers a robust and personalised training and development program. To address skill gaps and help our employees achieve their career development goals, we regularly assess individual needs and review our existing programs to ensure they remain relevant and impactful. Our training and development programmes include the following:

| No. | Type of Training/ Topic |
|-----|---|
| 1 | Introduction to Environmental Social & Governance (ESG) |
| 2 | Regional Housing Conference (REHDA) |
| 3 | Pengesahan Pendaftaran Kursus Keselamatan & Kesihatan Pekerja |
| 4 | Site Safety Supervisor |
| 5 | Kursus Induksi Keselamatan dan Kesihatan untuk Pekerja Binaan |
| 6 | Latihan Kemahiran Perakaunan |
| 7 | Construction Law 101 |
| 8 | Townhall Session with Indah Water Konsortium (IWK) & REHDA |
| 9 | Property Developers Sales Summit 2021 |
| 10 | Updates on Strata Management Issues Related to the Strata Management Act 2013 (Act 757) |
| 11 | REHDA WPKL Legal Talk Series #2-2024 |

Sustainability Statement (Cont'd)

3) Performance Management and Compensation

Jiankun thrives on high performance. We set clear goals and KPIs at the beginning of each year, ensuring everyone understands their role in achieving success. Our systematic performance review process includes self-assessment, open discussions, and feedback, followed by personalised coaching and support. We recognise and celebrate outstanding performance, both individual and teamwork through rewards like bonuses and promotions. We also offer competitive salaries and benefits, regularly reviewed to match market trends and attract top talent. We foster a culture of learning, collaboration, and recognition.

Benefits provided to our staff:

- i) Leave
- ii) Medical

| No | Medical Benefit |
|----|--|
| 1 | Clinic consultation & medication. |
| 2 | Group hospitalization & surgical insurance. |
| 3 | Annual, hospitalization, maternity, paternity, compassionate, unpaid and examination leaves. |

- iii) Flexi working arrangement
- iv) Others

| No | Others Benefit |
|----|--------------------------|
| 1 | Travelling allowance |
| 2 | Dental Allowance |
| 3 | Cost of living Allowance |
| 4 | Smartphone allowance |
| 5 | Medical Insurance |

4) Succession planning

We actively invest in succession planning by identifying high-potential individuals across all levels, for our potential leaders, equipping them with essential leadership skills and competencies.

5) Safe workplace practices

As a responsible corporation, we respect the interests of our stakeholders, our shareholders, employees, customers, suppliers, teaming partners and the wider community and we actively seek out opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business.

We are committed to delivering quality products, as we look to the future, we will continue to work with our customers to make sustainability a vital part of the solutions we deliver for our customers. The Group will continue to identify and undertake more related events to fulfil its Social Responsibility in any way and would contribute to preserving the values of the Society.

Sustainability Statement (Cont'd)

Our Performance

Employee training hours

In 2024, we spent 284 hours on training, investing RM 9,279.00 in internal and external learning and development programmes.

| | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|-------------------------------------|----------|----------|---------------|
| Total Training Hours | 16 | 28 | 295 |
| Total Investment | RM3000 | RM4500 | RM 9279.00 |
| Average Training hours per employee | 8 | 7 | 15.53 |

| Employee Category | Total Training Hours | | |
|--------------------------------|----------------------|----------|---------------|
| | FYE 2021 | FYE 2022 | FYE 2023/2024 |
| Senior Management | - | 8 | 60 |
| Middle Management | 8 | - | 32 |
| Executive | 8 | 12 | 176 |
| Non-executive/ Technical Staff | - | 8 | 16 |
| Total | 16 | 28 | 284 |

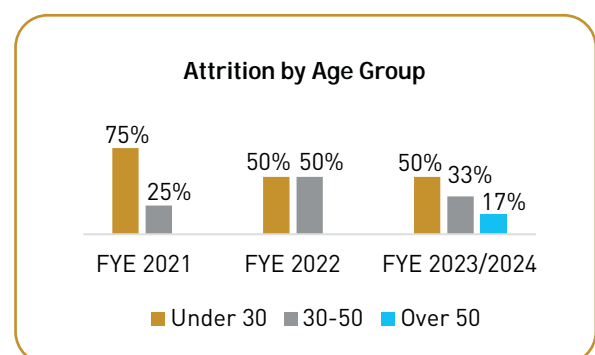
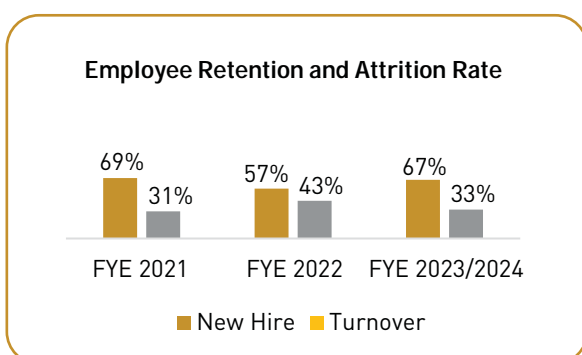
| Employee Category | Average Training hours per employee | | |
|--------------------------------|-------------------------------------|----------|---------------|
| | FYE 2021 | FYE 2022 | FYE 2023/2024 |
| Senior Management | - | 1.60 | 12.00 |
| Middle Management | 4.00 | - | 10.67 |
| Executive | 0.50 | 0.63 | 6.07 |
| Non-executive/ Technical Staff | - | 0.80 | 2.29 |
| Total | 4.50 | 3.03 | 31.03 |

To divide by the no. of staff in that specific category

| | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|---|----------|----------|---------------|
| Overall average training hours per employee (hours) | 0.52 | 0.78 | 6.76 |

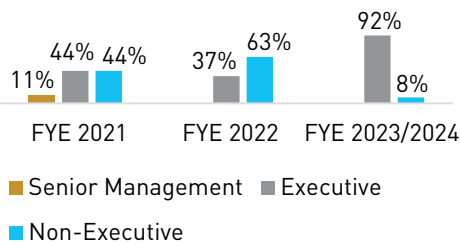
Employee retention and attrition

Jiankun is proud to have highly engaged employees, which is reflected in the longevity of our employees' tenure. On average, our employees stay with us for around 4 years.

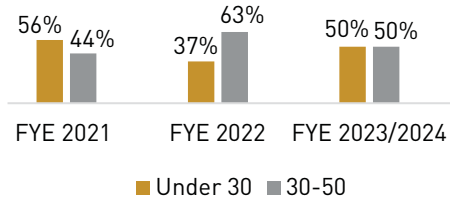


Sustainability Statement (Cont'd)

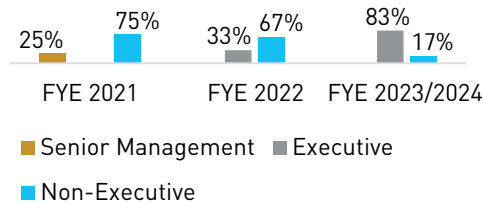
New Hire by Employee Category



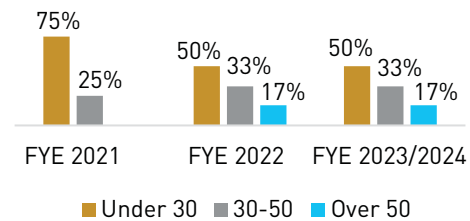
New Hire by Age Group



Employee turnover by Employee Category



Employee turnover by Age Group



This year Jiankun had a voluntary turnover rate of approximately 14%.

| | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|--------------------|----------|----------|---------------|
| New hire rates (%) | 29% | 22% | 29% |
| Turnover rates (%) | 13% | 17% | 14% |

➤ HUMAN RIGHTS - RELATED UNSDGs 8

As a responsible organisation, Jiankun is committed to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment improve productivity and promote a healthy working culture.

We adhere to applicable laws and regulations in all our operating countries. This commitment is reflected in our policy which is regularly reviewed by management to ensure it exceeds regulatory requirements. Our practices were aligned with the Minimum Wages Order 2023, raising the minimum wage to RM1,500 per month.

Code of Ethics & Conduct also our expectations for employees and external stakeholders regarding human rights in business dealings with Jiankun. It prohibits unfair labour practices, child and forced labour, and promotes fair treatment, freedom of association, and a grievance mechanism. We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. We encourage employees to report any violations of labour practices, disputes, or inappropriate behaviour anonymously and confidentially. We guarantee whistle-blower protection and investigate all reports seriously.

Our performance

We are committed to upholding human rights throughout our operations. We are continuously working towards the goal of achieving zero substantiated complaints regarding human rights violations, and we will intensify our efforts to achieve this objective.

Sustainability Statement (Cont'd)

➤ HEALTH AND SAFETY - RELATED UNSDGs 3 & 8

Employee well-being is at the heart of everything we do at Jiankun. We create safe and healthy work environments that prioritise preventing injuries and illnesses. This proactive approach not only fosters happy and motivated employees but also translates to greater efficiency and higher output - a win-win for everyone.

Our business operations are conducted safely, through the implementation of rigorous measures and controls across all levels of our workforce. Our operations are governed by an internally established Occupational Health, Safety and Environment ("OSHE") team. Our comprehensive Safety and Health Policy sets even higher standards exceeding the Occupational Safety and Health Act ("OSHA") requirements and ISO 14001 standards. This commitment guarantees a secure workplace for our talented team, showcasing our dedication to best practices at an international level. We also believe in providing a comfortable and conducive working environment for our employees.

We provide health and safety training at the point of recruitment, on-the-job, and regular refresher training to employees. Our training programmes include both knowledge-based and skills-based training, covering topics such as emergency response, hazard and risk management, as well as health awareness. These programmes are reviewed regularly to ensure their relevance.

Our Performance

1) Health and Safety Training

In line with our commitment to a safe work environment, 2 employees engaged in comprehensive health and safety training programs.

| Number of employees trained on health and safety standards | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|--|----------|----------|---------------|
| Main Office (HQ) | - | - | 1 |
| One Le Tower Site | 1 | 1 | 1 |

| Total training Hours | FYE 2023/2024 |
|----------------------|---------------|
| Main Office (HQ) | 90 Hours |

| Number of representatives in the OSH Committee | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|--|----------|----------|---------------|
| Main Office (HQ) | - | - | 1 |
| One Le Tower Site | 1 | 1 | 1 |

2) Work-Related Injuries

Jiankun's top priority is ensuring every employee returns home safely each day. We aim for zero workplace fatalities annually, relentlessly pursuing that goal through proactive incident prevention and mitigation. We conducted a thorough investigation to identify the root causes and any systemic shortcomings. Consequently, we have implemented stricter safety measures:

- Mandatory to wear PPE and high-visibility clothing, enhancing worker visibility, especially in potentially risky areas.
- Reinforced adherence to Standard Operating Procedures ("SOPs"), stricter controls and supervision to ensure consistent and safe behaviour

We remain committed to continuous improvement, fostering a culture of safety where everyone feels empowered to speak up and identify potential hazards. By prioritising safety and learning from each other, we create a work environment where everyone can thrive.

Sustainability Statement (Cont'd)

| Main Office (HQ) | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|------------------------------------|----------|----------|---------------|
| Total Hours Worked | 8 | 7 | 7 |
| Number of Fatalities | 0 | 0 | 0 |
| Number of Lost Time Injuries | 0 | 0 | 0 |
| Lost Time Incident Rate ("LTIR") % | 0 | 0 | 0 |

| One Le Tower | FYE 2021 | FYE 2022 | FYE 2023/2024 |
|------------------------------------|----------|----------|---------------|
| Total Hours Worked | 0 | 1277 | 1425 |
| Number of Fatalities | 0 | 0 | 0 |
| Number of Lost Time Injuries | 0 | 0 | 0 |
| Lost Time Incident Rate ("LTIR") % | 0 | 0 | 0 |

➤ CUSTOMER SATISFACTION - RELATED UNSDGs 8 & 9

The Group acknowledges that customer satisfaction and loyalty are key factors in achieving long-term success and maintaining our reputation as one of the leading developers and construction providers in the market. With this in mind, we strive to enhance customer satisfaction by considering their feedback and ensuring that high-quality standards are met across all our products and services.

Customer satisfaction and engagement were identified as some of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our brands and reputation in the long term. We conduct yearly basis customer satisfaction surveys based on the project completed. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

The Group is unwavering in meeting its standards of excellence by ensuring the delivery of quality in project execution and meeting all customer deliverables as detailed in our contracts. The Group is committed to improving compliance with product requirements and the effectiveness of its Quality Management System continuously.

The Group ensures diversification of the supply chain to mitigate the risk of disruption to our operations. The Group's operations maintain at least one primary and one secondary supplier for raw materials, wherever possible.

Our Performance

Customer Satisfaction Survey

Jiankun prioritises understanding customer needs and building trust. We actively listen to consumer concerns and satisfaction levels, fostering strong relationships that provide comfort and happiness. We are committed to ethical practices, strictly adhering to consumer protection laws and regulations. To ensure we meet customer expectations, we conduct comprehensive customer satisfaction surveys. These surveys gather feedback through various channels, including the official website, e-commerce platforms, and hotlines. Additionally, follow-up investigations are conducted to gain deeper insights. This feedback helps us to understand customer needs, evaluate the effectiveness of their quality management system, and identify areas for improvement.

Sustainability Statement (Cont'd)

➤ SUPPLY CHAIN MANAGEMENT - RELATED UNSDGs 8 & 9

Jiankun is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by integrating sustainability elements throughout our procurement lifecycle. We strongly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we prioritize sourcing from local suppliers and providing business opportunities to small and medium enterprises (SMEs), improving their livelihoods. We ensure that our sustainability expectations for procurement practices are extended to our suppliers, including contractors, service providers, and consultants.

All of our suppliers are required to adhere to our sourcing policy, which outlines our principles and guidelines for sustainable procurement practices. This policy requires suppliers to comply with our ethical business practices, including zero corruption, minimizing environmental impacts, and safeguarding employees' and workers' rights. This policy should be read in conjunction with our Code of Ethics & Conduct, Board Charter, ESG Policy, Anti - Corruption, Gifts and Anti-Bribery Policy, Corporate Disclosure Policy and Whistle - Blowing Policy all of which can be accessed through our corporate website.

We are committed to ensuring that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers.

Jiankun is cognisant that there is still much to improve on managing sustainability in the supply chain and will continue to collaborate with its suppliers and vendors to work towards enhanced sustainability practices concerning ESG matters.

Our procurement processes embed sustainability elements throughout, starting from the registration stage up to the annual supplier performance assessment. Suppliers are selected through fair selection. Jiankun has formalised procurement operating procedures to support the procurement process in the Group emphasising on satisfactory quality of products and services with competitive pricing. The selection of suppliers is based on an appropriate synergy of technical, financial, pricing and quality of service criteria.

Cognisant of our operational needs, we prioritise procuring products and services from local suppliers to the best extent possible, as we believe that we are not only contributing positively to the local economy but also reducing our carbon footprint.

Our performance

1) Suppliers' Assessment

Moving forward, the Group will ensure that all of our existing and new suppliers are assessed against our requirements.

2) Local Suppliers

JKI CONSTRUCTION

Office Assets

In 2024, out of RM 31,368.00 spent on procurement, 78% was spent on local suppliers.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Suppliers | 98% | 100% | 78% |
| Foreign Suppliers | 2% | - | 22% |

Sustainability Statement (Cont'd)

Amani Residences (Project)

In 2024, out of RM 2,634.00 spent on procurement, 100% was spent on local contractors.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Contractors & Suppliers | 100% | 100% | 100% |
| Foreign Contractors & Suppliers | - | - | - |

Onele Tower (Project)

In 2024, out of RM 7,257,235.00 spent on procurement, 100% was spent on local contractors.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Contractors & Suppliers | 100% | 100% | 100% |
| Foreign Contractors & Suppliers | - | - | - |

JKI Development - Amani Residences (Project)

In 2024, out of RM 1,218,776.00 spent on procurement, 100% was spent on local contractors.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Contractors | 100% | 100% | 100% |
| Foreign Contractors | - | - | - |

SUBCONTRACTOR SUPPLY CHAIN – CRIMSON POWER SDN BHD

i) Amani Residences (Project)

In 2024, 100% was spent on local contractors & suppliers.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Contractors & Suppliers | 100% | 100% | 100% |
| Foreign Contractors & Suppliers | - | - | - |

ii) Onele Tower (Project)

In 2024, 100% was spent on local contractors & suppliers.

| The proportion of spending on local suppliers (Average) | FYE 2021 (%) | FYE 2022 (%) | FYE 2024 (%) |
|---|--------------|--------------|--------------|
| Local Contractors & Suppliers | 100% | 100% | 100% |
| Foreign Contractors & Suppliers | - | - | - |

Sustainability Statement (Cont'd)

ENVIRONMENTAL

In line with our Sustainability Statement, we strive to maintain full compliance with all relevant environmental, legal and other legislative requirements in fulfilling the customer's expectations and satisfaction. We are aware of the environmental impacts of our activities on the planet and thus we take responsibility for managing our environmental impacts seriously. Jiankun will continue to develop effective environmental initiatives to protect the environment. Being a responsible corporation, we acknowledge our responsibility to protect Mother Nature and the environment. We believe our environmental protection starts from our workplace.

» CLIMATE CHANGE - RELATED UNSDGs 11, 12, & 13

Jiankun acknowledges that our energy consumption and GHG emissions contribute to climate change impacts. Committed to sustainability, the Group embraces the transition to a low-carbon economy, pursuing responsible practices while exploring exciting new possibilities.

Jiankun aims to reduce our environmental footprints and establish operational resilience to deliver long-term value to our business, stakeholders and communities. We are guided by our ESG Policy, which outlines the Group's objective to effectively manage and minimise the impacts arising from our business operations. As part of our efforts to mitigate climate change, Jiankun has committed to achieving carbon neutrality by 2030 with an aspiration to be net zero by 2050. We have three goals to guide us on this journey.

Goal 1 - Managing our emissions

We continuously strive to improve our energy use and efficiency through the following initiatives:

- A lighting schedule across key areas in our head office - switch off lights during certain hours and when unnecessary;
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency;
- Signed an MOU with Micro Energy Holdings (M) Sdn Bhd to impose solar power (renewable energy) for the upcoming Nibong Tebal housing project.

Goal 2 - Investing in low emissions and green technologies

The Group is committed to harnessing renewable energy. By leveraging cutting-edge technology, we aim to utilise the necessary tools to make informed decisions and take measurable actions towards a sustainable future, both for the organisation and our customers, in real-time.

Goals 3 - Leveraging partnerships and collaborations

Jiankun aims to push the boundaries of sustainability and innovation. By forging strategic alliances with prominent players, both local and international, we are expanding our reach and expertise in developing efficient, zero-carbon operations. This collaborative approach unlocks not just new business opportunities but also positions us as leaders in sustainable practices. Working alongside industry experts, we foster the creation of groundbreaking solutions that address evolving customer needs, all while staying true to our environmental commitments.

Sustainability Statement (Cont'd)

Our Performance

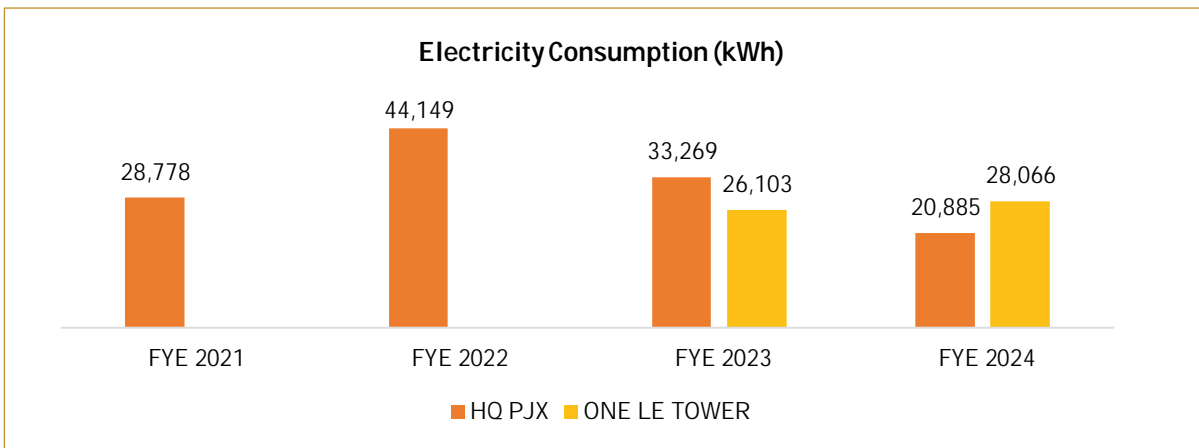
1) Scope 1 Carbon Emission

Our effort to reduce greenhouse gas (GHG) emissions that contribute to climate change today will strengthen our future shared richness, societal well-being and business growth. Given the complex nature of climate change, concerted efforts by governments, businesses and individuals are necessary to foster a transition to a sustainable future. Jiankun is committed to combating climate change. We aim to reduce our absolute GHG emissions for Scope 1 and 2 by 2030.

2) Scope 2 Energy Consumption

Our energy consumption decreased by 20% this year. This progress demonstrates our commitment to sustainability and resource efficiency.

| Indirect Emission (Scope 2) | Electricity Consumption (kWh) | | | |
|-----------------------------|-------------------------------|----------|----------|----------|
| | FYE 2021 | FYE 2022 | FYE 2023 | FYE 2024 |
| Main Office (HQ) | 28,778 | 44,149 | 54,154 | 20,885 |
| One Le Tower | 0 | 0 | 26,103 | 28,066 |



3) Scope 3

We are planning to tabulate our GHG emissions for next year's reporting. And this will be demonstrating our commitment and ambition. We are actively tracking Scope 3 emissions and will set a target soon.

Sustainability Statement (Cont'd)

» WATER MANAGEMENT - RELATED UNSDGs 6 & 12

Water scarcity, fuelled by climate change, mismanagement, and contamination, is a growing concern. Aware of the increasing frequency of water cuts and scarcity, the Group prioritises efficient water management across its operations. This commitment mitigates the risk of water shortages and ensures responsible use of this vital resource.

As a Group, we adopt a practical approach to water management, aiming to improve water efficiency and promote water conservation. We have adhered to all the requirements stipulated by the relevant regulations and permits about water quality.

Our commitment to responsible water use goes beyond our operations. We integrate sustainable water practices throughout the entire operations, ensuring compliance with local regulations and adhering to internationally recognised best practices. Additionally, our offices and facilities require water for daily operations.

We are committed to implementing water conservation initiatives and raising employees' awareness of proper water management at all our premises. These initiatives include:

- Implement a rainwater harvesting system
- Reduce water wastage through regular checking and scheduled maintenance of toilets, pantries, etc.
- Install modified water taps with lower flow rates at our offices
- Raise awareness among employees through campaigns and reminders on water-saving habits at our office premises

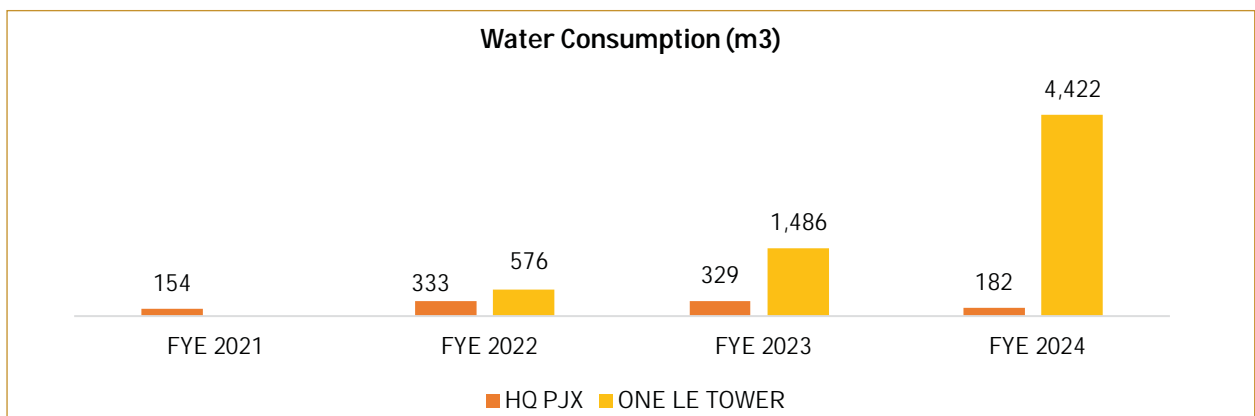
Our Performance

We promote water-saving practices among employees and adopt water-efficient technologies and equipment wherever possible. The water consumed at our head office is obtained from the municipal water supply. We have taken small steps to control the water usage to be in line with the sustainability efforts.

- Slow the flow. Adjusting water pressure/outflow for toilets, washbasins, and pantry, throughout our head office building.
- Seek the leak. Conducting checks and fixing leaks immediately, where possible.

This year, the Group recognised an increase in water consumption to 2936 m³ compared to last year due to the ongoing project, we remain firmly committed to water conservation. Moving forward, we will annually review our water management plans across all our operations to continually increase efficiency and ensure we can achieve our water consumption reduction targets. By actively managing water use and exploring innovative solutions, we are committed to operating more sustainably and reducing our environmental impact.

| Water Consumption (m ³) | FYE 2021 | FYE 2022 | FYE 2023 | FYE 2024 |
|-------------------------------------|----------|----------|----------|----------|
| Main Office (HQ) | 154 | 333 | 329 | 182 |
| One Le Tower | 0 | 576 | 1,486 | 4,422 |



Sustainability Statement (Cont'd)

• ENERGY MANAGEMENT

As a Group that is committed to sustainability, we understand that energy management is essential to combat climate change and reduce our organisation's overall environmental footprint. Our electricity comes from the local grid, and we aim to minimise energy usage in our head office by implementing the following measures:

- A lighting schedule across key areas in our head office to switch off lights during certain hours when less used;
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency; and
- Poster to remind staff to switch off lights, water dispensers, air conditioning, and other electrical appliances in the office and pantry when not needed.

The following electricity usage data for the head office and construction site represents our attempt to consolidate electricity consumption statistics.

| Type Of Transportation | Public Transport | | | | |
|------------------------|--|--|------------|------------|----------|
| | Public Transportation Journey Distance 2 Way | 2-Way Transportation To Home And Public Transportation | | | |
| | | Walk | Public Bus | Motorcycle | Car/Grab |
| Total KM Covered | 388 | 6 | 3 | 24 | 114 |

| Type Of Transportation | Car | Motorcycle |
|------------------------|------|------------|
| Total KM Covered | 1032 | 452 |

» WASTE MANAGEMENT - Related UNSDGs 12 & 13

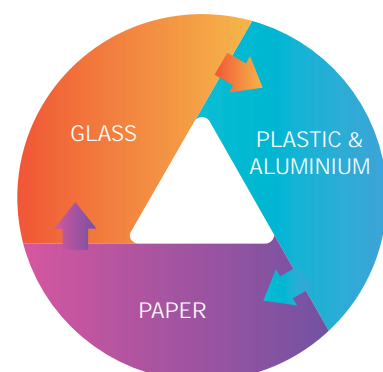
Jiankun is committed to strict waste management practices throughout our operations. Our goal is to minimize environmental impact and safeguard the health and well-being of our employees and the communities we serve. We handle various types of waste, including hazardous materials and general manufacturing debris. Improper disposal of these wastes can lead to severe consequences, such as air and water pollution, soil contamination, and exposure to harmful substances.

We take this responsibility seriously and have implemented strong measures to ensure:

- Proper segregation and responsible disposal of all waste types
- Reduction of hazardous waste through alternative materials and processes
- Partnerships with certified waste management facilities
- Regular training and awareness programs for our team

Additionally, we have introduced an initiative focused on the storage and collection of waste and recyclables to support a recycling-based society. This initiative aims to:

- Provide dedicated areas for storing non-hazardous materials for recycling
- Designate specific areas where sorted waste materials can be stored in separate bins for collection
- Reduce the amount of scheduled waste sent to licensed disposal companies



Sustainability Statement (Cont'd)

Sustainability Statement (Cont'd)

Our approach

Jiankun acknowledges that the environmental impact of paper usage is significant. Our actions are guided by the Group’s Policy that outlines how to minimise waste by reducing the number of materials used in our head office, adopting the 3R approach – Reduce, Reuse, and Recycle, and raising employees’ awareness of the significance of sustainable waste management.

| | |
|-----------------------|---|
| Reducing Paper | By encouraging avoiding printing, photocopying and emphasising on paperless and electronic mode. |
| Reusing | By printing on the other side of the printed papers. |
| Recycle | Recycle the papers by having proper recycling bins, plastic and carton that are recyclable are collected at every end of production and send out for recycling. |

Our approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, to reduce wastage. Jiankun has always looked at ways to reduce paper usage so that, there is less waste. We have established initiatives to increase awareness among our employees in efforts to reduce waste such as:

- Segregation of non-recyclable and recyclable waste.
- Advocating the use of paperless documents by going digital.

We empower employees to reduce, reuse, and recycle, providing readily accessible bins for segregating paper, plastics, aluminium, and more. Every recycled item is given a new life, while non-recyclable waste is minimized. Moving forward, we are embracing the circular economy: a model where waste becomes valuable input for new products. We are exploring innovative solutions to keep materials in circulation, reducing reliance on landfills and minimising our environmental footprint.

Our Performance

As of to date, the Group has complied with the regulatory standards and guidelines in place through its adherence and actions towards cultivating its sustainability initiatives regarding its material matters.

This year, Jiankun generated a few wastes including hazardous and non-hazardous waste, while successfully reusing or recycling the waste. While we are proud of our recycling efforts, we acknowledge the need for improvement in overall waste reduction. We have set our target to reduce the waste sent to landfills by 2026. This goal reflects our commitment to continuous improvement while acknowledging the need for collaborative efforts with key stakeholders.

» MATERIAL

Jiankun recognises that natural resources are finite and place great importance on resource conservation by maximizing the use of environmentally friendly materials, including those with high recycled content and green certifications. By incorporating recycled input materials such as crushed concrete and recycled steel, we can reduce the demand for virgin materials like cement, concrete, and steel and minimize our environmental footprint throughout our products’ lifecycle.

In managing our materials, Build Up is guided by our Responsible Sourcing Policy, which includes a commitment to minimizing environmental impact.

We have undertaken initiatives to reduce our consumption of virgin materials by using recycled materials wherever possible. For example, we use system formwork and prefabricated components in building high-rise structures. The formwork can be reused several times and is made of recyclable materials. Among other primary eco-friendly materials used are low volatile organic compounds (“VOC”) emulsions paint, recycled steel and aluminium, reinforced concrete and plaster ceiling, eco-friendly building block and roof thermal insulation foam, and green labelled tiles and ceiling.

Sustainability Statement (Cont'd)

We have been monitoring and reporting the main three construction materials for our development projects as follows:

In 2021, we started monitoring the percentage of recycled materials used in our ongoing developments.

Moving forward, we aim to progressively increase the percentage of recycled materials used as we move towards our journey of embracing the circular economy.

NAVIGATING THE FUTURE

The Group will continue to manage ESG risks and opportunities that are critical to our business by incorporating sustainability concerns into our strategy, with a special emphasis on Material Sustainability Matters. We will continue to evaluate and take advantage of new opportunities and risks related to ESG, in addition to our current risk management procedures that address financial, operational, and strategic issues. Enhancing the long-term value development of the Group is the goal of this ongoing endeavour. Jiankun is dedicated to enhancing our performance in terms of sustainability overall and how we interact with internal and external stakeholders. We intend to improve the calibre of our ESG data going ahead, as well as the techniques we employ to gather it throughout our supply chains. This will help us make better decisions by giving us a better picture of our sustainability performance.

This Statement has been approved by the Board and is current as of 30 October 2024.

Sustainability Statement (Cont'd)

BURSA ESG PERFORMANCE INDEX

| Indicator | Measurement Unit | 2024 |
|---|------------------|----------|
| Bursa (Anti-corruption) | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Management | Percentage | 100.00 |
| Executive | Percentage | 100.00 |
| Non-executive/Technical Staff | Percentage | 100.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 0.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| Bursa (Community/Society) | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 2,000.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 1 |
| Bursa (Diversity) | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Management Under 30 | Percentage | 0.00 |
| Management Between 30-50 | Percentage | 15.00 |
| Management Above 50 | Percentage | 5.00 |
| Executive Under 30 | Percentage | 24.00 |
| Executive Between 30-50 | Percentage | 34.00 |
| Executive Above 50 | Percentage | 5.00 |
| Non-executive/Technical Staff Under 30 | Percentage | 0.00 |
| Non-executive/Technical Staff Between 30-50 | Percentage | 17.00 |
| Non-executive/Technical Staff Above 50 | Percentage | 0.00 |
| Gender Group by Employee Category | | |
| Management Male | Percentage | 13.00 |
| Management Female | Percentage | 8.00 |
| Executive Male | Percentage | 38.00 |
| Executive Female | Percentage | 28.00 |
| Non-executive/Technical Staff Male | Percentage | 10.00 |
| Non-executive/Technical Staff Female | Percentage | 5.00 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 89.00 |
| Female | Percentage | 11.00 |
| Under 30 | Percentage | 0.00 |
| Between 30-50 | Percentage | 11.00 |
| Above 50 | Percentage | 89.00 |
| Number of Board Directors | Number | 9 |
| Number of independent Directors on the board | Number | 4 |
| Number of women on the board | Number | 1 |
| Annual General Meeting: Number of days between the date of notice and date of meeting | Number | 42 |
| Bursa (Energy management) | | |
| Bursa C4(a) Total energy consumption | Megawatt | 0.13 |
| Bursa (Health and safety) | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.00 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 1 |
| Number of work-related employee fatalities, over last 3 years | Number | 0 |
| Number of work-related contractor fatalities, over last 3 years | Number | 0 |
| Bursa (Labour practices and standards) | | |
| Bursa C6(a) Total hours of training by employee category | | |
| Management | Hours | 92 |
| Executive | Hours | 176 |
| Non-executive/Technical Staff | Hours | 16 |

Sustainability Statement (Cont'd)

| Indicator | Measurement Unit | 2024 |
|--|------------------|----------|
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 9.52 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Management | Number | 1 |
| Executive | Number | 4 |
| Non-executive/Technical Staff | Number | 1 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| Bursa (Supply chain management) | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 100.00 |
| Bursa (Data privacy and security) | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| Bursa (Water) | | |
| Bursa C9(a) Total volume of water used | Megalitres | 0.006419 |

Sustainability Statement (Cont'd)

INDEPENDENT ASSURANCE STATEMENT

The NBS Smart Focus Group Sdn. Bhd. ("Smart Focus") has been appointed by Jiankun International Berhad to provide an independent review, with limited assurance, of their Sustainability Statement ("SS") for FYE 2024.

This review aims to increase the confidence of Jiankun's stakeholders in the SS. We have assessed the information's accuracy, reliability, and objectivity. The review will ensure the SS covers the most important sustainability issues for Jiankun and its stakeholders.

Scope of the Engagement

Our review focused on assuring performance data and qualitative information in SS for the reporting period from 1 January 2023 to 30 June 2024. Within the constraints and exclusions outlined below, our review encompassed:

- (a) Statements, information, and selected ESG performance indicators presented in the SS; and
- (b) Jiankun's management approach to its significant issues and reporting Standards.

The selected information was compiled in compliance with recognised best practice reporting frameworks such as the Global Reporting Initiative (GRI), Sustainable Development Goals (SDG) and the Sustainability Accounting Standards Board (SASB), along with internal definitions established by Jiankun for monitoring and evaluating progress against its ESG (Environment, Social, and Governance) performance indicators.

Exclusions and Limitations

Our review relied solely on the information provided by Jiankun. This information may include data consolidated and reconciled by Jiankun from various sources like markets, operations, suppliers, and other third parties.

It is important to note that the accuracy of the reported data ultimately depends on how well data is collected and monitored at the source (markets and sites). We did not assess these data collection and monitoring procedures during our limited assurance engagement.

Our review considered a selection of the selected information based on a risk assessment. Due to this sampling approach, there is a chance that some errors, omissions, or misstatements in the SS might not be identified.

The SS includes various types of information, some of which we reviewed and others that fell outside our scope of work:

Financial data, including data used to calculate selected information, which is audited by an external financial auditor and relied upon for our scope of work. This includes statements related to sales, revenue, salaries, payments, and financial investments.

Information outside the scope contains information about activities that happened outside the timeframe or were irrelevant to our review.

Company statements and opinions include statements expressing the company's position, opinions, beliefs, goals, and plans. Additionally, it may contain anecdotes or testimonials from Jiankun or third parties. These were not part of our review.

New targets and reporting criteria, appropriateness of new commitments, targets, and objectives set by Jiankun, as well as their internal reporting definitions, were not evaluated in our review.

Sustainability Statement (Cont'd)

Responsibilities

The Jiankun management is responsible for presenting the selected information in the SS

Our responsibility was to provide a limited assurance review, following established standards, to assess the accuracy, reliability, and objectivity of the information presented in the SS. Based on this review, we formed an independent conclusion.

Verification Opinion

Based On the Data and Information provided by Jiankun and the processes and procedures conducted, there is no evidence that the SS of Jiankun:

- (a) is not materially correct;
- (b) is not a fair representation of the GHG emissions data and information; and

It is our opinion that Jiankun has established a system for the collection, aggregation, and analysis of quantitative data for the determination of its Environmental, and Safety data for the stated period and boundaries.

Thank you

Sayyidatul Nisya Binti Kemeja
Project Director Esg
NBS Smart Focus Group Sdn. Bhd.

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 period ended 30 June 2024 (“FY2024”), 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;
- Investment Committee; and
- Share Issuance Scheme 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 Non-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 and Chief Executive Officer ("CEO")

The position of the Chairman 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 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 Dato' Saiful Nizam Bin Mohd Yusoff 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 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 three (3) 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 three (3) 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 Chairman 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; and
- 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, eight (8) Board meetings were held and the record of attendance of each Board Member as follows: -

| Name of Directors | No. of Meetings Attended |
|---|--------------------------|
| Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P (Re-designated from President to Non-Independent Non-Executive Chairman on 10 May 2024) | 8/8 |
| Dato' Ir Lim Siang Chai | 7/8 |
| Edwin Silvester Das | 7/8 |
| Datuk Azmi Bin Osman | 7/8 |
| Dato' Yong Chong Long | 5/8 |
| Mr P Ellango A/L Ponramu | 8/8 |
| Madam Chew Huey Yen | 8/8 |
| Mr Terence Cheah Eu Lee | 8/8 |
| Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Resigned on 30 April 2024) | 5/7 |

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 approval is obtained through written resolutions. The resolutions passed by way of such written resolutions are then noted at the next Board Meeting.

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 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.

Corporate Governance Overview Statement (Cont'd)

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 had 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.

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 / ellangoaponramu@outlook.com

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

The Company had implemented the 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.

During the FY2024, there was no incident of bribery and corruption were reported to the Group.

Corporate Governance Overview Statement (Cont'd)

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

Currently, the Board of Jiankun currently comprises of eight (8) members which includes the following:

- one (1) Non-Independent Non-Executive Chairman;
- two (2) Executive Directors;
- two (2) Non-Independent Non-Executive Directors; and
- three (3) Independent Non-Executive Directors.

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' ("Board") Profile of this Annual Report 2024.

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 Directors

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

| As at 30 June 2024 | <1 | 2-5 | > 5 - 7 |
|-------------------------------------|----|-----|---------|
| Independent Non-Executive Directors | - | 3 | - |

Under the MCGG, 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.

Corporate Governance Overview Statement (Cont'd)

Nevertheless, in the event where any Independent Director has served the Board for a cumulative term of nine years, the Nomination Committee, will assess 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. 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.

The tenure of any Independent Director more than a cumulative tenure of 12 years in the Company must resign or be re-designated as Non-Independent Director.

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

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.

Corporate Governance Overview Statement (Cont'd)

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 FY2024, Dato' Saiful Nizam Bin Mohd Yusoff has been re-designated from President to Non-Independent Non- Executive Chairman.

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.

Corporate Governance Overview Statement (Cont'd)

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.

The Board has established the Directors' Fit and Proper Policy to guide the Nomination Committee and the Board 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 Directors' Fit and Proper Policy is published on the Company's website at www.jki.com.my.

4.7 Nomination Committee

The Company has established the Nomination Committee comprising exclusively of Independent 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.

During the FY2024, the Nomination Committee members are as follows:

- Chairman : Mr P Ellango A/L Ponramu (Independent Non-Executive Director)
Member : Chew Huey Yen (Independent Non-Executive Director)
Member : Terence Cheah Eu Lee (Independent Non-Executive Director)
(Appointed on 30 April 2024)
Member : Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Independent Non-Executive Chairman)
(Resigned on 30 April 2024)

The Nomination Committee had undertaken the following activities for the FY2024:

- (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.

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.

Corporate Governance Overview Statement (Cont'd)

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.

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 FY2024 were as follows: -

| Director | Title | Date |
|--------------------------------|--|-----------------------------|
| Dato' Ir Lim Siang Chai | National Economic Forum 2024 Program – Strategic Innovation and Global Alliances | 9 th May 2024 |
| Edwin Silvester Das | Introduction to Environmental, Social and Governance (ESG) | 25 th March 2023 |
| | National Economy Forum 2024 Program | 9 th May 2024 |
| | Anti-Bribery and Corruption Program | 24 th June 2024 |
| P Ellango A/L Ponramu | Introduction to Environmental, Social and Governance (ESG) | 25 th March 2023 |
| | Anti-Bribery and Corruption Program | 24 th June 2024 |
| Datuk Azmi Bin Osman | Introduction to Environmental, Social and Governance (ESG) | 25 th March 2023 |
| Chew Huey Yen | Introduction to Environmental, Social and Governance (ESG) | 25 th March 2023 |
| Terence Cheah Eu Lee | Introduction to Environmental, Social and Governance (ESG) | 25 th March 2023 |

Save as disclosed above, other 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 their 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.

Corporate Governance Overview Statement (Cont'd)

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.

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 FY2024, the Nomination Committee conducted an annual assessment of its Directors and the effectiveness of the Board 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 40th 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.

Corporate Governance Overview Statement (Cont'd)

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 Non-Executive Directors to assist the Board for determining the Director's remuneration.

During the FY2024, the Remuneration Committee members are as follows:

- Chairman : Datuk Azmi Bin Osman (Non-Independent Non-Executive Director)
 Member : Dato' Ir Lim Siang Chai (Executive Director)
 Member : P Ellango A/L Ponramu (Independent Non-Executive Director)
 Member : Terence Cheah Eu Lee (Independent Non-Executive Director)
(Appointed on 30 April 2024)
 Member : Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Independent Non-Executive Chairman)
(Resigned on 30 April 2024)

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.

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 FY2024 is analysed as follows:-

| Directors | Fees (RM) | Salary (RM) | Allowance* (RM) | Statutory contribution (RM) | Others Benefit | Total (RM) |
|---|--------------|----------------|--------------------|-----------------------------------|-------------------|---------------|
| Dato' Saiful Nizam Bin Mohd Yusoff | - | 199,600 | 6,600 | 24,384 | 3,770 | 234,354 |
| Dato' Ir Lim Siang Chai | - | 239,520 | 96,900 | 25,200 | 29,983 | 391,603 |
| Edwin Silvester Das | - | 661,200 | 97,800 | 99,216 | 81,022 | 939,238 |
| Datuk Azmi Bin Osman | 58,000 | - | 500 | - | - | 58,500 |
| Dato' Yong Chong Long | 58,000 | - | - | - | - | 58,500 |
| P Ellango A/L Ponramu | 95,000 | - | 3,000 | - | - | 98,000 |
| Chew Huey Yen | 58,000 | - | 3,000 | - | - | 61,000 |
| Terence Cheah Eu Lee | 58,000 | - | 3,000 | - | - | 61,000 |
| Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Resigned on 30 April 2024) | - | - | - | - | - | - |

* Allowance included 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 RM100,000.00 is as follows:

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

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.

Dato' Saiful Nizam Bin Mohd Yusoff ("Dato' Saiful"), is the Chairman of the Board and not a member of the Nomination Committee, Audit Committee and Remuneration Committee, which is complied with the Practice 1.4 of the MCCG.

The Board believes that Dato' Saiful 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.

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 30 June 2024, none of the members of the Board, including the members of the Audit Committee, are former audit partners of the external auditors appointed by the Group. The Board has no intention to appoint any former 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 the Board 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 AGM 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 FY2024.

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 AGM on the re-appointment of Messrs. UHY as the External Auditors of the Company for the financial year ending 30 June 2025.

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 Bursa 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, Internal Auditors and External Auditors, to safeguard the Group's assets.

Corporate Governance Overview Statement (Cont'd)

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 96 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 outsourced 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 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 92 of this Annual Report 2024.

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.

Corporate Governance Overview Statement (Cont'd)

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.

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 40th AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the 40th AGM. Notice of the 40th 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 39th AGM in year 2023. 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 40th 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 Act and MMLR.

Corporate Governance Overview Statement (Cont'd)

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 general meetings of the Company held during the FY2024 were on virtual basis. Saved for Dato' Saiful Nizam Bin Mohd Yusoff and Dato' Yong Chong Long, all the Directors including Chairman of the Board and the respective Chairman of the Board Committees attended the 39th 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. All the Directors also attended the EGM held on 21 August 2023 and 13 December 2023 (except Dato' Yong Chong Long). The Senior Management and Principal Advisers also attended the EGMs.

12.3 Poll Voting

The Company's General Meeting is not held in a remote location. The Company has adopted manual polling for 2023 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 FY2024. 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 30 October 2024.

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 period ended 30 June 2024, 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 period ended 30 June 2024 (“FY2024”).

COMPOSITION

The AC comprises of three members and all of whom are Independent Non-Executive Directors (“INEDs”), which meets the requirements of Paragraphs 15.09(1) and (2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.4 of the Malaysian Code on Corporate Governance 2021.

The AC currently comprises of the following members:

| | |
|----------|---|
| Chairman | : P Ellango A/L Ponramu (Independent Non-Executive Director) |
| Member | : Chew Huey Yen (Independent Non-Executive Director) |
| Member | : Terence Cheah Eu Lee (Independent Non-Executive Director) (Appointed on 30 April 2024) |
| Member | : Tan Sri Dato’ Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman) (Resigned on 30 April 2024) |

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 FY2024, seven (7) 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 | Chairman | 7/7 |
| Chew Huey Yen | Member | 7/7 |
| Terence Cheah Eu Lee <i>(Appointed on 30 April 2024)</i> | Member | 1/1 |
| Tan Sri Dato’ Sri Haji Mohamed Apandi Bin Haji Ali <i>(Resigned on 30 April 2024)</i> | Member | 5/6 |

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 FY2024 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 FY2024;
- 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 FY2024 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 or potential 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.

NOMINATION COMMITTEE REPORT

This Report has been reviewed by the Nomination Committee ("NC") and approved by the Board of Directors of Jiankun for inclusion in this Annual Report 2024.

Composition of the NC

The composition of the NC is as listed below and complies with Paragraph 15.08A of the MMLR of Bursa Securities which states that a nomination committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent:

| | | |
|----------|---|---|
| Chairman | : | P Ellango A/L Ponramu (Independent Non-Executive Director) |
| Member | : | Chew Huey Yen (Independent Non-Executive Director) |
| Member | : | Terence Cheah Eu Lee (Independent Non-Executive Director) (Appointed on 30 April 2024) |
| Member | : | Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali (Independent Non-Executive Chairman) <i>(Resigned on 30 April 2024)</i> |

The NC is chaired by P Ellango A/L Ponramu, who is an Independent Director, thereby meeting Practice 5.8 of the Malaysian Code on Corporate Governance 2021 that the nomination committee should be chaired by an Independent Director or the Senior Independent Director.

During FY2024, the NC continued to play a key role in assisting the Board to fulfil its oversight responsibilities, primarily relating to the Board's composition, assessing the effectiveness of the Board and Board Committees. In discharging its responsibilities, the NC is guided by the NC Terms of Reference, which may be reviewed at the Company's website at www.jki.com.my.

The Executive Directors and Senior Management were invited to the NC meetings to facilitate deliberations as well as provide clarifications on the proposals tabled for the NC's consideration. An update of key deliberations and recommendations by the NC were reported to the Board at its meetings.

Summary of Activities of the NC

The NC's key activities throughout FY2024 are summarized below:

a) Board Effectiveness Evaluation

The annual Board assessment FY2024 was carried out by the NC with the assistance of the Company Secretaries.

A self-assessment questionnaire was circulated to all the Board members, and used to assess the Board as a whole, the Board Committees as well as the Directors individually. There were a number of parameters considered to ensure a holistic evaluation. The assessment covered areas which include, inter alia, the responsibilities of the Board in relation to its role and function, strategic planning, succession plans for the Board and Senior Management, corporate governance, and monitoring the Company's performance.

Other areas evaluated include the composition and size of the Board and Board Committees, the Board's decision making and output, information and the overall perception of the Board and support rendered to the Board.

The NC also assessed the contributions of each member of the Board, his knowledge and abilities, integrity, as well as his personal commitment to Board responsibilities.

Independent Non-Executive Directors are further assessed on their ability to exercise independent judgement, in addition to their ability to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all stakeholders' interests, where deemed necessary.

Nomination Committee Report (Cont'd)

b) Re-election of Directors

The Company Secretaries monitor the Directors' retirement by rotation at each Annual General Meeting ("AGM") and submit the proposal to the NC in accordance with the Constitution of the Company, which requires one-third of the total number of Directors, or if the number is not a multiple of three, the number nearest to one-third, to retire by rotation at the AGM each year. The NC reviews the performance of the said Director(s) who is(are) retiring by rotation and make the appropriate recommendation to the Board.

The NC is satisfied with the performances of Dato' Ir Lim Siang Chai, Datuk Azmi Bin Osman and Chew Huey Yen. Dato' Ir Lim Siang Chai, Datuk Azmi Bin Osman and Chew Huey Yen are retiring pursuant to Clause 105(1) of the Company's Constitution and are seeking shareholders' approval for re-election at the Fortieth ("40th") AGM of the Company. Dato' Ir Lim Siang Chai, Datuk Azmi Bin Osman and Chew Huey Yen abstained from deliberations on their own re-elections, where applicable.

At this juncture, the Group wishes to highlight that it practices non-discrimination in any form, whether based on age, gender, ethnicity or religion throughout the organisation. This includes the selection of Board members and Senior Management. In addition, the Group believes that it is of utmost importance that our Board comprises of the qualified individuals who possess the requisite knowledge, experience, independence, foresight and judgement to ensure that our Board functions effectively and discharges its duties in the best interests of the Company and shareholders.

This Report is dated 30 October 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires the Board of Directors (“the Board”) 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 (“CEO”) 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 ENVIROMENT 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; and
- 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;
- Review of financial and non-financial indicator to determine the Group performance; and
- 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, CEO, 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 31st December 2022, the internal auditor had carried out internal audit reviews and follow up as follow:

| Audit Period | Reporting Month | Audited Areas |
|------------------------------|-----------------|---|
| January 2023 to October 2023 | November 2023 | 1. Internal audit review on finance management. 2. Internal audit review on project management / contract. |
| January 2023 to March 2024 | May 2024 | Internal audit reviews on human resources, business development/sales/marketing and procurement |

For 18 months financial period ended 30 June 2024, the total fee incurred for the outsourced internal audit function were RM32,000.

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 period ended 30 June 2024 ("FY2024") were as follows:

| | Company (RM) | Group (RM) |
|---|-----------------|---------------|
| Audit Services Rendered | 110,500 | 265,028 |
| 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

2022 Private Placement

On 14 December 2022, the Company completed the 2022 Private Placement, which involved the issuance of 98,000,000 new Shares (representing approximately 40% of the then existing total number of issued Shares) and raised proceeds of RM18.56 million. The 2022 Private Placement was approved by the Shareholders via a specific approval at an Extraordinary General Meeting on 6 September 2022. The said proceeds have been fully utilised as proposed, which are set out in the following:

| Details of utilisation of proceeds | Proceeds raised (RM'000) | Actual utilisation (RM'000) | Balance unutilised (RM'000) |
|---|--------------------------------|-----------------------------------|-----------------------------------|
| Funding for the One Le Tower project ⁽¹⁾ | 18,182 | 18,182 | - |
| Estimated expenses for the 2022 Private Placement | 379 | 379 | - |
| Total | 18,561 | 18,561 | - |

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.

Additional Compliance Information (Cont'd)

The overall One Le Tower project is approximately 85% completed and the Company is completing the structural, architectural works, mechanical works and electrical works. The project is expected to be completed by December 2024, a delay of approximately 14 months from the original scheduled completion of October 2023. The delay was mainly due to a revision to the development order of the project by the developer. Apart from slower progress billings as a result from delay in the construction progress, the Group does not expect any material adverse impact, including any liquidated ascertained damages to be incurred / accrued by the Group.

2023 Private Placement

On 29 March 2024, the Company completed the 2023 Private Placement, which involved the issuance of 95,000,000 new Shares (representing approximately 40% of the then existing total number of issued Shares) and raised proceeds of RM19.00 million. The 2023 Private Placement was approved by Shareholders via a specific approval at an Extraordinary General Meeting on 13 December 2023. The said proceeds have been fully utilised towards the partial settlement of the purchase consideration for the Acquisition of Klebang Land, which was completed on 29 March 2024.

2024 Private Placement

On 17 September 2024, Bursa Malaysia Securities Berhad ("Bursa Securities") approved Jiankun's proposal of issuance of a total of 55,203,500 new shares (representing approximately 10% of the then existing total number of issued Shares). The 10% mandate was approved by Shareholders at the Annual General Meeting on 15 June 2023. The said proceeds have are expected to be utilised as proposed, which are set out in the following:

| Details of utilisation of proceeds | Expected timeframe for utilisation from completion of 2024 Private Placement | Minimum Scenario (RM'000) | Maximum Scenario (RM'000) |
|---|--|---------------------------|---------------------------|
| Working capital | Within 12 months | 3,348 | 3,734 |
| Estimated expenses for the 2024 Private Placement | Immediate | 130 | 130 |
| Total | | (1)3,478 | (1)3,864 |

Note:

⁽¹⁾ *The proceeds raised from the Proposed Private Placement shall firstly be used to defray estimated expenses for the Proposed Private Placement. The balance proceeds will be allocated for working capital.*

Additional Compliance Information (Cont'd)

5. SHARE ISSUANCE SCHEME

The Share Issuance Scheme of the Company ("SIS") of the Company was approved by the Shareholders at an Extraordinary General Meeting held on 24 March 2021 and it is governed by the SIS By-Laws. The SIS was implemented on 9 July 2021 and shall be in force for a period of five (5) years and may be extended for a further period of up to 5 years, 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.

On 28 August 2023, the Company has announced on the termination of the SIS effective from 28 August 2023 in accordance with the By-Laws "**previous SIS**". The total number of options granted, exercised and outstanding under the previous SIS are set out in the table below:-

(a) Total number of options granted, exercised and outstanding

| Total number of options granted | Total number of options exercised | Total options outstanding as at 28 August 2023 (being the termination date of previous SIS) |
|---------------------------------|-----------------------------------|---|
| 48,808,000 | 48,808,000 | 5,269,100 |

(b) Total number of options granted to the Directors and Chief Executive

| Aggregate number of Options | |
|-------------------------------------|---------------------------------------|
| Aggregate number of Options Granted | Aggregate number of Options Exercised |
| 39,046,400 | 39,046,400 |

(c) The aggregate maximum allocation and actual granted to the Directors and senior management.

| Directors and Senior Management | Percentage | |
|---------------------------------|--|--|
| | During the financial period ended 30 June 2024 | Since commencement up to 28 August 2023 (being the termination date of previous SIS) |
| Aggregate maximum allocation | 80 | 80 |
| Actual options granted | 80 | 80 |

Subsequently on an Extraordinary General Meeting held on 21 August 2023, the Shareholders of the Company has approved the establishment of new SIS which involves up to 15% of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the eligible Directors and employees of the Group ("new SIS").

The new SIS was implemented on 28 August 2023 and shall be in force for a period of five (5) years and may be extended for a further period of up to 5 years at the discretion of the Board upon recommendation from 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.

Additional Compliance Information (Cont'd)

The total number of options granted, exercised and outstanding under the *new SIS* during the FY2024 are set out in the table below:-

- (a) Total number of options granted, exercised and outstanding

| Total number of options granted * | Total number of options exercised | Total options outstanding as at 30 June 2024 |
|-----------------------------------|-----------------------------------|--|
| 58,927,200 | 19,295,000 | 55,226,360 |

**Exclude the cancellation of unexercised SIS options on 11 September 2023 and 12 June 2024.*

- (b) Total number of options granted to the Directors and Chief Executive

| Aggregate number of Options | |
|--------------------------------------|---------------------------------------|
| Aggregate number of Options Granted* | Aggregate number of Options Exercised |
| 13,800,500 | 13,800,500 |

**Exclude the cancellation of unexercised SIS options on 11 September 2023 and 12 June 2024.*

- (c) The aggregate maximum allocation and actual granted to the Directors and senior management.

| Directors and Senior Management | Percentage | |
|---------------------------------|--|--|
| | During the financial period ended 30 June 2024 | Since commencement up to 28 August 2023 (being the termination date of previous SIS) |
| Aggregate maximum allocation | 69.09 | 69.09 |
| Actual options granted | 69.09 | 69.09 |

6. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during FY2024, which exceeded the materiality threshold stipulated in Paragraph 10.09 (2)(b) of the MMLR of Bursa Securities.



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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 period ended 30 June 2024.

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.

Change of Financial Year End

The financial year end of the Company had been changed from 31 December to 30 June and this is the first set of financial statements prepared to end on the new accounting date. Accordingly, the current financial statements are prepared for a period of eighteen months from 1 January 2023 to 30 June 2024. As a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes of equity and statement of cash flows and the related notes are not comparable.

Financial Results

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

| | Group RM | Company RM |
|-----------------------------|---------------------|-----------------------|
| Loss for the financial year | <u>47,860,688</u> | <u>24,622,392</u> |
| Attributable to: | | |
| Owners of the parent | 47,354,618 | |
| Non-controlling interests | <u>506,070</u> | |
| | <u>47,860,688</u> | |

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

Directors' Report (Cont'd)

Reserves and Provisions

All material transfers to or from reserves and provisions during the financial period 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 period.

Issuance of Shares and Debentures

During the financial period, the Company issued:

- (a) 95,000,000 new ordinary shares at issue price of RM0.20 per ordinary share for a total cash consideration of RM19,000,000 through private placement and 22,000,000 new ordinary shares at issue price of RM0.20 per ordinary share to settle the balance purchase price of RM4,400,000 through private placement to the vendor for the acquisition of 10 acres leasehold land; and
- (b) 36,922,200 new ordinary shares through the exercise of the Share Issuance Scheme ("SIS") Options at an issue price ranging from RM0.1316 to RM0.192 for a total cash consideration of RM6,754,413.

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

There was no issuance of debentures during the financial period.

Share Options

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

Directors' Report
(Cont'd)**Options Granted Over Unissued Shares (Cont'd)**

As at 30 June 2024, the options offered to take up unissued ordinary shares and the exercise price are as follows:

| | Number of options over ordinary shares | | | | At 30.06.2024 |
|----------------|--|------------|--------------|--------------|------------------|
| | At 1.1.2023 | Granted | Exercised | Cancellation | |
| SIS | | | | | |
| First Grant | 31,180,800 | - | (31,180,800) | - | - |
| Second Grant | - | 17,627,200 | (17,627,200) | - | - |
| New SIS | | | | | |
| First Grant | - | 54,077,100 | (16,483,500) | (37,593,600) | - |
| Second Grant | - | 24,145,100 | (2,811,500) | - | 21,333,600 |
| WAEP | 0.27 | 0.17 | 0.22 | 0.18 | 0.13 |

Directors

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

Dato' Saiful Nizam Bin Mohd Yusoff*

Dato' Ir Lim Siang Chai*

Edwin Silvester Das*

Datuk Azmi Bin Osman

Chew Huey Yen

P Ellango A/L Ponramu

Terence Cheah Eu Lee

Dato' Yong Chong Long

Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali

(Resigned on 30 April 2024)

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' Report (Cont'd)

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 period 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 30.06.2024 |
|---------------------------------------|---------------------------|--------------|-----------|--------------|------------------|
| | At 1.1.2023 | SIS Exercise | Bought | Sold | |
| Interests in the Company | | | | | |
| Direct interests | | | | | |
| Edwin Silvester Das | 11,225,200 | 20,390,200 | 6,500,000 | (21,376,400) | 16,739,000 |
| Datuk Azmi Bin Osman | 5,125,000 | - | 5,046,000 | (10,171,000) | - |
| Dato' Saiful Nizam Bin Mohd Yusoff | 21,000,000 | - | 2,500,000 | (21,000,000) | 2,500,000 |
| Dato' Yong Chong Long | 24,000,000 | - | - | - | 24,000,000 |
| Terence Cheah Eu Lee | - | 2,811,500 | 3,670,400 | - | 6,481,900 |
| Indirect interests | | | | | |
| Terence Cheah Eu Lee | - | - | 5,837,000 | (3,050,000) | 2,787,000 |

| | Number of options over ordinary shares | | | | At 30.06.2024 |
|---------------------------------------|--|------------|--------------|-------------|------------------|
| | At 1.1.2023 | Granted | Exercise | Cancelled | |
| Interests in the Company | | | | | |
| Direct interests | | | | | |
| Edwin Silvester Das | 12,926,600 | 16,223,100 | (20,390,200) | (8,759,500) | - |
| Datuk Azmi Bin Osman | - | 12,859,800 | - | (5,407,700) | 7,452,100 |
| Dato' Saiful Nizam Bin Mohd Yusoff | - | 5,407,700 | - | (5,407,700) | - |
| Terence Cheah Eu Lee | - | 12,859,800 | (2,811,500) | (5,407,700) | 4,640,600 |

Directors' Report
(Cont'd)

Directors' Interests (Cont'd)

| | Number of warrants over ordinary shares | | | | At 30.06.2024 |
|---------------------------------------|---|------------|----------|-------------|------------------|
| | At 1.1.2023 | Granted | Exercise | Sold | |
| Interests in the Company | | | | | |
| Direct interests | | | | | |
| Edwin Silvester Das | - | 8,744,500 | - | (8,744,500) | - |
| Dato' Saiful Nizam Bin Mohd Yusoff | - | 2,900,000 | - | - | 2,900,000 |
| Terence Cheah Eu Lee | - | 958,550 | - | (958,550) | - |
| Dato' Yong Chong Long | - | 12,000,000 | - | - | 12,000,000 |
| Indirect interests | | | | | |
| Terence Cheah Eu Lee | - | 1,393,500 | - | (1,393,500) | - |

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

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 period, 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 period are as follows:

| | Group RM | Company RM |
|---------------------------------|---------------------|-----------------------|
| Executive Directors | | |
| - Salaries and other emoluments | 1,826,122 | - |
| - Defined contribution plans | 166,782 | - |
| - Social security contributions | 2,674 | - |
| | <u>1,995,578</u> | <u>-</u> |
| Non-Executive Directors | | |
| - Fees | 471,000 | 471,000 |
| - Other emoluments | 21,000 | 21,000 |
| | <u>492,000</u> | <u>492,000</u> |
| Total | <u>2,487,578</u> | <u>492,000</u> |

Indemnity and Insurance Costs

During the financial period, 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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 the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

Directors' Report (Cont'd)

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 period 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 period.
- (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 period 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 period 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 period 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 period in which this report is made.

Subsidiary Companies

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

Subsequent Event

On 9 August 2024, Nagamas Venture Sdn. Bhd. received a letter from the solicitor of the previous owner/ vendor of shares in Limpah Restu Development Sdn. Bhd. Which Nagamas Venture had acquired and completed the share purchase transaction in financial year 2021, attempting to dispute the completed transaction and demanded RM4,000,000. However, as of the date of report, there is no subsequent legal action from either parties. The details of the subsequent events are disclosed in Note 38 to the financial statements.

Directors' Report (Cont'd)

Auditors' Remuneration

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

| | Group RM | Company RM |
|------------------------|---------------------|-----------------------|
| Auditors' remuneration | | |
| - Statutory audit | 265,028 | 110,500 |
| - Non-statutory audit | 5,000 | 5,000 |
| | <u>270,028</u> | <u>115,500</u> |

Auditors

The auditors, UHY Malaysia (formerly known as 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

30 October 2024

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 30 June 2024 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

30 October 2024

STATUTORY DECLARATION 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 30 October 2024.

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 30 June 2024 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 period then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 119 to 226.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial period 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 period. 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 |
|---|---|
| <p>1. <u>Investment properties</u></p> <p>The investment properties of the Group amounted to RM13.5 million are situated in HuiZhou, China. and audited by a component auditor.</p> <p>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.</p> <p>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.</p> | <ul style="list-style-type: none"> - 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)

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 period 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 Malaysia
Firm Number: AF 1411
Chartered Accountants

TEOH WEI YEIN
Approved Number: 03655/04/2026 J
Chartered Accountant

KUALA LUMPUR

30 October 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

| | Note | Group | | Company | |
|--------------------------------------|------|--------------------|--------------------|-------------------|-------------------|
| | | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | | RM | RM | RM | RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 633,500 | 764,696 | 1,074 | 2,512 |
| Goodwill | 5 | - | - | - | - |
| Investment properties | 6 | 13,532,980 | 24,185,794 | - | - |
| Right-of-use assets | 7 | 3,998,225 | 4,101,057 | - | - |
| Investment in subsidiary companies | 8 | - | - | 16,763,004 | 16,763,004 |
| Inventories | 9 | 40,370,853 | - | - | - |
| Trade receivables | 10 | 10,447,334 | - | - | - |
| Other receivables | 11 | 5,080,724 | - | - | - |
| | | <u>74,063,616</u> | <u>29,051,547</u> | <u>16,764,078</u> | <u>16,765,516</u> |
| Current assets | | | | | |
| Inventories | 9 | 20,099,876 | 32,802,119 | - | - |
| Contract assets | 12 | 9,357,962 | 4,204,043 | - | - |
| Trade receivables | 10 | 190,566 | 8,635,057 | - | - |
| Other receivables | 11 | 12,747,971 | 32,198,937 | 3,774,266 | 29,802 |
| Amount due from subsidiary companies | 13 | - | - | 42,260,804 | 34,308,237 |
| Tax recoverable | | 1,687,809 | 1,470,607 | - | - |
| Deposits, bank and cash balances | 14 | 1,206,947 | 17,801,761 | 8,454 | 915,985 |
| | | <u>45,291,131</u> | <u>97,112,524</u> | <u>46,043,524</u> | <u>35,254,024</u> |
| Total assets | | <u>119,354,747</u> | <u>126,164,071</u> | <u>62,807,602</u> | <u>52,019,540</u> |
| EQUITY | | | | | |
| Share capital | 15 | 104,638,850 | 70,734,025 | 104,638,850 | 70,734,025 |
| Reserves | 16 | (19,779,445) | 22,945,978 | (42,316,283) | (21,024,350) |
| Non-controlling interests | | (217,998) | 288,072 | - | - |
| Total equity | | <u>84,641,407</u> | <u>93,968,075</u> | <u>62,322,567</u> | <u>49,709,675</u> |

Statements Of Financial Position As At 30 June 2024 (Cont'd)

| | Note | Group | | Company | |
|-------------------------------------|------|--------------------|--------------------|-------------------|-------------------|
| | | 30.06.2024 RM | 31.12.2022 RM | 30.06.2024 RM | 31.12.2022 RM |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 17 | 2,489,158 | 6,474,511 | - | - |
| Bank borrowings | 18 | 2,914,454 | 3,192,674 | - | - |
| | | <u>5,403,612</u> | <u>9,667,185</u> | <u>-</u> | <u>-</u> |
| Current liabilities | | | | | |
| Trade payables | 19 | 10,919,342 | 4,283,921 | 25,156 | - |
| Other payables | 20 | 18,186,488 | 17,759,958 | 459,879 | 243,755 |
| Bank borrowings | 18 | 203,898 | 201,455 | - | - |
| Lease liabilities | 21 | - | 86,192 | - | - |
| Amount due to Directors | 22 | - | 197,285 | - | - |
| Amount due to subsidiary companies | 13 | - | - | - | 2,066,110 |
| | | <u>29,309,728</u> | <u>22,528,811</u> | <u>485,035</u> | <u>2,309,865</u> |
| Total liabilities | | <u>34,713,340</u> | <u>32,195,996</u> | <u>485,035</u> | <u>2,309,865</u> |
| Total equity and liabilities | | <u>119,354,747</u> | <u>126,164,071</u> | <u>62,807,602</u> | <u>52,019,540</u> |

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

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

| | Note | Group | | Company | |
|---|------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 1.1.2023 to 30.06.2024 RM | 1.1.2022 to 31.12.2022 RM | 1.1.2023 to 30.06.2024 RM | 1.1.2022 to 31.12.2022 RM |
| Revenue | 23 | 19,405,351 | 8,150,969 | - | - |
| Cost of sales | | <u>(18,318,198)</u> | <u>(8,621,865)</u> | <u>-</u> | <u>-</u> |
| Gross profit/(loss) | | 1,087,153 | (470,896) | - | - |
| Other income | | 1,040,745 | 334,669 | 7,303 | 5,836 |
| Administrative expenses | | (40,355,706) | (19,153,642) | (10,378,224) | (5,025,697) |
| Distribution costs | | (35,000) | (127,082) | - | - |
| Net gain/(loss) on impairment of financial instruments | | (13,483,650) | 5,283 | (14,251,471) | (25,085,918) |
| Loss from operations | | <u>(51,746,458)</u> | <u>(19,411,668)</u> | <u>(24,622,392)</u> | <u>(30,105,779)</u> |
| Finance costs | 24 | <u>(296,574)</u> | <u>(56,609)</u> | <u>-</u> | <u>-</u> |
| Loss before tax | 25 | (52,043,032) | (19,468,277) | (24,622,392) | (30,105,779) |
| Taxation | 26 | 4,182,344 | 2,196,018 | - | - |
| Loss for the financial year | | <u>(47,860,688)</u> | <u>(17,272,259)</u> | <u>(24,622,392)</u> | <u>(30,105,779)</u> |

Statements Of Profit Or Loss And Other Comprehensive Income For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Group | | Company | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 1.1.2023 to 30.06.2024 RM | 1.1.2022 to 31.12.2022 RM | 1.1.2023 to 30.06.2024 RM | 1.1.2022 to 31.12.2022 RM |
| Other comprehensive income | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Exchange translation differences for foreign operations | 1,298,736 | 1,176,515 | - | - |
| Total comprehensive loss for the financial period/year | (46,561,952) | (16,095,744) | (24,622,392) | (30,105,779) |
| Loss for the financial period/year attributable: | | | | |
| Owners of the parent | (47,354,618) | (17,270,615) | (24,622,392) | (30,105,779) |
| Non-controlling interests | (506,070) | (1,644) | - | - |
| | (47,860,688) | (17,272,259) | (24,622,392) | (30,105,779) |
| Total comprehensive loss attributable: | | | | |
| Owners of the parent | (46,055,882) | (16,094,100) | (24,622,392) | (30,105,779) |
| Non-controlling interests | (506,070) | (1,644) | - | - |
| | (46,561,952) | (16,095,744) | (24,622,392) | (30,105,779) |
| (Loss)/Earning per share (sen) | | | | |
| Basic | 27(a) (11.11) | (6.90) | - | - |
| Diluted | 27(b) (11.11) | (6.78) | - | - |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

| | | Attributable to the owners of the parent | | | | | | | | | | |
|---|------------|--|-----------|-----------------------|----|-----------------|----|---------------------------|--------------|--------------------------------|--------------|-------|
| | | Non-Distributable | | Share Issuance | | Retained | | Non-Controlling Interests | Total Equity | | | |
| Share Capital | RM | Foreign Currency Translation Reserve | RM | Scheme Option Reserve | RM | Warrant Reserve | RM | | | Earnings/ (Accumulated Losses) | RM | Total |
| Group | | | | | | | | | | | | |
| At 1 January 2023 | 70,734,025 | 5,723,392 | 2,057,094 | - | - | - | - | 15,165,492 | 93,680,003 | 288,072 | 93,968,075 | |
| Loss for the financial year | - | - | - | - | - | - | - | (47,354,618) | (47,354,618) | (506,070) | (47,860,688) | |
| Foreign exchange translation reserve | - | 1,298,736 | - | - | - | - | - | - | 1,298,736 | - | 1,298,736 | |
| Total comprehensive loss for the financial year | - | 1,298,736 | - | - | - | - | - | (47,354,618) | (46,055,882) | (506,070) | (46,561,952) | |
| Balance carried forward | - | 1,298,736 | - | - | - | - | - | (47,354,618) | (46,055,882) | (506,070) | (46,561,952) | |

Statements Of Changes In Equity

For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Attributable to the owners of the parent | | | | | | | | | | | |
|---------------------------------|--|---|--|--------------------------|--|--|------------------------|---|--|--------------------------|-----------------------|-----------------------|
| | Non-Distributable | | | | | Retained | | | | | Total Equity RM | |
| | Share Capital RM | Foreign Currency Translation Reserve RM | Share Issuance Scheme Option Reserve RM | Warrant Reserve RM | Earnings/ (Accumulated Losses) RM | Non- Controlling Interests RM | Share Capital RM | Foreign Currency Translation Reserve RM | Share Issuance Scheme Option Reserve RM | Warrant Reserve RM | | Total Equity RM |
| | | | | | | | | | | | | |
| Balance brought forward | - | 1,298,736 | - | - | (47,354,618) | (506,070) | (46,055,882) | - | - | (46,055,882) | (46,561,952) | |
| Transaction with owners: | | | | | | | | | | | | |
| Issuance of ordinary shares: | | | | | | | | | | | | |
| - private placement | 15 | 18,763,523 | - | - | - | - | 18,763,523 | - | - | 18,763,523 | - | 18,763,523 |
| - exercise of SIS options | 15 | 10,741,302 | - | (3,986,889) | - | - | 6,754,413 | - | - | 6,754,413 | - | 6,754,413 |
| - purchase of land | | 4,400,000 | - | - | - | - | 4,400,000 | - | - | 4,400,000 | - | 4,400,000 |
| Grant of SIS options | 16 | - | - | 7,317,348 | - | - | 7,317,348 | - | - | 7,317,348 | - | 7,317,348 |
| Bonus issuance of warrants | | - | - | - | 18,030,910 | - | (18,030,910) | - | - | - | - | - |
| Cancellation of SIS options | | - | - | (3,977,403) | - | - | 3,977,403 | - | - | - | - | - |
| Total transactions with owners | | 33,904,825 | - | (646,944) | 18,030,910 | (14,053,507) | 37,235,284 | - | - | 37,235,284 | - | 37,235,284 |
| At 30 June 2024 | | 104,638,850 | 7,022,128 | 1,410,150 | 18,030,910 | (46,242,633) | 84,859,405 | (217,998) | (217,998) | 84,641,407 | | 84,641,407 |

Statements Of Changes In Equity
 For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Attributable to the owners of the parent | | | | | |
|--|--|--|-----------------------------------|--|--|-----------------------|
| | Non-Distributable | | Share Issuance | | Retained | |
| | Share Capital RM | Foreign Currency Translation Reserve RM | Scheme Option Reserve RM | Earnings/ (Accumulated Losses) 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 |
| Profit for the financial year | - | - | - | (17,270,615) | (1,644) | (17,272,259) |
| Foreign exchange translation reserve for the financial year | - | 1,176,515 | - | - | - | 1,176,515 |
| Total comprehensive income for the financial year | - | 1,176,515 | - | (17,270,615) | (1,644) | (16,095,744) |
| Balance carried forward | - | 1,176,515 | - | (17,270,615) | (1,644) | (16,095,744) |

Statements Of Changes In Equity

For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | | Attributable to the owners of the parent | | | | | |
|------|---------------------|--|---|--|--------------|--|-----------------------|
| | | Non-Distributable | | Share Issuance | | Retained | |
| Note | Share Capital RM | Foreign Currency Translation Reserve RM | Share Issuance Scheme Option Reserve RM | Earnings/ (Accumulated Losses) RM | Total RM | Non- Controlling Interests RM | Total Equity RM |
| | - | 1,176,515 | - | (17,270,615) | (16,094,100) | (1,644) | (16,094,100) |
| | 18,560,500 | - | - | - | 18,560,500 | - | 18,560,500 |
| | 10,532,874 | - | (2,114,058) | - | 8,418,816 | - | 8,418,816 |
| | - | - | 2,057,094 | - | 2,057,094 | - | 2,057,094 |
| | - | - | - | - | - | 289,716 | 289,716 |
| | 29,093,374 | - | (56,964) | - | 29,036,410 | 289,716 | 29,326,126 |
| | 70,734,025 | 5,723,392 | 2,057,094 | 15,165,492 | 93,680,003 | 288,072 | 93,968,075 |

Balance brought forward

Transaction with owners:

Issuance of ordinary shares:

- private placement
- exercise of SIS options grant of SIS options
- Grant of SIS options

Non-controlling interests arising from acquisition of subsidiary company

Total transactions with owners

At 31 December 2022

Statements Of Changes In Equity
 For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | | Attributable to the owners of the parent | | | | | Total Equity RM |
|---|------|--|-------------------------|---------------|----------------|--|-----------------------|
| | | Non-Distributable | Share Issuance | Warrant | Retained | | |
| | Note | Share Capital RM | Option Reserve RM | reserve RM | Earnings RM | | RM |
| Company | | | | | | | |
| At 1 January 2023 | | 70,734,025 | 2,057,094 | - | (23,081,444) | | 49,709,675 |
| Loss for the financial year, representing total comprehensive loss for the financial year | | - | - | - | (24,622,392) | | (24,622,392) |
| Transactions with owners: | | | | | | | |
| Issuance of ordinary shares: | | | | | | | |
| - private placement | 15 | 18,763,523 | - | - | - | | 18,763,523 |
| - exercise of SIS options | 15 | 10,741,302 | (3,986,889) | - | - | | 6,754,413 |
| - purchase of land | | 4,400,000 | - | - | - | | 4,400,000 |
| Grant of SIS options | 16 | - | 7,317,348 | - | - | | 7,317,348 |
| Bonus issuance of warrants | | - | - | 18,030,910 | (18,030,910) | | - |
| Cancellation of SIS options | | - | (3,977,403) | - | 3,977,403 | | - |
| Total transactions with owners | | 33,904,825 | (646,944) | 18,030,910 | (14,053,507) | | 37,235,284 |
| At 30 June 2024 | | 104,638,850 | 1,410,150 | 18,030,910 | (61,757,343) | | 62,322,567 |

Statements Of Changes In Equity

For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | | Attributable to the owners of the parent | | | | Total Equity RM |
|--|------------------------|--|---|--|-----------------------|-----------------------|
| | | Non-Distributable | Share Issuance Scheme Option Reserve RM | Retained Earnings/ Losses) RM | | |
| Note | Share Capital RM | Share Capital RM | Share Issuance Scheme Option Reserve RM | Retained Earnings/ Losses) RM | Total Equity RM | |
| Company | | | | | | |
| At 1 January 2022 | 41,640,651 | 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 ordinary shares: | | | | | | |
| - private placement | 15 | 18,560,500 | - | - | 18,560,500 | |
| - warrants expired | 15 | 10,532,874 | (2,114,058) | - | 8,418,816 | |
| Grant of SIS options | 15 | - | 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 | |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2024

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | RM | RM | RM | RM |
| Cash Flows from Operating Activities | | | | |
| (Loss)/Profit before tax | (52,043,032) | (19,468,277) | (24,622,392) | (30,105,779) |
| Adjustments for: | | | | |
| Depreciation of : | | | | |
| - property, plant and equipment | 175,906 | 124,964 | 1,438 | 1,035 |
| - right-of-use assets | 102,832 | 72,511 | - | - |
| Fair value loss on | | | | |
| investment properties | 12,126,417 | 4,961,893 | - | - |
| Finance costs | 296,574 | 56,609 | - | - |
| Finance income | (110,973) | (265,248) | - | (1,529) |
| Gain on termination of | | | | |
| lease contract | - | - | - | - |
| Impairment loss on goodwill | - | 3,271,484 | - | - |
| Impairment loss on | | | | |
| investment of subsidiary | - | - | - | 1,380,623 |
| Impairment loss on | | | | |
| amount due from subsidiary | - | - | 14,251,471 | 25,085,918 |
| Impairment loss on | | | | |
| other receivables | 13,483,650 | - | - | - |
| Property, plant and | | | | |
| equipment written off | - | 450 | - | 450 |
| Reversal of impairment loss | | | | |
| on trade receivables | - | (5,282) | - | - |
| Share based payments expenses | 7,317,348 | 2,057,094 | 7,317,348 | 2,057,094 |
| Unrealised gain on | | | | |
| foreign exchange | (1,473,603) | (1,494,073) | - | - |
| Operating (loss)/profit before | | | | |
| working capital changes | (20,124,881) | (10,687,875) | (3,052,135) | (1,582,188) |

Statements Of Cash Flows

For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.06.2024 RM | 31.12.2022 RM | 30.06.2024 RM | 31.12.2022 RM |
| Changes in working capital: | | | | |
| Inventories | (27,668,610) | (4,624,866) | - | - |
| Trade receivables | (2,002,843) | (1,336,072) | - | - |
| Other receivables | 5,286,592 | (21,931,683) | 655,536 | 147,049 |
| Trade payables | 6,635,421 | 2,491,718 | 25,156 | - |
| Other payables | 426,530 | (14,040,034) | 216,124 | (104,779) |
| Contract assets | (5,153,919) | 41,211,190 | - | - |
| | <u>(22,476,829)</u> | <u>1,770,253</u> | <u>896,816</u> | <u>42,270</u> |
| Cash used in operations | (42,601,710) | (8,917,622) | (2,155,319) | (1,539,918) |
| Interest received | 110,973 | 265,248 | - | 1,529 |
| Interest paid | (296,574) | (56,609) | - | - |
| Tax refunded | 40,211 | - | - | - |
| Tax paid | (257,413) | (2,569,761) | - | - |
| | <u>(402,803)</u> | <u>(2,361,122)</u> | <u>-</u> | <u>1,529</u> |
| Net cash used in operating activities | <u>(43,004,513)</u> | <u>(11,278,744)</u> | <u>(2,155,319)</u> | <u>(1,538,389)</u> |
| Cash Flows from Investing Activities | | | | |
| Acquisition of property, plant and equipment | (44,710) | (267,777) | - | - |
| Acquisition of subsidiary company | - | (4,718,474) | - | (700,000) |
| Acquisition of right of use asset | - | (4,092,000) | - | - |
| Advance from subsidiary companies | - | - | (22,204,038) | (24,260,966) |
| Net cash used in investing activities | <u>(44,710)</u> | <u>(9,078,251)</u> | <u>(22,204,038)</u> | <u>(24,960,966)</u> |

Statements Of Cash Flows
For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Note | Group | | Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 30.06.2024 RM | 31.12.2022 RM | 30.06.2024 RM | 31.12.2022 RM |
| Cash Flows from Financing Activities | | | | | |
| Repayment to subsidiary companies | | - | - | (2,066,110) | (1,167,000) |
| Increase in fixed deposit pledge | | 3,804,483 | (146,787) | - | - |
| Payment of term loan | | (275,777) | - | - | - |
| Payment of lease liabilities | | (86,192) | (29,590) | - | - |
| Drawdown of borrowings | | - | 3,394,129 | - | - |
| (Repayment to)/Advance from directors | | (197,285) | 28,589 | - | - |
| Proceeds from issuance of ordinary shares: | | | | | |
| - private placement | | 18,763,523 | 18,560,500 | 18,763,523 | 18,560,500 |
| - exercise of SIS options | | 6,754,413 | 8,418,816 | 6,754,413 | 8,418,816 |
| Proceeds from exercise of warrants | | - | - | - | - |
| Net cash from financing activities | | <u>28,763,165</u> | <u>30,225,657</u> | <u>23,451,826</u> | <u>25,812,316</u> |
| Net increase/(decrease) in cash and cash equivalents | | (14,286,058) | 9,868,662 | (907,531) | (687,039) |
| Cash and cash equivalents at the beginning of the financial year | | 13,824,974 | 2,447,102 | 915,985 | 1,603,024 |
| Effect of exchange translation differences | | <u>1,495,727</u> | <u>1,509,210</u> | - | - |
| Cash and cash equivalents at the end of the financial year | | <u>1,034,643</u> | <u>13,824,974</u> | <u>8,454</u> | <u>915,985</u> |

Statements Of Cash Flows

For The Financial Period From 1 January 2023 to 30 June 2024 (Cont'd)

| | Note | Group | | Company | |
|--|------|------------------|-------------------|------------------|------------------|
| | | 30.06.2024 RM | 31.12.2022 RM | 30.06.2024 RM | 31.12.2022 RM |
| Cash and cash equivalents at the end of the financial year comprises: | | | | | |
| Cash and bank balances | 14 | 1,034,643 | 6,851,100 | 8,454 | 915,985 |
| Housing Development Accounts | 14 | - | 6,973,874 | - | - |
| Fixed deposits with licensed banks | 14 | 172,304 | 3,976,787 | - | - |
| | | <u>1,206,947</u> | <u>17,801,761</u> | <u>8,454</u> | <u>915,985</u> |
| Less: Fixed deposits pledged to licensed banks | 14 | (172,304) | (3,976,787) | - | - |
| | | <u>1,034,643</u> | <u>13,824,974</u> | <u>8,454</u> | <u>915,985</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

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 21, 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 period.

On 30 October 2023, the Company changes its financial year from 31 December to 30 June to enable better planning, coordination and management of its audit reporting. Consequently, the financial statements cover the period 1 January 2023 to 30 June 2024.

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

30 June 2024 (Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial period, 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 period:

| | |
|--|--|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 Comparative Information |
| Amendments to MFRS 101 and MFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from Single Transaction |
| Amendments to MFRS 112 | International Tax Reform – Pillar Two Model Rules |

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

Amendments to MFRS 101 Disclosure of Accounting Policies

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

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

Notes To The Financial Statements
30 June 2024 (Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

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

| | | Effective dates for financial periods beginning on or after |
|------------------------------------|--|--|
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non - Current | 1 January 2024 |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 121 | Lack of Exchangeability | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| MFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 | Subsidiaries without Public Accountability Disclosures | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

The Group and the Company intend to adopt the above new standards and amendments to MFRSs, if applicable, when they become effective.

The initial application of the abovementioned accounting standards or amendments are not expected to have any significant financial impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional currency. All financial information is presented in RM except when otherwise stated.

Notes To The Financial Statements

30 June 2024 (Cont'd)

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Satisfaction of performance obligations in relation to contracts with customers

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.

Notes To The Financial Statements
30 June 2024 (Cont'd)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

30 June 2024 (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 30 June 2024 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.

Notes To The Financial Statements
30 June 2024 (Cont'd)

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 30 June 2024 (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.

Notes To The Financial Statements
30 June 2024 (Cont'd)

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 30 June 2024, the Group has tax recoverable of RM1,687,809 (31.12.2022: RM1,470,607).

Notes To The Financial Statements

30 June 2024 (Cont'd)

3. Material Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

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 combinations 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 period 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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements
30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements
30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Property under development and completed property

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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

3. Material 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

30 June 2024 (Cont'd)

3. Material 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 to date, 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.

Notes To The Financial Statements 30 June 2024 (Cont'd)

3. Material 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 their 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 period, 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 period.

Notes To The Financial Statements

30 June 2024 (Cont'd)

3. Material 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.

Notes To The Financial Statements
30 June 2024 (Cont'd)

4. Property, Plant and Equipment

| | Computer and software RM | Moter vehicles RM | Office equipment and fixtures RM | Renovation RM | Total RM |
|---------------------------------|---|----------------------------------|---|--------------------------|---------------------|
| Group | | | | | |
| 2024 | | | | | |
| At cost | | | | | |
| At 1 January 2023 | 228,484 | 6,302 | 522,164 | 519,728 | 1,276,678 |
| Additions | 23,820 | - | 20,890 | - | 44,710 |
| Reclassification | 6,421 | - | (1,213) | (8,109) | (2,901) |
| At 30 June 2024 | <u>258,725</u> | <u>6,302</u> | <u>541,841</u> | <u>511,619</u> | <u>1,318,487</u> |
| Accumulated depreciation | | | | | |
| At 1 January 2023 | 224,731 | 6,299 | 157,733 | 123,219 | 511,982 |
| Charge for the financial year | 21,102 | - | 88,445 | 66,359 | 175,906 |
| Reclassification | (2,355) | 2 | (548) | - | (2,901) |
| At 30 June 2024 | <u>243,478</u> | <u>6,301</u> | <u>245,630</u> | <u>189,578</u> | <u>684,987</u> |
| Carrying amount | | | | | |
| At 30 June 2024 | <u>15,247</u> | <u>1</u> | <u>296,211</u> | <u>322,041</u> | <u>633,500</u> |
| 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 | <u>228,484</u> | <u>6,302</u> | <u>522,164</u> | <u>519,728</u> | <u>1,276,678</u> |
| 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 | <u>224,731</u> | <u>6,299</u> | <u>157,733</u> | <u>123,219</u> | <u>511,982</u> |
| Carrying amount | | | | | |
| At 31 December | <u>3,753</u> | <u>3</u> | <u>364,431</u> | <u>396,509</u> | <u>764,696</u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

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

| | Computer and software RM | Office equipment and fixtures RM | Renovation RM | Total RM |
|---------------------------------|---|---|--------------------------|---------------------|
| Company | | | | |
| 2024 | | | | |
| At cost | | | | |
| At 1 January 2023/ | | | | |
| At 30 June 2024 | 167,272 | 7,511 | - | 174,783 |
| Accumulated depreciation | | | | |
| At 1 January 2023 | 166,640 | 5,631 | - | 172,271 |
| Charge for the financial year | 613 | 825 | - | 1,438 |
| At 30 June 2024 | 167,253 | 6,456 | - | 173,709 |
| Carrying amount | | | | |
| At 30 June 2024 | 19 | 1,055 | - | 1,074 |
| 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 |

Notes To The Financial Statements
30 June 2024 (Cont'd)

5. Goodwill

| | Group | |
|---------------------------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Cost | | |
| At 1 January 2023 | 5,739,677 | 2,468,193 |
| Addition through business combination | - | 3,271,484 |
| At 30 June 2024 | <u>5,739,677</u> | <u>5,739,677</u> |
| Accumulated impairment losses | | |
| At 1 January 2023 | 5,739,677 | 2,468,193 |
| Impairment loss recognised | - | 3,271,484 |
| At 30 June 2024 | <u>5,739,677</u> | <u>5,739,677</u> |
| Carrying amount | | |
| At 30 June 2024 | <u>-</u> | <u>-</u> |

In the previous 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, the impairment loss recognised in goodwill amounting to RM3,271,484 was due to the recoverable amounts were lower than carrying amount of the goodwill.

Notes To The Financial Statements

30 June 2024 (Cont'd)

6. Investment Properties

| | Group | |
|---|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At fair value | | |
| At 1 January | 24,185,794 | 27,653,614 |
| Change in fair value recognised in profit or loss | (12,126,417) | (4,961,893) |
| Foreign currency translation differences | 1,473,603 | 1,494,073 |
| At 31 December | <u>13,532,980</u> | <u>24,185,794</u> |
| At fair value | | |
| Commercial properties | <u>13,532,980</u> | <u>24,185,794</u> |

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 (31.12.2022: 3 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 RMB20,829,200 (31.12.2022: RMB37,872,700). 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 period, 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 |
| 2024 | | | |
| Investment properties | <u>-</u> | <u>13,532,980</u> | <u>13,532,980</u> |
| 2022 | | | |
| Investment properties | <u>-</u> | <u>24,185,794</u> | <u>24,185,794</u> |

Notes To The Financial Statements
30 June 2024 (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:

| <u>Year</u> | <u>Significant unobservable inputs</u> | <u>Value used</u> | <u>Sensitivity analysis</u> |
|-------------|--|----------------------------|---|
| 2024 | Sales price | RMB14,195 per square meter | The higher the sales price, the higher the fair value |

The decrease in fair values of RM12,126,417 (31.12.2022: RM4,961,893) has been recognised in the profit or loss during the financial period.

(c) Income and expenses recognised in profit or loss

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

| | Group | |
|---|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Rental income | 12,045 | 78,592 |
| Direct operating expenses: | | |
| - Income generating investment properties | - | 5,044 |
| - Non-income generating investment properties | - | 26,366 |
| | <u> </u> | <u> </u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

7. Right-of-use Assets

| | Buildings RM | Motor vehicles RM | Total RM |
|---------------------------------------|-------------------------------|--|---------------------------|
| Group | | | |
| 30.06.2024 | | | |
| At cost | | | |
| At 1 January 2023/ | | | |
| 30 June 2024 | 4,092,000 | 277,300 | 4,369,300 |
| Accumulated depreciation | | | |
| At 1 January 2023 | 17,050 | 251,193 | 268,243 |
| Charge for the financial year | 76,725 | 26,107 | 102,832 |
| At 30 June 2024 | 93,775 | 277,300 | 371,075 |
| Carrying amount | | | |
| At 30 June 2024 | 3,998,225 | - | 3,998,225 |
| 31.12.2022 | | | |
| 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 |
| Accumulated impairment losses | | | |
| 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) |
| Termination of lease contract | - | | |
| At 31 December | 17,050 | 251,193 | 268,243 |
| Carrying amount | | | |
| At 31 December | 4,074,950 | 26,107 | 4,101,057 |

As at 30 June 2024, leasehold buildings with carrying amount of RM3,998,225 (31.12.2022: RM4,074,950) 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
30 June 2024 (Cont'd)

8. Investment in Subsidiary Companies

| | Company | |
|--|------------------|------------------|
| | 30.06.2024 RM | 31.12.2022 RM |
| In Malaysia | | |
| At cost | | |
| Unquoted shares | 11,450,004 | 10,750,004 |
| Add: Additional investment in subsidiary company | - | 700,000 |
| Less: Accumulated impairment losses | (3,250,000) | (3,250,000) |
| | 8,200,004 | 8,200,004 |
| Outside Malaysia | | |
| At cost | | |
| Unquoted shares | 8,563,000 | 8,563,000 |
| | 16,763,004 | 16,763,004 |

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

| | Company | |
|----------------------------|------------------|------------------|
| | 30.06.2024 RM | 31.12.2022 RM |
| At 1 January | 3,250,000 | 1,869,377 |
| Impairment loss recognised | - | 1,380,623 |
| At 31 December | 3,250,000 | 3,250,000 |

Details of the subsidiary companies are as follows:

| Name of company | Place of business/ Country of incorporation | Equity interest | | Principal activities |
|---------------------------|--|-----------------|------------|-------------------------------------|
| | | 30.06.2024 | 31.12.2022 | |
| | | % | % | |
| Nagamas Venture Sdn. Bhd. | Malaysia | 100 | 100 | Project management and consultation |

Notes To The Financial Statements

30 June 2024 (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 | | Principal activities |
|--|--|-----------------|-----------------|---|
| | | 30.06.2024 % | 31.12.2022 % | |
| 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 | 70 | Dormant |
| Held by Nagamas Venture 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 | 100 | Dormant |

* Subsidiary companies not audited by UHY Malaysia

Notes To The Financial Statements
30 June 2024 (Cont'd)

9. Inventories

| | | Group | |
|---|------|-------------------|-------------------|
| | Note | 30.06.2024 RM | 31.12.2022 RM |
| Non-current | | | |
| Land held for property development and property development costs | (a) | <u>40,370,853</u> | <u>-</u> |
| Current | | | |
| Land held for property development and property development costs | (b) | <u>20,099,876</u> | <u>32,802,119</u> |

(a) Land held for property development and property development

Notes To The Financial Statements

30 June 2024 (Cont'd)

9. Inventories (Cont'd)

(a) Property development costs

| Group | Leasehold land RM | Development expenditure RM | Total RM |
|--|-------------------------|----------------------------------|--------------|
| Non-Current | | | |
| 30.06.2024 | | | |
| Cumulative property development costs | | | |
| At 1 January 2023 | - | - | - |
| Addition | 26,000,000 | - | 26,000,000 |
| Reclassified from current | 10,000,000 | 4,370,853 | 14,370,853 |
| At 30 June 2024 | 36,000,000 | 4,370,853 | 40,370,853 |
| Current | | | |
| 30.06.2024 | | | |
| Cumulative property development costs | | | |
| At 1 January 2023 | 23,000,000 | 9,802,119 | 32,802,119 |
| Cost incurred during the financial period | - | 1,668,610 | 1,668,610 |
| Reclassified to non-current | (10,000,000) | (4,370,853) | (14,370,853) |
| At 30 June 2024 | 13,000,000 | 7,099,876 | 20,099,876 |
| Carrying amount | | | |
| At 30 June 2024 | 49,000,000 | 11,470,729 | 60,470,729 |

Notes To The Financial Statements
30 June 2024 (Cont'd)

9. Inventories (Cont'd)

(a) Property development costs (Cont'd)

| Group | Freehold land RM | Leasehold land RM | Development expenditure RM | Total RM |
|--|------------------------|-------------------------|----------------------------------|---------------|
| 31.12.2022 | | | | |
| 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 |

Notes To The Financial Statements

30 June 2024 (Cont'd)

9. Inventories (Cont'd)

(a) Property development costs (Cont'd)

During the financial period, the following costs are capitalised to property development costs:

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 period, RMNil (31.12.2022: RM225,684) 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 RM49,000,000 (2022: RM23,000,000).

(c) Leasehold land

The remaining lease term of leasehold land is ranging from 86 to 98 years (2022: 87 years to 98 years).

Notes To The Financial Statements
30 June 2024 (Cont'd)

10. Trade Receivables

| | Group | |
|--------------------|------------|------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Non-Current | | |
| Trade receivables | 9,320,520 | - |
| Retention sum | 1,126,814 | - |
| | 10,447,334 | - |
| Current | | |
| Trade receivables | 190,566 | 364,936 |
| Retention sum | - | 8,270,121 |
| | 190,566 | 8,635,057 |
| | 10,637,900 | 8,635,057 |

Current Trade Receivable

In the previous financial year, trade receivables in general are non-interest bearing and are generally on 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Non-Current Trade Receivable

The settlement term for One Le Tower project is via contra of properties upon completion of the project which is expected to complete more than 12 months from the financial period end.

Retention sum is a withholding amount that serves as a security to protect the buyers in case the contractor fails to complete the job, or if defects arise during the defect liability period. The retention period for the retention sum is the expiring of 12 months and 24 months (31.12.2022: 12 months and 24 months) during defect liability period.

Movements in the allowance for impairment losses of trade receivables are as follows:

| | Group | |
|----------------------------------|------------|------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At 1 January | - | 5,282 |
| Reversal of impairment losses | - | (5,282) |
| At 30 June 2024/31 December 2023 | - | - |

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

30 June 2024 (Cont'd)

10. 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 | | | |
| 30.06.2024 | | | |
| Not past due | 10,447,334 | - | 10,447,334 |
| Past due : | | | |
| 61 to 90 days | 190,566 | - | 190,566 |
| | <u>10,637,900</u> | <u>-</u> | <u>10,637,900</u> |
| 31.12.2022 | | | |
| 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 |
| | <u>231,689</u> | <u>-</u> | <u>231,689</u> |
| | <u>8,635,057</u> | <u>-</u> | <u>8,635,057</u> |

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

As at 30 June 2024, trade receivables of RM190,566 (31.12.2022: RM231,689) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

Notes To The Financial Statements
30 June 2024 (Cont'd)

11. Other Receivables

| | Note | Group | | Company | |
|-------------------------------------|-------|-------------------|-------------------|------------------|---------------|
| | | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | | RM | RM | RM | RM |
| Non-current | | | | | |
| Other receivables | (a,b) | 11,009,102 | 4,244,728 | - | - |
| Less: Accumulated impairment losses | | (5,928,378) | (4,244,728) | - | - |
| | | <u>5,080,724</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Current | | | | | |
| Other receivables | (c) | 19,592,916 | 6,256,602 | 2,004,403 | 1,742 |
| Less: Accumulated impairment losses | | (10,000,000) | - | - | - |
| | | <u>9,592,916</u> | <u>6,256,602</u> | <u>2,004,403</u> | <u>1,742</u> |
| Deposits | | 4,048,046 | 15,870,772 | 878,294 | 2,150 |
| Less: Accumulated impairment losses | | (1,800,000) | - | - | - |
| | | <u>2,248,046</u> | <u>15,870,772</u> | <u>878,294</u> | <u>2,150</u> |
| Prepayments | | 907,009 | 10,071,563 | 891,569 | 25,910 |
| | | <u>12,747,971</u> | <u>32,198,937</u> | <u>3,774,266</u> | <u>29,802</u> |

- (a) The amount of RM4,244,728 (31.12.2022: RM4,244,728) 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 years.
- (b) As at 30 June 2024, other receivables of RM4,500,000 (31.12.2022: RMNil) being progress payment for landowner entitlement to develop a piece of freehold land located at Taman Anggerik Villa, Bandar Teknologi Kajang, Selangor.
- (c) As at 30 June 2024, there is RM2,000,000 (31.12.2022: RMNil) paid to the vendors being initial payment for acquisitions of 99.99% of shares in Oriental Link Properties Sdn. Bhd. entered during the financial period.

Notes To The Financial Statements

30 June 2024 (Cont'd)

11. Other Receivables (Cont'd)

Movements in the accumulated impairment losses in other receivables are as follows:

| | Group | |
|----------------------------|------------|------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Non-Current | | |
| At 1 January | 4,244,728 | 4,244,728 |
| Impairment loss recognised | 1,683,650 | - |
| At 30 June 2024 | 5,928,378 | 4,244,728 |
| Current | | |
| At 1 January/ 31 December | - | - |
| Impairment loss recognised | 11,800,000 | - |
| At 30 June 2024 | 11,800,000 | - |

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

12. Contract Assets

| | Group | |
|---|------------|------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Current | | |
| <u>Contract assets/(Contract liabilities)</u> | | |
| Property development activities (a) | (127,004) | 4,164,006 |
| Construction activities (b) | 9,484,966 | 40,037 |
| | 9,357,962 | 4,204,043 |

Notes To The Financial Statements
30 June 2024 (Cont'd)

12. Contract Assets (Cont'd)

(a) Property development activities

| | Group | |
|--|--------------------|---------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At 1 January | 4,164,006 | 45,415,233 |
| Property development revenue recognised during the financial year | - | 13,150,880 |
| Less: Billings during the financial year | <u>(4,291,010)</u> | <u>(54,402,107)</u> |
| At 30 June/31 December | <u>(127,004)</u> | <u>4,164,006</u> |
| Presented as: | | |
| (Contract Liabilities)/Contract assets | <u>(127,004)</u> | <u>4,164,006</u> |

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 | |
|--------------------------------|--------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Contract cost incurred to-date | 15,891,195 | 521,407 |
| Attributable profits | <u>654,980</u> | <u>31,839</u> |
| | 16,546,175 | 553,246 |
| Less: Progress billings | <u>(7,061,209)</u> | <u>(513,209)</u> |
| | <u>9,484,966</u> | <u>40,037</u> |
| Presented as: | | |
| Contract assets | <u>9,484,966</u> | <u>40,037</u> |

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 RM20,249,191 (2022: RM28,124,693). The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 1-12 months.

Notes To The Financial Statements

30 June 2024 (Cont'd)

13. Amount Due from/(to) Subsidiary Companies

| | Company | |
|---|-------------------|--------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Amount due from subsidiary companies | | |
| <u>Non-trade related</u> | | |
| Non-interest bearing | 81,674,923 | 59,470,885 |
| Less: Accumulated impairment losses | (39,414,119) | (25,162,648) |
| | <u>42,260,804</u> | <u>34,308,237</u> |
| Amount due to subsidiary companies | | |
| <u>Non-trade related</u> | | |
| Non-interest bearing | - | (2,066,110) |
| | <u>-</u> | <u>(2,066,110)</u> |

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

| | Company | |
|------------------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At 1 January 2023 | 25,162,648 | 76,730 |
| Impairment losses recognised | 14,251,471 | 25,085,918 |
| At 30 June 2024 | <u>39,414,119</u> | <u>25,162,648</u> |

Amount due from/(to) subsidiary companies are unsecured, non-interest bearing and repayable on demand.

Notes To The Financial Statements
30 June 2024 (Cont'd)

14. Deposits, Bank and Cash Balances

| | Group | | Company | |
|--------------------------------|------------|-------------|------------|------------|
| | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | RM | RM | RM | RM |
| Cash and bank balances | 1,034,643 | 6,851,100 | 8,454 | 915,985 |
| Housing Development | | | | |
| Accounts | - | 6,973,874 | - | - |
| Deposits with license banks | 172,304 | 3,976,787 | - | - |
| Total cash and bank balances | 1,206,947 | 17,801,761 | 8,454 | 915,985 |
| Less: Deposits pledged with | | | | |
| license banks | (172,304) | (3,976,787) | - | - |
| Total cash and cash equivalent | 1,034,643 | 13,824,974 | 8,454 | 915,985 |

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 RM172,304 (31.12.2022: RM3,976,787) 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% (31.12.2022: 2.85%) per annum and 1 month (31.12.2022: 1 month) respectively.

Notes To The Financial Statements

30 June 2024 (Cont'd)

15. Share Capital

| | Note | Group and Company | | | |
|---------------------------------|------|--------------------|--------------------|--------------------|-------------------|
| | | Number of shares | | Amount | |
| | | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | | Unit | Unit | RM | RM |
| Issued and fully paid: | | | | | |
| At 1 January | | 342,886,869 | 213,706,069 | 70,734,025 | 41,640,651 |
| Issuance of shares pursuant to: | | | | | |
| - private placement | (a) | 95,000,000 | 98,000,000 | 18,763,524 | 18,560,500 |
| - exercise of SIS options | (b) | 36,922,200 | 31,180,800 | 10,741,301 | 10,532,874 |
| - land acquisition | (a) | 22,000,000 | - | 4,400,000 | - |
| At 30 June/31 December | | <u>496,809,069</u> | <u>342,886,869</u> | <u>104,638,850</u> | <u>70,734,025</u> |

During the financial period, the Company issued:

- (a) 95,000,000 new ordinary shares at issue price of RM0.20 per ordinary share for a total cash consideration of RM19,000,000 through private placement and 22,000,000 new ordinary shares at issue price of RM0.20 per ordinary share to settle the balance purchase price of RM4,400,000 through private placement to the vendor for the acquisition of 10 acres leasehold land; and
- (b) 36,922,200 new ordinary shares through the exercise of the Share Issuance Scheme (“SIS”) Options at an issue price ranging from RM0.1316 to RM0.192 for a total cash consideration of RM6,754,413.

In the previous 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 7,000,000 new ordinary shares at issue price of RM0.20 per ordinary share for a total cash consideration of RM23,400,000 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 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
30 June 2024 (Cont'd)

16. Reserves

| | Note | Group | | Company | |
|--------------------------------------|------|---------------------|-------------------|---------------------|---------------------|
| | | 30.06.2024 RM | 31.12.2022 RM | 30.06.2024 RM | 31.12.2022 RM |
| Warrants reserve | (a) | 18,030,910 | - | 18,030,910 | - |
| Foreign currency translation reserve | (b) | 7,022,128 | 5,723,392 | - | - |
| Share Issuance Scheme Option reserve | (c) | 1,410,150 | 2,057,094 | 1,410,150 | 2,057,094 |
| Retained earnings | | (46,242,633) | 15,165,492 | (61,757,343) | (23,081,444) |
| | | <u>(19,779,445)</u> | <u>22,945,978</u> | <u>(42,316,283)</u> | <u>(21,024,350)</u> |

(a) Warrants reserve

On 25 April 2024, 246,998,770 units of Warrants B were issued for free by the Company to the shareholders of the Company's ordinary shares. The Warrants are constituted by a deed poll dated 1 April 2024. The Warrants were listed on Bursa Malaysia on 30 April 2024.

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 in the Company at the exercise price of RM0.12 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 30 April 2024 of the Warrants and ending on the date preceding the third 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

16. Reserves (Cont'd)

(a) Warrant reserve (Cont'd)

The warrants reserve in relation to the issuance of free warrants has been transferred from 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 | |
|--|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At 1 January | 6,474,511 | 8,622,842 |
| Recognised in profit or loss (Note 26) | (4,182,344) | (2,481,026) |
| Exchange differences | 196,991 | 332,695 |
| At 31 December | <u>2,489,158</u> | <u>6,474,511</u> |

Notes To The Financial Statements
30 June 2024 (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 | |
|--------------------------|------------------|------------------|------------|------------|
| | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | RM | RM | RM | RM |
| Deferred tax liabilities | 2,506,197 | 6,507,400 | 180 | 158 |
| Deferred tax assets | (17,039) | (32,889) | (180) | (158) |
| | <u>2,489,158</u> | <u>6,474,511</u> | <u>-</u> | <u>-</u> |

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows:

| | Revaluation of investment property | Accelerated capital allowances | Others | Total |
|---|--|--------------------------------------|------------------|------------------|
| | RM | RM | RM | RM |
| Group | | | | |
| Deferred tax liabilities | | | | |
| 2024 | | | | |
| At 1 January 2023 | 4,074,511 | 32,889 | 2,400,000 | 6,507,400 |
| Recognised in profit or loss | (4,182,344) | (15,850) | - | (4,198,194) |
| Effect on changes in exchange rate | 196,991 | - | - | 196,991 |
| At 30 June 2024 | <u>89,158</u> | <u>17,039</u> | <u>2,400,000</u> | <u>2,506,197</u> |
| 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) |
| Acquisition through business combination | 332,695 | - | - | 332,695 |
| Effect on changes in exchange rate | - | 39 | - | 39 |
| At 31 December | <u>4,074,511</u> | <u>32,889</u> | <u>2,400,000</u> | <u>6,507,400</u> |

Notes To The Financial Statements

30 June 2024 (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)

| | Unutilised tax losses RM | Unabsorbed capital allowances RM | Total RM |
|---------------------------------|---|---|---------------------|
| Group | | | |
| Deferred tax assets | | | |
| 2024 | | | |
| At 1 January 2023 | (32,731) | (158) | (32,889) |
| Recognised in profit or loss | 15,872 | (22) | 15,850 |
| At 30 June 2024 | <u>(16,859)</u> | <u>(180)</u> | <u>(17,039)</u> |
| 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 | <u>(32,731)</u> | <u>(158)</u> | <u>(32,889)</u> |
| | | Accelerated capital allowances | |
| | | 2024 | 2022 |
| | | RM | RM |
| Company | | | |
| Deferred tax liabilities | | | |
| At 1 January 2023 | | 158 | 113 |
| Recognised in profit or loss | | 22 | 6 |
| Under provision in prior year | | - | 39 |
| At 30 June 2024 | | <u>180</u> | <u>158</u> |
| | | Unabsorbed capital allowances | |
| | | 2024 | 2022 |
| | | RM | RM |
| Company | | | |
| Deferred tax assets | | | |
| At 1 January 2023 | | (158) | (113) |
| Recognised in profit or loss | | (22) | (6) |
| Under provision in prior year | | - | (39) |
| At 30 June 2024 | | <u>(180)</u> | <u>(158)</u> |

Notes To The Financial Statements
30 June 2024 (Cont'd)17. **Deferred Tax Liabilities (Cont'd)**

The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

| | Group | | Company | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | RM | RM | RM | RM |
| Unabsorbed capital allowances | 238,402 | 185,833 | 125,868 | 124,719 |
| Unutilised tax losses | 20,695,573 | 12,871,238 | 4,450,424 | 3,517,947 |
| | <u>20,933,975</u> | <u>13,057,071</u> | <u>4,576,292</u> | <u>3,642,666</u> |

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

18. **Bank Borrowings**

| | Group | |
|--------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Secured | | |
| Term loans | <u>3,118,352</u> | <u>3,394,129</u> |
| Non-current | | |
| Term loans | <u>2,914,454</u> | <u>3,192,674</u> |
| Current | | |
| Term loans | <u>203,898</u> | <u>201,455</u> |

(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.

(a) The interest rates per annum is 5.72% (31.12.2022: 5.42%)

Notes To The Financial Statements

30 June 2024 (Cont'd)

19. Trade Payables

| | Group | |
|---------------|------------|------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Third parties | 10,919,342 | 4,283,921 |

Credit terms of trade payables of the Group ranged from 30 to 90 days (31.12.2022: 30 to 90 days) depending on the terms of the contracts.

20. Other Payables

| | Group | | Company | |
|----------------|-------------------|-------------------|----------------|----------------|
| | 30.06.2024 | 31.12.2022 | 30.06.2024 | 31.12.2022 |
| | RM | RM | RM | RM |
| Other payables | 17,235,453 | 16,782,608 | 324,029 | 185,725 |
| Accruals | 951,035 | 977,350 | 135,850 | 58,030 |
| | <u>18,186,488</u> | <u>17,759,958</u> | <u>459,879</u> | <u>243,755</u> |

Included in other payables are RM14,214,288 (31.12.2022: RM12,377,252) being the balance of land owner entitlement claim to be payable to Fivestar Development (Puchong) Sdn. Bhd. The amount is subject to payment upon completion and receipt of Certificate Completion and Compliance for project Amani Residence as stipulated in Joint Venture agreement. The balance of entitlement is not final and is subject to the final decision from the court upon conclusion from the litigation process as disclosed in Note 32(iii).

21. Lease Liabilities

| | Group | |
|---|------------|---------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| At 1 January 2023 | 86,192 | - |
| Acquisition through business combination | - | 115,782 |
| Payments | (86,296) | (30,529) |
| Interest expense recognised in profit or loss | 104 | 939 |
| At 30 June 2024 | <u>-</u> | <u>86,192</u> |
| Presented as: | | |
| Current | <u>-</u> | <u>86,192</u> |

Notes To The Financial Statements
30 June 2024 (Cont'd)

21. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period.

| | Group | |
|------------------------------------|------------|---------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Within one year | - | 86,296 |
| Less: Future finance charges | - | (104) |
| Present value of lease liabilities | <u>-</u> | <u>86,192</u> |

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 | |
|---|-------------------|------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Revenue from contracts with customers, recognised over time: | | |
| Property development and construction | | |
| - Revenue recognised during the period/year | 19,393,306 | 13,150,880 |
| - Over recognition in prior year | - | (5,078,503) |
| | <u>19,393,306</u> | <u>8,072,377</u> |
| Revenue from other sources, recognised point at time: | | |
| - Rental income from investment properties | 12,045 | 78,592 |
| | <u>19,405,351</u> | <u>8,150,969</u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

23. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers:

| | Property development and construction RM |
|---|---|
| Group | |
| 1.1.2023 to 30.6.2024 (18 months) | |
| Major goods and services | |
| Property development, representing total revenue from contracts with customers | <u>19,393,306</u> |
| Geographical market | |
| Malaysia, representing total revenue from contracts with customers | <u>19,393,306</u> |
| Timing of revenue recognition | |
| Over time, representing total revenue from contracts with customers | <u>19,393,306</u> |

24. Finance Costs

| | Group | |
|------------------------------|---|--|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Interest expenses on: | | |
| -Lease liabilities | 104 | 939 |
| -Term loans | 296,470 | 55,670 |
| | <u>296,574</u> | <u>56,609</u> |

Notes To The Financial Statements
30 June 2024 (Cont'd)

25. Loss Before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

| | Group | | Company | |
|---|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Auditors' remuneration: | | | | |
| Statutory audit | | | | |
| - Current year provision | 265,028 | 172,554 | 110,500 | 46,000 |
| - Non-audit services | 5,000 | 5,000 | 5,000 | 5,000 |
| Depreciation of: | | | | |
| - property, plant and equipment | 175,906 | 124,964 | 1,438 | 1,035 |
| - right-of-use assets | 102,832 | 72,511 | - | - |
| Fair value loss on investment properties | 12,126,417 | 4,961,893 | - | - |
| Foreign exchange gain | | | | |
| - Unrealised | (1,473,603) | (1,494,073) | - | - |
| Interest income | (110,973) | (265,248) | - | (1,529) |
| Impairment loss on: | | | | |
| - Goodwill | - | 3,271,484 | - | - |
| - Other receivables | 13,483,650 | - | - | - |
| - Amount due from subsidiary companies | - | - | 14,251,471 | 25,085,918 |
| - Investment in subsidiary companies | - | - | - | 1,380,623 |

Notes To The Financial Statements

30 June 2024 (Cont'd)

25. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items:
(Cont'd)

| | Group | | Company | |
|--|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Lease expenses relating to | | | | |
| - Short-term leases | 104 | 939 | - | - |
| Non-executive Directors' remuneration | | | | |
| - Fees | 471,000 | 543,129 | 471,000 | 543,129 |
| - Other emoluments | 21,000 | 33,700 | 21,000 | 33,700 |
| Property, plant and equipment written off | - | 450 | - | 450 |
| Reversal of impairment loss on trade receivables | - | (5,282) | - | - |
| Share based payments expenses | 7,317,348 | 2,057,094 | 7,317,348 | 2,057,094 |

Notes To The Financial Statements
30 June 2024 (Cont'd)

26. Taxation

| | Group | | Company | |
|--|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Tax expenses recognised in profit or loss | | | | |
| Under/(Over) provision in prior years | - | 285,008 | - | - |
| | - | 285,008 | - | - |
| Deferred tax (Note 17) | | | | |
| Origination and reversal of temporary differences | (4,182,344) | (2,481,026) | - | - |
| Tax (credit)/expense for the financial year | (4,182,344) | (2,196,018) | - | - |

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2022: 24%) of the estimated assessable profits for the financial period. 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:

Notes To The Financial Statements

30 June 2024 (Cont'd)

26. Taxation (Cont'd)

| | Group | | Company | |
|--|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Loss before tax | (52,043,032) | (19,468,277) | (24,622,392) | (30,105,779) |
| At Malaysian statutory tax rate of 24% (2022: 24%) | (12,490,328) | (4,672,386) | (5,909,374) | (7,225,387) |
| Effects of different tax rates in other jurisdictions | 918,430 | 373,187 | - | - |
| | (11,571,898) | (4,299,199) | (5,909,374) | (7,225,387) |
| Expenses not deductible for tax purposes | 9,763,181 | 2,579,448 | 5,687,057 | 7,226,130 |
| Income not subject to tax | (81,740) | (22,566) | (1,753) | (1,034) |
| Deferred tax movement arising from investment property | (4,182,344) | (2,481,026) | - | - |
| Deferred tax assets not recognised during the financial year | 1,890,457 | 1,742,317 | 224,070 | 291 |
| Under/(Over) provision of tax in prior years | - | 285,008 | - | - |
| Tax (credit)/expense for the financial year | (4,182,344) | (2,196,018) | - | - |

Notes To The Financial Statements
30 June 2024 (Cont'd)

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 | |
|-------------------------------|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Unabsorbed capital allowances | 205,733 | 211,177 | 126,617 | 125,380 |
| Unutilised tax losses | 21,648,071 | 11,913,260 | 4,450,424 | 3,517,947 |
| | <u>21,853,804</u> | <u>12,124,437</u> | <u>4,577,041</u> | <u>3,643,327</u> |

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 | |
|---|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) 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 | 59,044 | - | - |
| - YA2032 | 7,249,087 | 7,249,087 | - | - |
| - YA2033 | 9,734,811 | - | 932,477 | - |
| | <u>21,648,071</u> | <u>11,913,260</u> | <u>4,450,424</u> | <u>3,517,947</u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

27. Loss Per Share

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

| | Group | |
|--|---|--|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| (Loss)/Profit attributable to owners of the parent | <u>(47,354,618)</u> | <u>(17,270,615)</u> |
| Weighted average number of ordinary shares in issue | | |
| Issued ordinary shares at 1 January 2023 | 342,886,869 | 213,706,069 |
| Effect of ordinary shares issued during the financial year | <u>83,372,860</u> | <u>36,592,696</u> |
| Weighted average number of ordinary shares at 30 June 2024 | <u>426,259,729</u> | <u>250,298,765</u> |
| Basic (loss)/earnings per shares (in sen) | <u>(11.11)</u> | <u>(6.90)</u> |

Notes To The Financial Statements
30 June 2024 (Cont'd)

27. Loss Per Share (Cont'd)

(b) Diluted loss per share

Diluted loss per share are calculated based on the adjusted consolidated loss for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares as follows:

| | Group | |
|--|---------------------|---------------------|
| | 1.1.2023 | 1.1.2022 |
| | to | to |
| | 30.6.2024 | 31.12.2022 |
| | (18 months) | (12 months) |
| | RM | RM |
| Loss attributable to owners of the parent | <u>(47,354,618)</u> | <u>(17,270,615)</u> |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share | 426,259,729 | 250,298,765 |
| Adjusted for: | | |
| Assumed shares issued from the conversion of | | |
| - Warrant 2024/2027* | - | 2,126,029 |
| - Share Issuance Scheme option* | - | 2,126,029 |
| Weighted average number of ordinary shares at 31 December (diluted) | <u>426,259,729</u> | <u>254,550,823</u> |
| Diluted (loss)/earnings per shares (in sen) | <u>(11.11)</u> | <u>(6.78)</u> |

* The exercise price of the Warrant 2024/2027/Share Issuance Scheme option exceeds the average market price of ordinary shares during the financial period. Therefore, the above do not have any dilution effect on the weighted average number of ordinary shares.

Notes To The Financial Statements

30 June 2024 (Cont'd)

28. Staff Costs

Included in staff cost is aggregate amount of remuneration received and receivable by the Executive Directors of the Company during the financial period as below:

| | Group | | Company | |
|--|--|---|--|---|
| | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM | 1.1.2023 to 30.6.2024 (18 months) RM | 1.1.2022 to 31.12.2022 (12 months) RM |
| Executive Directors | | | | |
| <u>Existing Directors of the Company</u> | | | | |
| Salaries and other emoluments | 1,826,122 | 942,274 | - | 10,000 |
| Defined contribution plans | 166,782 | 107,484 | - | - |
| Social security contributions | 2,674 | 10,707 | - | - |
| | <u>1,995,578</u> | <u>1,060,465</u> | <u>-</u> | <u>10,000</u> |

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 period.

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 28.

Notes To The Financial Statements
30 June 2024 (Cont'd)

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:

| Group | Financing cash flows (i) | | At 30 June RM |
|-----------------------------------|---|--------------------|----------------------|
| | At 1 January RM | RM | |
| 30.6.2024 | | | |
| Term loan (Note 18) | 3,394,129 | (275,777) | 3,118,352 |
| Lease liabilities (Note 21) | 86,192 | (86,192) | - |
| Amount due to Directors (Note 22) | 197,285 | (197,285) | - |
| | <u>3,677,606</u> | <u>(559,254)</u> | <u>3,118,352</u> |
| | Non-cash changes | | |
| | Acquisition through business combination | | |
| | RM | Other changes (ii) | At 31 December RM |
| 31.12.2022 | | | |
| Term loan (Note 18) | - | - | 3,394,129 |
| Lease liabilities (Note 21) | - | - | 86,192 |
| Amount due to Directors (Note 22) | - | 168,696 | 197,285 |
| | <u>-</u> | <u>168,696</u> | <u>3,677,606</u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

30. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

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:

| | At 1 January RM | Financing cash flows (i) RM | At 30 June/ 31 December RM |
|------------------------------------|--------------------|-----------------------------------|----------------------------------|
| Company | | | |
| 30.6.2024 | | | |
| Amount due to subsidiary companies | 2,066,110 | (2,066,110) | - |
| 31.12.2022 | | | |
| Amount due to subsidiary companies | 3,233,110 | (1,167,000) | 2,066,110 |

Notes To The Financial Statements 30 June 2024 (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 Directors
 - (d) repayment of amount due to subsidiary companies.
- (ii) Other changes include advances from Directors.

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 Company has terminated of the SIS effective from 28 August 2023 in accordance with the By-Laws. The total number of options granted, exercised and outstanding under the previous SIS was cancelled.

On 21 August 2023, the Shareholders of the Company has approved the establishment of new SIS which involves up to 15% of the total number of issued shares of the Company for the eligible Directors and employees of the Group ("new SIS").

The new SIS was implemented on 28 August 2023 and shall be in force for a period of five (5) years and may be extended for a further period of up to 5 years at the discretion of the Board upon recommendation from 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 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

31. Share Issuance Scheme (“SIS”) (Cont'd)

- (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.
 - (iii) is at least eighteen (18) years of age; and
 - (iv) 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.
- (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 |

Notes To The Financial Statements
30 June 2024 (Cont'd)

31. Share Issuance Scheme (“SIS”) (Cont’d)

Movement in the number of share options and the weighted average exercise price (“WAEP”) are as follows:

| | Number of options over ordinary shares | | | | At 30.06.2024 |
|----------------|--|------------|--------------|--------------|------------------|
| | At 1.1.2023 | Granted | Exercised | Cancellation | |
| SIS | | | | | |
| First Grant | 31,180,800 | - | (31,180,800) | - | - |
| Second Grant | - | 17,627,200 | (17,627,200) | - | - |
| New SIS | | | | | |
| First Grant | - | 54,077,100 | (16,483,500) | (37,593,600) | - |
| Second Grant | - | 24,145,100 | (2,811,500) | - | 21,333,600 |
| WAEP | 0.27 | 0.17 | 0.22 | 0.18 | 0.13 |

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”)
- (ii) “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;
- (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.

Notes To The Financial Statements

30 June 2024 (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)

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 24 September 2024 and the trial dates on 22, 23 and 24 January 2025.

- (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”);

Notes To The Financial Statements 30 June 2024 (Cont'd)

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.

The Court has re-scheduled the Decision (Physical) on 30 September 2024 has been adjourned to 11 November 2024 and directed parties to file additional written submissions on the Federal Court’s written Grounds of Judgement.

Notes To The Financial Statements

30 June 2024 (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.

Notes To The Financial Statements
30 June 2024 (Cont'd)32. **Material Litigations (Cont'd)**(iii) JKI Development Sdn. Bhd. (“JKIDSB”) vs Fivestar Development (Puchong) Sdn. Bhd. (“FDSB”) (Cont'd)

On 29 January 2024, FDSB commenced a civil action against JKIDSB for the following: -

- (a) The balance sum of RM14,214,288.48 allegedly due under a Joint Venture Agreement;
- (b) Interest at a rate of 5% per annum on RM14,214.48 from 13 September 2022 until full payment;
- (c) Cost; and
- (d) Such further and other relief as this Honourable Court deems fit and proper.

JKIDSB in the midst of preparing the Statement of Defence and Counterclaim, in which JKIDSB are seeking from FDSB the sum of RM4,787,722. No trial date been fixed as yet as the suit is still in its preliminary stage, currently undergoing case management.

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

30 June 2024 (Cont'd)

33. Segment Information (Cont'd)

| Group | Property development and construction | | Property management and investment holding | | Total segments | Adjustments and elimination | Consolidated |
|--|---------------------------------------|--------------|--|--------------|----------------|-----------------------------|--------------|
| | RM | RM | RM | RM | | | |
| 30.6.2024 | | | | | | | |
| Revenue | | | | | | | |
| External customers | | | | | | | |
| - Property development | 19,393,306 | - | - | 19,393,306 | | | 19,393,306 |
| - Rental income from investment properties | - | 12,045 | 12,045 | 12,045 | - | - | 12,045 |
| | 19,393,306 | 12,045 | 12,045 | 19,405,351 | - | - | 19,405,351 |
| Inter-segment | - | - | - | - | - | - | - |
| Total Revenue | 19,393,306 | 12,045 | 12,045 | 19,405,351 | - | - | 19,405,351 |
| Results | | | | | | | |
| Segment result | (28,211,546) | (38,396,293) | (38,396,293) | (66,607,839) | 14,750,408 | (51,857,431) | (51,857,431) |
| Finance costs | (296,574) | - | - | (296,574) | - | (296,574) | (296,574) |
| Finance income | 105,542 | 5,431 | 5,431 | 110,973 | - | 110,973 | 110,973 |
| Loss before tax | (28,402,578) | (38,390,862) | (38,390,862) | (66,793,440) | 14,750,408 | (52,043,032) | (52,043,032) |
| Taxation | - | 4,182,344 | 4,182,344 | 4,182,344 | - | 4,182,344 | 4,182,344 |
| Loss for the financial year | (28,402,578) | (34,208,518) | (34,208,518) | (62,611,096) | 14,750,408 | (47,860,688) | (47,860,688) |

Notes To The Financial Statements
 30 June 2024 (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 | | | | | |
| 30.6.2024 | | | | | |
| Segment assets | 10,746,455 | 74,346,162 | 85,092,617 | 34,262,130 | 119,354,747 |
| Including in the measurement of assets are: | | | | | |
| Capital expenditure relating to: | | | | | |
| -property, plant and equipment | 44,710 | - | 44,710 | - | 44,710 |
| Segment liabilities | 32,138,435 | 1,032,478 | 33,170,913 | 1,542,427 | 34,713,340 |
| Other non-cash items | | | | | |
| Depreciation of: | | | | | |
| - property, plant and equipment | 174,468 | 1,438 | 175,906 | - | 175,906 |
| - right-of-use assets | 102,832 | - | 102,832 | - | 102,832 |
| Fair value loss on investment properties | - | 12,126,417 | 12,126,417 | - | 12,126,417 |
| Unrealised foreign exchange gain | - | (1,473,603) | (1,473,603) | - | (1,473,603) |
| Impairment loss on other receivables | 13,483,650 | - | 13,483,650 | - | 13,483,650 |
| Share based expenses | - | 7,317,348 | 7,317,348 | - | 7,317,348 |

Notes To The Financial Statements

30 June 2024 (Cont'd)

33. Segment Information (Cont'd)

| Group | Property development and construction | | | | | Property management and investment holding | | Total segments | Adjustments and elimination | Consolidated |
|--|---------------------------------------|--------------|--------------|--------------|-------------|--|--------------|----------------|-----------------------------|--------------|
| | RM | RM | RM | RM | RM | RM | RM | | | |
| 31.12.2022 | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| External customers | | | | | | | | | | |
| - Property development | 8,072,377 | - | - | 8,072,377 | - | - | 8,072,377 | - | - | 8,072,377 |
| - Rental income from investment properties | - | 78,592 | 78,592 | 78,592 | - | - | 78,592 | - | - | 78,592 |
| Inter-segment | 8,072,377 | 78,592 | 78,592 | 8,150,969 | - | - | 8,150,969 | - | - | 8,150,969 |
| Total Revenue | 4,169,302 | - | - | 4,169,302 | (4,169,302) | (4,169,302) | 8,150,969 | (4,169,302) | (4,169,302) | 8,150,969 |
| | 12,241,679 | 78,592 | 78,592 | 12,320,271 | (4,169,302) | (4,169,302) | 8,150,969 | (4,169,302) | (4,169,302) | 8,150,969 |
| Results | | | | | | | | | | |
| Segment result | (7,891,480) | (45,216,251) | (45,216,251) | (53,107,731) | 33,430,815 | 33,430,815 | (19,676,916) | | | (19,676,916) |
| Finance costs | (56,609) | - | - | (56,609) | - | - | (56,609) | | | (56,609) |
| Finance income | 263,719 | 1,529 | 1,529 | 265,248 | - | - | 265,248 | | | 265,248 |
| Profit/(Loss) before tax | (7,684,370) | (45,214,722) | (45,214,722) | (52,899,092) | 33,430,815 | 33,430,815 | (19,468,277) | | | (19,468,277) |
| Taxation | (285,008) | 2,481,026 | 2,481,026 | 2,196,018 | - | - | 2,196,018 | | | 2,196,018 |
| Profit/(Loss) for the financial year | (7,969,378) | (42,733,696) | (42,733,696) | (50,703,074) | 33,430,815 | 33,430,815 | (17,272,259) | | | (17,272,259) |

Notes To The Financial Statements
 30 June 2024 (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 |
|---|---|---|-------------------------|--------------------------------------|--------------------|
| 31.12.2022 | | | | | |
| 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 |
| Impairment loss on other receivables | - | 450 | 450 | - | 450 |
| Share based expenses | - | 2,057,094 | 2,057,094 | - | 2,057,094 |
| Property, plant and equipment written off | 450 | - | 450 | - | 450 |

Notes To The Financial Statements

30 June 2024 (Cont'd)

34. Segment Information (Cont'd)

Geographic information

Breakdown of the Group's revenue from contract with customers:

| Group Revenue | Property development and construction RM | Property management and investment holding RM | Total segments RM | Adjustments and elimination RM | Consolidated RM |
|-----------------------------|--|---|-------------------|--------------------------------|-----------------|
| | | | | | |
| Geographical market: | | | | | |
| 30.06.2024 | | | | | |
| Malaysia | 19,393,306 | - | 19,393,306 | - | 19,393,306 |
| - Property development | - | 12,045 | 12,045 | - | 12,045 |
| People's Republic of China | 19,393,306 | 12,045 | 19,405,351 | - | 19,405,351 |
| 31.12.2022 | | | | | |
| Malaysia | 12,241,679 | - | 12,241,679 | (4,169,302) | 8,072,377 |
| - Property development | - | 78,592 | 78,592 | - | 78,592 |
| People's Republic of China | 12,241,679 | 78,592 | 12,320,271 | (4,169,302) | 8,150,969 |

Notes To The Financial Statements
30 June 2024 (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 | |
|----------------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Non-current assets | | |
| Malaysia | 60,530,636 | 4,865,753 |
| People's Republic of China | 13,532,980 | 24,185,794 |
| | <u>74,063,616</u> | <u>29,051,547</u> |

34. **Financial Guarantee**

| | Company | |
|---|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Unsecured | | |
| <u>Corporate guarantee</u> | | |
| 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 |
| | <u>2,000,000</u> | <u>5,394,129</u> |

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 30 June 2024 (Cont'd)

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 of the receivables and contract assets are credit impaired.

Notes To The Financial Statements

30 June 2024 (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 period 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 RM2,000,000 (31.12.2022: RM5,394,129), 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.

Notes To The Financial Statements
 30 June 2024 (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.

| | 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 | | | | | | |
| 30.06.2024 | | | | | | |
| <u>Non-derivative financial liabilities</u> | | | | | | |
| Trade payables | 10,919,342 | - | - | - | 10,919,342 | 10,919,342 |
| Other payables | 18,186,488 | - | - | - | 18,186,488 | 18,186,488 |
| Bank borrowings | 378,264 | 447,516 | 594,824 | 1,872,114 | 3,292,718 | 3,118,352 |
| | <u>29,484,094</u> | <u>447,516</u> | <u>594,824</u> | <u>1,872,114</u> | <u>32,398,548</u> | <u>32,224,182</u> |

Notes To The Financial Statements

30 June 2024 (Cont'd)

35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) 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 | 1 to 2 years RM | 2 to 5 years RM | After 5 years RM | Total contractual cash flows RM | Total carrying amount RM |
|---|-------------------------------------|-----------------------|-----------------------|------------------------|--|-----------------------------------|
| 31.12.2022 | | | | | | |
| <u>Non-derivative financial liabilities</u> | | | | | | |
| 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 |
| | <u>22,679,624</u> | <u>352,164</u> | <u>1,040,737</u> | <u>2,809,241</u> | <u>26,881,766</u> | <u>25,721,485</u> |

Notes To The Financial Statements
30 June 2024 (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 |
|---|--|--|---|
| Company | | | |
| 30.06.2024 | | | |
| <u>Non-derivative financial liabilities</u> | | | |
| Other payables | 459,879 | 459,879 | 459,879 |
| Amount due to subsidiary companies | - | - | - |
| Financial guarantees* | 2,000,000 | 2,000,000 | 2,000,000 |
| | <u>2,459,879</u> | <u>2,459,879</u> | <u>2,459,879</u> |
| 31.12.2022 | | | |
| <u>Non-derivative financial liabilities</u> | | | |
| 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 | 5,394,129 |
| | <u>7,703,994</u> | <u>7,703,994</u> | <u>7,703,994</u> |

* Based on the maximum amount that can be called for under financial guarantee contract.

Notes To The Financial Statements

30 June 2024 (Cont'd)

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 through 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 | |
|-----------------------|---------------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Group | | |
| Investment properties | 13,532,980 | 24,185,794 |
| Other receivables | 769,487 | 729,291 |
| Other payables | (157,477) | (413,594) |
| | 14,144,990 | 24,501,491 |

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
30 June 2024 (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 |
|-------------------|-------------------------------|---|
| 30.06.2024 | | |
| RMB | Strengthened 1% | 141,450 |
| | Weakened 1% | (141,450) |
| 31.12.2022 | | |
| RMB | Strengthened 1% | 245,015 |
| | Weakened 1% | (245,015) |

(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.

Notes To The Financial Statements

30 June 2024 (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)

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:

| | Denominated in RMB | |
|-----------------------|---------------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Group | | |
| Investment properties | 13,532,980 | 24,185,794 |
| Other receivables | 769,487 | 729,291 |
| Other payables | (157,477) | (413,594) |
| | 14,144,990 | 24,501,491 |

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
30 June 2024 (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 RM31,184 (31.12.2022: RM33,941), 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.

Notes To The Financial Statements

30 June 2024 (Cont'd)

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 period.

The Group and the Company are not subject to any externally imposed capital requirements.

37. Capital Commitment

| | Group | |
|--------------------------------------|-------------------|-------------------|
| | 30.06.2024 | 31.12.2022 |
| | RM | RM |
| Approved and contracted for: | | |
| - Land held for property development | <u>48,099,600</u> | <u>13,500,000</u> |

38. Subsequent Event

On 9 August 2024, Nagamas Venture Sdn. Bhd. received a letter from the solicitor of the previous owner/ vendor of shares in Limpah Restu Development Sdn. Bhd. Which Nagamas Venture had acquired and completed the share purchase transaction in financial year 2021, attempting to dispute the completed transaction and demanded RM4,000,000. However, as of the date of report, there is no subsequent legal action from either parties.

39. 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 30 October 2024.

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 | <p>The properties comprise 14 shops in two buildings completed in 2010</p> <p>The properties have a total gross floor area of approximately 1,467.39 square meter</p> <p>The properties are partial rented</p> | 12 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 | 13,532,980 | 22 August 2024 (29 December 2009) |
| No. Hakmilik 64966 Lot 12034 [H.S.(D) 70746, PT498] Kwasan Bandar XLV, Daerah Melaka Tengah, Negeri Melaka | <p>The land is measuring 18,387 square meters</p> <p>The land currently is vacant</p> | 13 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 | <p>The land is measuring 64,736 square meters</p> <p>The land currently is vacant</p> | 3 years | Leasehold land for a term of 99 years commencing from 6 July 2021 until 5 July 2120 | 10,000,000 | 3 March 2021 |
| No. H.S.(D) 89612 Kawasan Bandar XLV, Daerah Melaka Tengah, Negeri Melaka | <p>4.0469 Hektar (Approx 10 Acres)</p> <p>The land currently is vacant</p> | 2 years | Leasehold land for a term of 99 years commencing from 19 December 2022 until 18 December 2121 | 26,000,000 | 17 April 2023 |
| No. Hakmilik PN97401, No Bangunan M1, No Tingkat 21, No Petak 77, Daerah Petaling, Selangor | <p>622 square metres</p> <p>The building currently is use as Jiankun International Berhad Corporate Office</p> | | Leasehold building for a term of 99 year commencing from 26 July 2006 until 27 July 2105 | 3,950,000 | 28 September 2021 |

ANALYSIS OF SHAREHOLDINGS AS AT 10 OCTOBER 2024

SHARE CAPITAL

| | | |
|-------------------------------|---|---------------------------------------|
| Total Number of Issued Shares | : | 516,103,969 |
| Class of Shares | : | Ordinary Share |
| Voting Rights | : | One vote for each ordinary share held |

DISTRIBUTION OF SHAREHOLDINGS AS AT 10 OCTOBER 2024

| Size of Holding | No. of shareholders | No. of Shares | % |
|---------------------------|---------------------|--------------------|----------------|
| 1 – 99 | 111 | 4,288 | 0.001 |
| 100 – 1,000 | 1,099 | 588,265 | 0.114 |
| 1,001 – 10,000 | 1,145 | 6,456,912 | 1.251 |
| 10,001 – 100,000 | 1,344 | 56,061,825 | 10.863 |
| 100,001 – < 5% of shares* | 428 | 421,857,479 | 81.739 |
| 5% and above** | 1 | 31,135,200 | 6.032 |
| Total | 4,128 | 516,103,969 | 100.000 |

Remark:

* Less than 5% of Issued Holdings

** 5% and above of Issued Holdings

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 | | No. of Shares held | |
|-----|------------------------------------|--------------------|-------|--------------------|---|
| | | Direct | % | Indirect | % |
| 1 | Dato' Saiful Nizam Bin Mohd Yusoff | 2,500,000 | 0.484 | - | - |
| 2 | Edwin Silvester Das | 31,624,200 | 6.127 | - | - |
| 3 | Dato' Ir Lim Siang Chai | - | - | - | - |
| 4 | P Ellango A/L Ponramu | - | - | - | - |
| 5 | Dato' Yong Chong Long | 24,000,000 | 4.650 | - | - |
| 6 | Datuk Azmi Bin Osman | - | - | - | - |
| 7 | Chew Huey Yen | - | - | - | - |
| 8 | Terence Cheah Eu Lee | - | - | - | - |

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: -

| Name | No. of Shares held | | No. of Shares held | |
|--------------------------------|--------------------|--------|--------------------|---|
| | Direct | % | Indirect | % |
| Edwin Silvester Das | 31,624,000 | 6.127 | - | - |
| Eclipse International Sdn.Bhd. | 70,000,000 | 13.563 | - | - |

Analysis Of Shareholdings AS AT 10 OCTOBER 2024 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (According to the Record of Depository as at 10 October 2024)

| No. | Name of Shareholders | No. of Shares | % |
|-----|--|---------------|-------|
| 1 | KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EDWIN SILVESTER DAS | 31,135,200 | 6.033 |
| 2 | DATO' YONG CHONG LONG | 24,000,000 | 4.650 |
| 3 | MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ECLIPSE INTERNATIONAL SDN. BHD. | 23,982,100 | 4.647 |
| 4 | RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM BAN KEONG | 22,470,800 | 4.354 |
| 5 | TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG | 22,029,000 | 4.268 |
| 6 | ATTRACTIVE VENTURE SDN. BHD. | 18,500,000 | 3.585 |
| 7 | ADVANCE INFORMATION MARKETING BERHAD | 16,369,600 | 3.172 |
| 8 | AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT) | 14,615,100 | 2.832 |
| 9 | CASH SUPPORT GROUP SDN. BHD. | 13,199,500 | 2.558 |
| 10 | AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAT SEW CHUONG | 12,916,700 | 2.503 |
| 11 | LIM SOON GUAN | 12,000,000 | 2.325 |
| 12 | CHAI KOON KHOW | 11,390,500 | 2.207 |
| 13 | TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL | 10,479,800 | 2.031 |
| 14 | LIM KOK HAN | 10,000,000 | 1.938 |
| 15 | AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI | 7,555,900 | 1.464 |
| 16 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055) | 6,380,500 | 1.236 |
| 17 | SOH SWEE SEE | 4,500,000 | 0.872 |
| 18 | MOHAMED IZANI BIN MOHAMED JAKEL | 4,250,000 | 0.823 |
| 19 | AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG | 4,244,000 | 0.822 |
| 20 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YU KAI LEUN (MY3569) | 4,000,000 | 0.775 |
| 21 | TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WAI CHAN KEET | 4,000,000 | 0.775 |
| 22 | JOSEPH GOH SHEE CHUNG | 3,500,000 | 0.678 |
| 23 | RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL | 3,500,000 | 0.678 |
| 24 | YIN YIT FUN | 3,400,000 | 0.659 |
| 25 | ASDEQ SERVICES SDN. BHD. | 2,862,600 | 0.555 |
| 26 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KELVIN KOH JUN XIONG (MY4625) | 2,500,000 | 0.484 |
| 27 | DATO' SAIFUL NIZAM BIN MOHD YUSOFF | 2,500,000 | 0.484 |
| 28 | WONG KOK FONG | 2,452,100 | 0.475 |
| 29 | MAYBANK NOMINEES (TEMPATAN) SDN. BHD. WONG TAT HONG | 2,320,000 | 0.450 |
| 30 | HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG | 2,286,200 | 0.443 |

ANALYSIS OF WARRANTS HOLDINGS AS AT 10 OCTOBER 2024

| | | |
|--------------------------|---|-------------|
| Class of Warrants | : | Warrants B |
| Total Number of Warrants | : | 246,998,770 |

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 10 OCTOBER 2024

| Size of Holding | No. of Warrants Holders | No. of Warrants | % |
|---------------------------|-------------------------|--------------------|---------------|
| 1 – 99 | 192 | 6,822 | 0.003 |
| 100 - 1,000 | 1,258 | 480,286 | 0.195 |
| 1,001 - 10,000 | 1,104 | 5,385,323 | 2.180 |
| 10,001 - 100,000 | 664 | 24,603,775 | 9.961 |
| 100,001 – < 5% of shares* | 198 | 122,264,564 | 49.500 |
| 5% and above** | 3 | 94,258,000 | 38.161 |
| Total | 3,419 | 246,998,770 | 100.00 |

Remark:

* Less than 5% of Issued Holdings

** 5% and above of Issued Holdings

DIRECTORS' INTERESTS IN WARRANTS

The Directors' interests in warrants based on the Register of Directors' Shareholdings of the Company are as follows: -

| No. | Name | No. of Shares held | | No. of Shares held | |
|-----|------------------------------------|--------------------|-------|--------------------|---|
| | | Direct | % | Indirect | % |
| 1 | Dato' Saiful Nizam Bin Mohd Yusoff | 2,900,000 | 1.174 | - | - |
| 2 | Edwin Silvester Das | - | - | - | - |
| 3 | Dato' Ir Lim Siang Chai | - | - | - | - |
| 4 | P Ellango A/L Ponramu | - | - | - | - |
| 5 | Dato' Yong Chong Long | 12,000,000 | 4.858 | - | - |
| 6 | Datuk Azmi Bin Osman | - | - | - | - |
| 7 | Chew Huey Yen | - | - | - | - |
| 8 | Terence Cheah Eu Lee | - | - | - | - |

SUBSTANTIAL WARRANTS HOLDERS

The substantial warrants holders (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 | | No. of Shares held | |
|-----|---|--------------------|--------|--------------------|---|
| | | Direct | % | Indirect | % |
| 1 | Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Michael Heng Chun Hong | 41,325,100 | 16.731 | - | - |
| 2 | Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Boon Poh (008) | 40,000,000 | 16.194 | - | - |
| 3 | Seik Thye Kong | 12,932,900 | 5.236 | - | - |

Analysis Of Warrants Holdings AS AT 10 OCTOBER 2024 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (According to the Record of Depository as at 10 October 2024)

| No. | Name of Shareholders | No. of Shares | % |
|-----|---|---------------|--------|
| 1 | KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG | 41,325,100 | 16.731 |
| 2 | KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008) | 40,000,000 | 16.194 |
| 3 | SEIK THYE KONG | 12,932,900 | 5.236 |
| 4 | DATO' YONG CHONG LONG | 12,000,000 | 4.858 |
| 5 | APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK | 9,267,800 | 3.752 |
| 6 | ADVANCE INFORMATION MARKETING BERHAD | 8,184,800 | 3.314 |
| 7 | TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL | 5,239,900 | 2.121 |
| 8 | CHAI KOON KHOW | 4,691,450 | 1.900 |
| 9 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055) | 4,500,000 | 1.822 |
| 10 | DATO' SAIFUL NIZAM BIN MOHD YUSOFF | 2,900,000 | 1.174 |
| 11 | LIM KEN ANG | 2,700,000 | 1.093 |
| 12 | YIN YIT FUN | 2,200,100 | 0.891 |
| 13 | DS' MART SDN. BHD. | 2,200,000 | 0.891 |
| 14 | TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG | 2,100,000 | 0.850 |
| 15 | AFFIN HWANG INVESTMENT BANK BERHAD IVT (YKL) LEE KHEE YIP | 1,886,000 | 0.764 |
| 16 | NG TIN KANG | 1,600,000 | 0.648 |
| 17 | MOHD HAZWAN BIN ABDULLAH | 1,309,500 | 0.530 |
| 18 | OH GAIK IM | 1,290,000 | 0.522 |
| 19 | ATTRACTIVE VENTURE SDN. BHD. | 1,250,000 | 0.506 |
| 20 | HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG | 1,200,000 | 0.486 |
| 21 | TAN SOON BENG | 1,100,000 | 0.445 |
| 22 | NG YEW CHOY | 1,048,300 | 0.424 |
| 23 | CHONG KAM CHOY | 1,004,400 | 0.407 |
| 24 | ANG SIEW HONG | 1,000,000 | 0.405 |
| 25 | CHANG CHAN YEE | 900,000 | 0.364 |
| 26 | LEE KHIM HWA | 875,000 | 0.354 |
| 27 | AHMAD FERDAUS BIN MOHD ALI | 854,800 | 0.346 |
| 28 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH HOI CHUAN (MP0469) | 843,700 | 0.342 |
| 29 | BEA CHIN TECK | 826,000 | 0.334 |
| 30 | AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SUPREME HOME APPLIANCES SDN. BHD. | 800,000 | 0.324 |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth (“40th”) Annual General Meeting (“AGM”) of Jiankun International Berhad (“Jiankun” or “the Company”) will be conducted on a virtual basis via remote participation and electronic voting through online meeting platform at <https://rebrand.ly/JKI-AGM> operated by InsHub Sdn. Bhd. from the Broadcast Venue at L21-03, Level 21, PJX-HM Shah Tower, No.16A, Persiaran Barat, 46050 Petaling Jaya, Selangor on Tuesday, 10 December 2024 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 period ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note 1</i> |
| 2. To approve the payment of Directors’ fees and other benefits of up to RM260,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 40 th AGM until the conclusion of the next AGM of the Company. | <i>Ordinary Resolution 1</i> |
| 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. Dato’ Ir Lim Siang Chai | <i>Ordinary Resolution 2</i> |
| ii. Datuk Azmi Bin Osman | <i>Ordinary Resolution 3</i> |
| iii. Chew Huey Yen | <i>Ordinary Resolution 4</i> |
| 4. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 5</i> |

As Special Business:

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

- | | |
|--|------------------------------|
| 5. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | <i>Ordinary Resolution 6</i> |
|--|------------------------------|

“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.

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 AGM of the Company.

Notice Of Annual General Meeting (Cont'd)

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."

6. Proposed Renewal of Share Buy-Back Authority for the Company to purchase its own shares

Ordinary Resolution 7

"THAT, subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements ("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;

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.

Notice Of Annual General Meeting (Cont'd)

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."

7. 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)
Low Ven Sin ((MAICSA 7076080 / SSM PC NO. 202208000340)
Company Secretaries

W.P. Kuala Lumpur
Date: 30 October 2024

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 Company's 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, Wilayah Persekutuan 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 26 November 2024 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 MMLR of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

Notice Of Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

1. Audited Financial Statements for the Financial Period Ended 30 June 2024

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 40th 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 6, 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, no new shares in the Company were issued pursuant to the previous General Mandate granted to the Directors at the 39th AGM held on 15 June 2023.

4. Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, 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 30 October 2024 which is despatched together with the Company's Annual Report 2024 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.

JIANKUN INTERNATIONAL BERHAD[Registration No.198301015973 (111365-U)]
(Incorporated in Malaysia)

| | |
|--------------------|--|
| No. of Shares held | |
| CDS Account No. | |

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 Fortieth ("40th") Annual General Meeting ("AGM") of the Company to be conducted on a virtual basis via remote participation and voting from the Broadcast Venue at L21-03, Level 21, PJX-HM Shah Tower, No.16A, Persiaran Barat, 46050 Petaling Jaya, Selangor on Tuesday, 10 December 2024 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 and other benefits of up to RM260,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 40th AGM until the conclusion of the next AGM of the Company. | Ordinary Resolution 1 | | |
| 2. | To re-elect Dato' Ir Lim Siang Chai who retires by rotation in accordance with Clause 105(1) of the Company's Constitution. | Ordinary Resolution 2 | | |
| 3. | To re-elect Datuk Azmi Bin Osman who retires by rotation in accordance with Clause 105(1) of the Company's Constitution. | Ordinary Resolution 3 | | |
| 4. | To re-elect Chew Huey Yen who retires by rotation in accordance with Clause 105(1) of the Company's Constitution. | Ordinary Resolution 4 | | |
| 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 5 | | |
| As Special Business: | | | | |
| 6. | Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016. | Ordinary Resolution 6 | | |
| 7. | Proposed Renewal of Share Buy-Back Authority for the Company to purchase its own shares. | Ordinary Resolution 7 | | |

(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 _____, 2024.

Signature : _____

(If shareholder is a corporation, this form should be executed under seal)

Notes:

- 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.
- The form of proxy must be duly completed and deposited at the Company's 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, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting.
- A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.
- 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.
- If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- 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.
- 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.
- 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 26 November 2024 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.
- 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
Wilayah Persekutuan

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1st fold here



JIANKUN INTERNATIONAL BERHAD
[Registration No. 198301015973 (111365-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