NAVIGATING GROWTH

Meta Bright
正源 Group 集团

ANNUAL REPORT

2023

23RD ANNUAL GENERAL MEETING

Day and Date
Friday, 15 December 2023

Time
9.30 a.m.

Meeting Venue
Merbok Room,
Level 6, The Grand Renai Hotel,
Kota Sri Mutiara, Jalan Sultan Yahya Petra,
15150 Kota Bharu, Kelantan, Malaysia

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NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third ("**23rd**") Annual General Meeting ("**AGM**") of the Company will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia on Friday, 15 December 2023 at 9.30 a.m. or any adjournment thereof for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon.
(Please refer to Note 1 of the Explanatory Notes)

2. To re-elect the following Directors who are retiring pursuant to Clause 96 of the Constitution of the Company:

   (i) Mr Lee Chee Kiang; and **Ordinary Resolution 1**
   (Please refer to Note 2 of the Explanatory Notes)

   (ii) Mr Tan Chin Hong **Ordinary Resolution 2**
   (Please refer to Note 2 of the Explanatory Notes)

3. To approve the Directors' Fees and Benefits Payable to the Directors for amount up to RM500,000 for the period from the date of the 23rd AGM until the date of the next AGM, to be paid monthly in arrears.
Ordinary Resolution 3

4. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.
Ordinary Resolution 4

As Special Business

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

5. **AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "**THAT** subject to the Companies Act, 2016 ("**Act**"), the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**"), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue new shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions to such persons and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of new shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance;

   THAT pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company;

NOTICE OF
ANNUAL GENERAL MEETING
(cont'd)

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 5
(Please refer to Note 3 of the Explanatory Notes)

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

"**THAT** subject to Paragraph 10.09 of the MMLR of Bursa Securities, the Company and its subsidiaries ("**MBGB Group**") be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 31 October 2023 with the related parties mentioned therein which are necessary for the MBGB Group's day-to-day operations and/or in the ordinary course of business of MBGB Group on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company and THAT such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;

(ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

THAT in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual report, the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial year, amongst others, based on:

(i) the type of the recurrent related party transactions made; and

(ii) the name of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT the Directors of the MBGB Group be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions as authorised by this Proposed Shareholders' Mandate."

Ordinary Resolution 6
(Please refer to Note 4 of the Explanatory Notes)

7. **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK")**

"**THAT**, subject to the Act, the provisions of the Company's Constitution, the MMLR of Bursa Securities and all other applicable laws, rules, regulations, orders, guidelines and requirements, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares 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, necessary and expedient in the interest of the Company, provided that:

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

(a) The maximum aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next AGM of the Company, being the 24th AGM, following the 23rd AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the 24th AGM of the Company is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the MMLR of Bursa Securities and all other applicable laws, rules, regulations, orders, guidelines and requirements.

THAT, upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

(a) cancel all or part of the ordinary shares so purchased;

(b) retain all or part of the ordinary shares so purchased as treasury shares;

(c) retain part thereof as treasury shares and cancel the remainder; or

(d) deal with the treasury shares in such other manner as allowed under the Act, MMLR and/or applicable laws, rules, regulations, order, guidelines and/or requirements of any relevant authorities.

AND THAT the Directors of the Company be and are hereby empowered and authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) to execute, sign, deliver and cause to be delivered on behalf of the Company, all such documents and/or enter into any agreements (including, without limitation, the affixing of the Company's common seal, where necessary), arrangements and guarantees with any party or parties to implement, finalise, or required, give full effect and complete the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) in any manner as may be imposed or required by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit or expedient in the best interests of the Company."

(Ordinary Resolution 7)
(Please refer to Note 5 of the Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

BY ORDER OF THE BOARD

TAI YIT CHAN
(SSM PC No. 202008001023)
(MAICSA 7009143)

Secretary

Selangor Darul Ehsan
Date: 31 October 2023

Notes:

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.

2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Company's Share Registrar at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.

6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 5 December 2023 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

7. Pursuant to Clause 78 of the Company's Constitution, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

EXPLANATORY NOTE:

1. Item 1 of the Agenda

The Audited Financial Statements is meant for discussion only as the provision of Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, agenda item no. 1 is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

2. Item 2 of the Agenda

The performance, contribution, effectiveness and independence (as the case may be) of each Director who is recommended for re-election have been assessed through the Board annual evaluation. In addition, the Nominating Committee has also conducted an assessment on the fitness and propriety of the retiring Directors in accordance with the Directors' Fit & Proper Policy of the Company. The Nominating Committee and the Board of Directors are satisfied with the performance, contribution, effectiveness and independence (as the case may be) of Mr Lee Chee Kiang and Mr Tan Chin Hong who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 23rd AGM.

The two (2) retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant Board meetings. The profiles of the Directors who are standing for re-election under Ordinary Resolutions 1 and 2 are set out in the Board of Directors' profile of the Annual Report 2023.

3. Item 5 of the Agenda – Ordinary Resolution 5

The Company had, during its Twenty-second AGM held on 24 November 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act ("**Previous Mandate**"). As at the date of this notice, the Company did not issue any shares pursuant to the Previous Mandate.

The proposed Ordinary Resolution 5, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the total number of issued shares which is the threshold stipulated by the prevailing rules and regulations (excluding treasury shares, if any) of the Company at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company in accordance with Paragraph 6.03 of the MMLR of Bursa Securities. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition(s). If there is a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

Pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, the Shareholders have a statutory pre-emptive right to be offered any new ordinary shares in the Company which rank equally to the existing ordinary shares issued by the Company.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

(1) subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

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(cont'd)

Clause 59 of the Constitution of the Company provides as follow:

"59. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

By voting in favour of the proposed Ordinary Resolution 5, you will be waiving your statutory pre-emptive right and the proposed Ordinary Resolution 5 if passed, will exclude your statutory pre-emptive right to be offered any new ordinary shares to be issued by the Company.

4. Item 6 of the Agenda

The explanatory note on Ordinary Resolution 6 is set out in the Circular to the Shareholders in relation to the Proposed Shareholders' Mandate dated 31 October 2023.

5. Item 7 of the Agenda

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase up to ten percent (10%) of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.

For further information on Ordinary Resolution 7, please refer to Statement to Shareholders in relation to the Proposed Share Buy-Back dated 31 October 2023.

Personal data privacy:
*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

FIVE-YEAR FINANCIAL HIGHLIGHTS

		FINANCIAL YEAR ENDED 30 JUNE		18 MONTHS ENDED 30 JUNE	FINANCIAL YEAR ENDED 31 DECEMBER	
		2023	2022	2021	2019	2018
Revenue	RM	34,066,551	25,704,534	20,899,378	18,074,088	21,304,532
EBITDA	RM	16,207,779	12,047,513	(96,661,299)	(4,444,439)	(1,726,051)
Profit/(Loss) before tax	RM	10,966,410	6,469,570	(107,331,696)	(13,333,287)	(7,975,905)
Profit/(Loss) from continuing operations	RM	8,709,081	4,074,512	(100,417,954)	(12,789,732)	(7,159,104)
Net Profit/(Loss) attributable to equity holders	RM	8,709,081	4,074,512	(100,417,954)	(12,789,732)	(7,159,104)
Total Assets	RM	319,403,047	243,966,269	171,719,145	273,029,364	280,498,925
Total Liabilities	RM	80,664,969	82,385,085	100,466,331	104,480,473	106,332,202
Total Net Assets/Total Equity	RM	238,738,078	161,581,184	71,252,814	168,548,891	174,166,723
Return on Equity (ROE)	%	3.65	2.52	(140.93)	(7.59)	(4.11)
Return on Total Assets (ROTA)	%	2.73	1.67	(58.48)	(4.68)	(2.55)
Gearing Ratio	Times	0.34	0.51	1.41	0.62	0.61
Interest Coverage Ratio	Times	7.22	3.19	(20.75)	(1.92)	(3.02)
Earnings per share (EPS)	SEN	0.42	0.49	(30.88)	(4.64)	(2.91)
Net Tangible Asset per share	RM	0.12	0.19	0.22	0.61	0.71
Price Earning (PE) Ratio	Times	40.24	14.27	(0.40)	(1.72)	(3.26)
Share Price as at the Financial Year End	RM	0.17	0.07	0.13	0.08	0.10

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mohamed Akwal Bin Sultan Mohamad
(*Chairman and Independent Non-Executive Director*)

Lee Chee Kiang
(*Managing Director*)

Dato' Lee Wai Mun, DIMP., JMK., JP.
(*Executive Director*)

Phang Kiew Lim
(*Executive Director*)

Tan Chin Hong
(*Executive Director*)

Masleena Binti Zaid
(*Independent Non-Executive Director*)

Ong Lu Yuan
(*Independent Non-Executive Director*)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ong Lu Yuan (Chairman)
Mohamed Akwal Bin Sultan Mohamad
Masleena Binti Zaid

REMUNERATION COMMITTEE

Mohamed Akwal Bin Sultan Mohamad (Chairman)
Masleena Binti Zaid
Ong Lu Yuan

NOMINATING COMMITTEE

Masleena Binti Zaid (Chairman)
Mohamed Akwal Bin Sultan Mohamad
Ong Lu Yuan

KEY SENIOR MANAGEMENT

San Tuck Hoe (Financial Controller)

COMPANY SECRETARY

Tai Yit Chan *(MAICSA 7009143)*
(SSM PC No. 202008001023)

PRINCIPAL PLACE OF BUSINESS

V06-07-03A, Signature 2
Lingkaran SV, Sunway Velocity
55100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur, Malaysia
Tel: +603-9201 2893
Fax: +603-9201 3982
Website: https://www.mbgb.my

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13 46200 Petaling Jaya
Selangor Malaysia
Tel: +603-7890 4800
Fax: +603-7890 4650
Email: boardroom-kl@boardroomlimited.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13 46200 Petaling Jaya
Selangor Malaysia
Tel: +603-7890 4700
Fax: +603-7890 4670
Email: bsr.helpdesk@boardroomlimited.com

AUDITORS

Baker Tilly Monteiro Heng PLT
Baker Tilly Tower
Level 10, Tower 1
Avenue 5, Bangsar South City
59200 Kuala Lumpur
Tel: +603-2297 1000
Fax: +603-2282 9980

PRINCIPAL BANKER

Hong Leong Bank Berhad
B278 & B280, Jalan Beserah
25300 Kuantan, Pahang
Tel: +609 566 2176, 566 3450
Fax: +609-566 3400

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Market (Consumer Products & Services)
Stock Name : MBRIGHT
Stock Code : 2097

PROFILE OF THE BOARD OF DIRECTORS

MOHAMED AKWAL BIN SULTAN MOHAMAD

Board Chairman and
Independent Non-Executive Director

Gender: Male

Aged: 69

Nationality: Malaysian

Mohamed Akwal Bin Sultan Mohamad was appointed as an Independent Non-Executive Director of the Company on 20 August 2015. He was re-designated as the Board Chairman on 17 September 2020.

Akwal has wide experience in corporate banking and debt recovery. He has extensive experience in SME lending, debt management and personal financial literacy, providing advisory services to corporates, SMEs and individuals.

He started his career with Citibank and has over thirty (30) years of experience in the financial sector with significant experience in debt resolution, have served the National Debt Management Agency (Danaharta, set up by the Government during the 1997 financial crisis) as its Deputy General Manager. Seconded to the Development Finance and Enterprise Department of the Central Bank in 2003, he assisted in setting up the SME Special Unit and was instrumental in the establishment of Small Debt Resolution Scheme.

He was formerly the founding Chief Executive Officer of the Credit Counselling and Debt Management Agency (AKPK), a company owned by the Central Bank of Malaysia.

He is a Member of the Audit and Risk Management Committee and Chairman of Remuneration Committee and Member of Nominating Committee.

Particulars of his other directorship in public company:

- Harn Len Corporation Berhad

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

He attended all eight (8) Board Meetings held during the financial year ended 30 June 2023.

LEE CHEE KIANG

Managing Director

Gender: Male

Aged: 49

Nationality: Malaysian

Lee Chee Kiang was appointed as Chief Executive Officer (CEO) of the Company on 23 January 2018 and re-designated as Managing Director on 1 July 2018.

He has completed the Real Estate CEO's Advance Course with Tsinghua University in Beijing and has more than twenty (20) years of experience in the real estate industry.

Particulars of his other directorship in public company:

- HS Global Development Berhad

He has a direct interest of 93,736,800 ordinary shares in the Company. He does not have any conflict of the interest with the Group or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for nay offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

He attended seven out of eight (7/8) Board Meetings held during the financial year ended 30 June 2023.

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)

DATO' LEE WAI MUN, DIMP., JMK., JP.

Executive Director

Gender: Male

Aged: 50

Nationality: Malaysian

Dato' Lee Wai Mun, DIMP., JMK., JP. ("Dato' Lee") was appointed as an Executive Director of the Company on 9 August 2021.

Dato' Lee holds an Advance Diploma in Business Administration from ATC College. He has been the Chief Executive Officer of Edubest Resources Sdn Bhd since November 2005. He is also a Director and Chief Executive Officer of YGL iBay International Group of companies. Dato' Lee has more than 29 years of experience as a businessman with diverse expertise in mining, construction, property development, trading, plantation and logistic.

Dato' Lee is instrumental in marketing the Malaysian iron ores to China-based steel manufacturers. Dato' Lee is an active member of the Pahang Iron Ore Association and the Malaysian Chamber of Mines.

Dato' Lee was awarded the title of Dato' by Sultan of Pahang in year 2012. In year 2017, he was appointed as Jaksa Pendamai (JP.) by the Sultan of Kelantan. In year 2023, he was awarded Jiwa Mahkota Kelantan (JMK.) by the Sultan of Kelantan.

Dato' Lee has indirect interest of 1,302,089,926 ordinary shares in the Company held by his wholly owned Company, Leading Ventures Sdn. Bhd..

Dato' Lee has entered into recurrent related party transactions with the parties which he has direct and/or indirect interest.

Save for the above, Dato' Lee does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder.

Other than traffic offences, Dato' Lee has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

Dato' Lee attended seven out of eight (7/8) Board Meetings held in the financial year ended 30 June 2023.

PHANG KIEW LIM

Executive Director

Gender: Male

Aged: 41

Nationality: Malaysian

Phang Kiew Lim ("Derek Phang") was appointed as Executive Director of the Company on 20 February 2020.

Derek Phang holds a Bachelor's Degree in Commence (major in Accounting and Finance) from University of Sydney, Australia. He was admitted as a member of Certified Practising Accountant ("CPA") Australia and the Malaysian Institute of Accountants, and is registered as an ASEAN Chartered Professional Accountant. He was also a holder of a Capital Markets Services Representative's License advising on corporate finance issued by the Securities Commission of Malaysia.

In his eighteen (18) years of working experience, Derek Phang has gained extensive experience in the fields of corporate finance and business advisory pertaining to corporate transactions such as cross-border mergers and acquisitions, initial public offerings, capital raising as well as financing and restructuring. Derek Phang has travelled extensively to the People's Republic of China, Thailand, Indonesia, Cambodia, Laos and Hong Kong where he was exposed to the peculiar cultures and business practices in those countries.

Derek Phang was involved in various industries, amongst others, he had experience in energy related business. He was previously appointed as a Corporate Finance Senior Manager by a local independent power producer which has diversified energy related investment portfolio in South East Asia region.

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

He attended all eight (8) Board Meetings held during the financial year ended 30 June 2023.

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)

TAN CHIN HONG

Executive Director

Gender: Male

Aged: 47

Nationality: Malaysian

Tan Chin Hong was appointed as an Executive Director of the Company on 17 July 2013.

He holds a Bachelor of Social Science, Major in Economics and Accounting, The Queen's University of Belfast. He joined the Company in 2004. Throughout his tenure with the Group, he is primarily based in the Finance Department. He is a meticulous and strong team member who is proficient in a wide range of accounting functions and operations. He readily adapts to new professional settings, acquires and applies new knowledge toward supporting Company goals. Being versatile and possessing multi-tasking skills, he has also been assigned to various duties involving internal audit, administrative as well as operative jobs in various subsidiaries within the Group during the tenure of his service.

He has an indirect interest of 17,670,000 ordinary shares and 488,700 ordinary shares in the Company via Prestige Pavilion Sdn Bhd and Danhwa Holding Sdn Bhd respectively. He also has an indirect interest of 91,228 ordinary shares via his sister, Adeline Tan Wan Chen and 84,000 ordinary shares via his brother, Tan Chin Hao by virtue of Section 8 of the Companies Act 2016.

He does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder (save for the above). Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

He attended all eight (8) Board Meetings held during the financial year ended 30 June 2023.

MASLEENA BINTI ZAID

Independent Non-Executive Director

Gender: Female

Aged: 48

Nationality: Malaysian

Masleena Binti Zaid was appointed as an Independent Non-Executive Director of the Company on 15 July 2019.

She is an L.L.B. (Hons) graduate from Sheffield Hallam University, United Kingdom. She was admitted to the High Court of Malaya as an advocate and solicitor in 2001. She is also a registered Trade Mark Agent. Her predominantly areas of practice are corporate, commercial and company law. Her portfolio includes providing advice to corporate clients which matters varies from liaising with relevant authorities for clients, dealing with human management issues, conveyancing matters and preparing agreements and on case-to-case basis.

Prior to founding Masleena, Yee & Partners, Masleena was with the Securities Commission of Malaysia and subsequently with the Companies Commission of Malaysia (SSM).

She was appointed as member of Audit and Risk Management Committee, Remuneration Committee and Nominating Committee on 15 July 2019. She was re-designated as Chairman of Nominating Committee on 20 February 2020.

Particulars of her other directorship in public company:

- Sinmah Capital Berhad
- Gabungan AQRS Berhad
- ECA Integrated Solution Berhad

She does not have any interest (direct or indirect) in the securities of the Company. She does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder. Other than traffic offences, she has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

She attended all eight (8) Board Meetings held during the financial year ended 30 June 2023.

PROFILE OF THE BOARD OF DIRECTORS
(cont'd)

ONG LU YUAN

Independent Non-Executive Director

Gender: Male

Aged: 48

Nationality: Malaysian

Ong Lu Yuan was appointed as an Independent Non-Executive Director of the Company on 17 September 2020.

He graduated with BSc in Accountancy from University of East Anglia, Norwich in 1996 and was admitted as an Associate member of the ICAEW in January 2000. He is now a fellow member and was accredited with the Business Finance Professional qualification.

He joined Sunway TES lecture team in 2004 and specialises in the subjects of Audit Assurance, Corporate Reporting (formerly known as Business Reporting) as well as Case Study since 2018. He was also involved in both the ACCA fundamental and professional levels with F8 (Audit & Assurance), P1 (Corporate Governance, Risks and Ethics) and P7 (Advanced Audit Assurance) together with MICPA-CAANZ Audit Assurance paper.

His passion for teaching and mentoring has produced numerous groups achieving 100% pass rates together and ICAEW World Prize Winners for Audit Assurance paper (Watts Prize) on numerous occasions. In addition, he has produced a MICPA-CAANZ World Price Winner for Audit Assurance and another ACCA Malaysian Prize Winner for the Advanced Audit Assurance Paper.

He is concurrently running his own business which is predominantly involved in the property development industry based in Melaka and has special interest in building architectures and interior designs. He has to date completed approximately 1,000 units of medium and medium-high cost residential and commercial properties.

He was appointed as Chairman of Audit and Risk Management Committee, and Member of Remuneration Committee and Nominating Committee respectively on 17 September 2020.

He has a direct interest of 1,198,800 ordinary shares in the Company. He does not have any conflict of interest with the Group or any family relationship with any director and/ or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

He attended all eight (8) Board Meetings held during the financial year ended 30 June 2023.

PROFILE OF
KEY SENIOR MANAGEMENT

SAN TUCK HOE

Financial Controller

Gender: Male

Aged: 54

Nationality: Malaysian

San Tuck Hoe was appointed as a Financial Controller of the Company on 1 January 2014.

He was trained under the Malaysian Institute of Certified Public Accountants ("MICPA") professional accountant articleship programme with a Big Four accounting firm, obtained his MICPA professional qualification in 1998 and registered with the Malaysian Institute of Accountants in 2003.

In his more than thirty (30) years of working experience, Tuck Hoe is exposed to various industries during his career development with a Big Four accounting firm. Prior to joining the Company, he was a part of the finance and accounting team of one of the world's leading producers of high purity stevia ingredients which has offices, plants and other facilities in Asia Pacific, North America, South America, Europe and Africa regions.

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Group or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

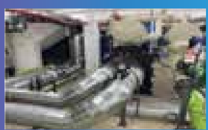
REVIEW OF OPERATING ACTIVITIES IN FINANCIAL YEAR 2023 TO DATE

The key milestones achieved by Meta Bright Group Berhad ("MBGB") in the financial year 2023 ("FYE2023") up to 17 October 2023 are as illustrated in the diagram below:

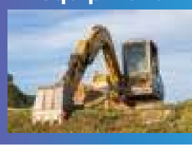
01/07/2022

- Acquisition of properties RM24.8 mil

- Diversification to energy-related business
- Capital reduction
- 20% Share issuance: RM43.8 mil
- Solar PV Zero Capex Program
- Acquisition of EE project rights



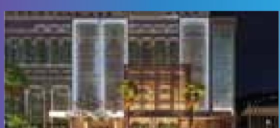
- ESS up to 15% share capital — Employee's Shares Scheme
- RM71 mil Banking facilities
- Diversify to leasing of machineries & equipment



- Strategic alliance on EE projects
- Signing of Dry Hire equipment rental agreement in Australia

- Business collaboration: RE/EE projects

- Hotel/Mall Refurbishment/Facelift



- Secured a 2.15MW conditional energy agreement

17/10/2023

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

REVIEW OF OPERATING ACTIVITIES IN FINANCIAL YEAR 2023 TO DATE *(cont'd)*

FYE2023 saw a continuation of the previous financial year's ("FYE2022") eventful period which includes the following :

- fund-raising through share issuance and banking facilities;
- diversification and venturing into energy-related businesses (namely energy efficiency ("EE") and renewable energy ("RE"));
- leasing of machineries & equipment;
- refurbishment of the hotel & mall; and
- the approval of employees' shares scheme.

MBGB has registered profits in all 4 quarters with a full-year profit after tax of RM8.7 million in FYE2023, which is more than double that of FYE2022. This is an indication that the series of corporate exercises and business development activities since FYE2022 are starting to yield results. Moving forward, the Management will continue to explore and pursue new business opportunities in the existing and newly diversified business segments to improve on its earnings.

Hospitality

The overall revenue of the Grand Renai Hotel in Kota Bharu, Kelantan ("the Hotel") has improved by RM3.4 million, with a revenue of RM26 million in FYE2023 compared to RM22.6 million in FYE2022. However, the implementation of minimum wage, increase in Imbalance Cost Pass-Through ("ICPT") rate in electricity, higher depreciation and sales mix factor have resulted in increasing operating costs which more than offset the revenue increase, and reduced the Hotel profit by RM2.7 million, from RM14.8 million in FYE2022 to RM12.1 million in FYE2023.

In line with its profitability, the Hotel's valuation continues to increase year-on-year to RM80 million in FYE2023, as appraised by the valuer on 30 June 2023 using the income approach. The increase in valuation, which reverses the previous year's impairment loss, is recognised as gain in the Statements of Comprehensive Income in FYE2023 in accordance with the significant accounting policy of the Group.

The Management had allocated approximately RM4.7 million in FYE2022 and raised a further RM10 million from share issuance in FYE2023 for hotel refurbishment. With the refurbishment being undertaken in phases, the Group believes that upon completion, the Hotel will be the preferred hotel for business travellers and families travelling to Kota Bharu, which will in turn further improve its performance.

Investment Properties

The Kota Sri Mutiara ("KSM") shopping mall in Kota Bharu, Kelantan has seen an increase in footfall since the lifting of the MCO in mid-May, 2021. With an average occupancy rate of 76% in FYE2023, the Group is taking appropriate measures, such as initiating an external facelift of the mall and exploring options, to rejuvenate the mall in order to improve occupancy and remain competitive in the market.

Property Development

The Group has 2 on-going property development projects, namely Bandar Tasek Raja ("BTR") project (commercial property development in Pasir Mas, Kelantan) and Damai Project (mixed development project in Damai, Kota Kinabalu).

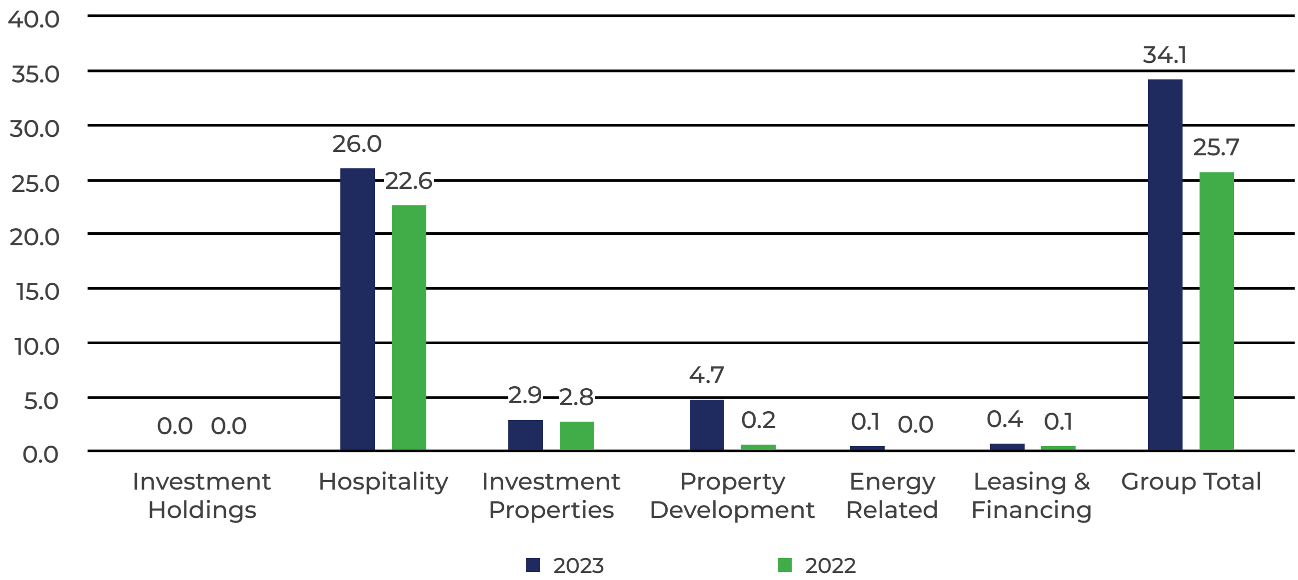
The Group's property development segment will be driven by the Damai project. Enabling and piling works have been completed, and works below ground level and foundation of the building have commenced. Barring any unforeseen circumstances, it is expected that the Damai project will be completed by the 4th quarter of 2025.

Phase 1 of the Bandar Tasek Raja project has been completed. 14 units of phase 2 shoplots have been completed and are currently pending the Certificate of Completion and Compliance. The Management has decided to put on hold further development of the remaining 140 units in phase 2 as a prudent measure in cashflow management. The Management will continue to monitor the property market situation and evaluate the feasibility before moving forward with the remaining development of phase 2.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

FINANCIAL PERFORMANCE

Revenue RM'mil



The Group's revenue has increased by RM8.4 million, from RM25.7 million in FYE2022 to RM34.1 million in FYE2023, primarily due to the improved performance of the property development and hospitality segments.

The Hotel has registered an increase in revenue of RM3.4 million, from RM22.6 million in FYE2022 to RM26 million in FYE2023. This is mainly attributed to the improvement in F&B sales and room rates.

Property Development

The increase in revenue is mainly attributed to the progress made in the development of the Damai project in FYE2023 (as compared to FYE2022), and the sale of completed BTR shoplots and KSM condominium.

Investment Properties

Revenue for FYE2023 is comparable to that of FYE2022.

Leasing and Financing

Revenue for FYE2023 has increased compared to FYE2022 due to an increase in the moneylending business.

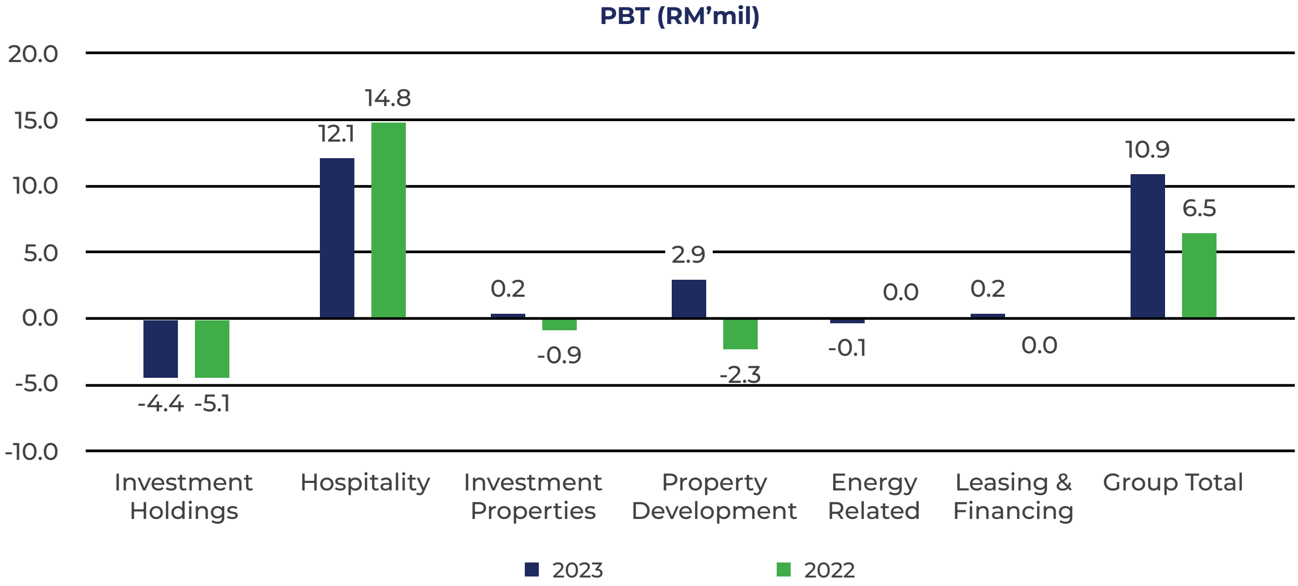
Energy-Related Business

The Group commenced its energy-related business towards the end of FYE2023.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

FINANCIAL PERFORMANCE *(cont'd)*

Profitability



MBGB Group registered a RM4.4 million increase in profit before tax, from RM6.5 million in FYE2022 to RM10.9 million in FYE2023. The increase is mainly attributed to the following:

1. RM5.2 million increase in profit from the property development segment, mainly attributed to Damai project profit, rental income from the properties at Jengka, Pahang and the write-back of an overprovision of liability in previous years;

2. RM1.1 million increase in profit from the investment properties segment, mainly due to a decrease in operating costs and the write-back of an overprovision of liability in previous years;

3. RM0.7 million decrease in loss from the investment holdings segment is mainly attributed to the decrease in interest expense due to the repayment of loans in FYE2022; offset against

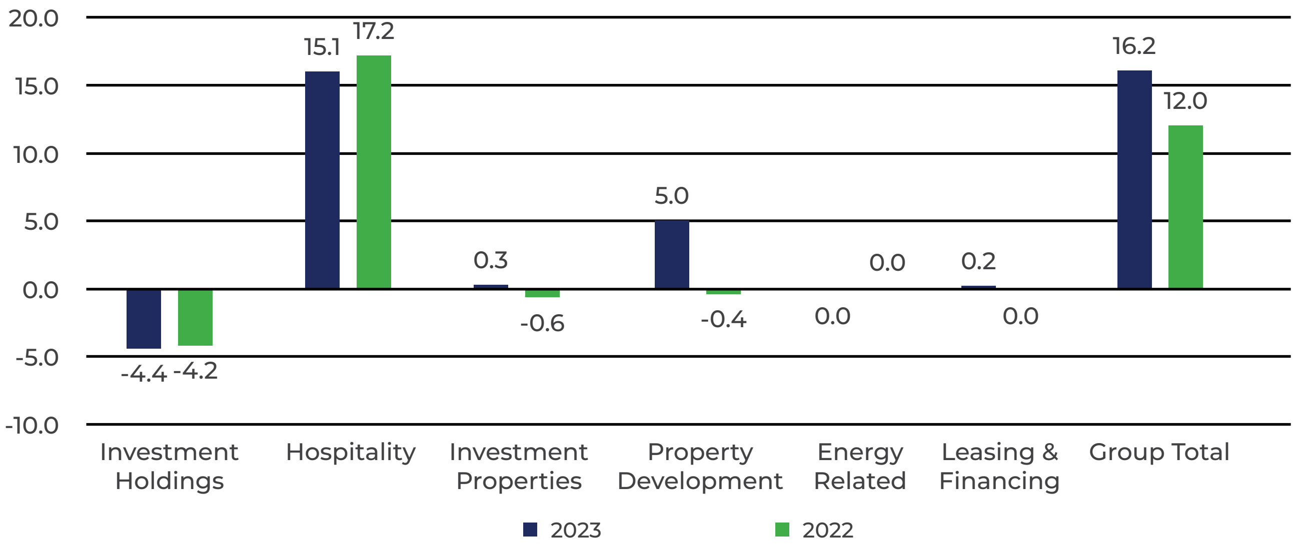
4. RM2.7 million decrease in the Hotel's profit due to an increase in its operational expenses in FYE2023 compared to FYE2022, such as, an increase in staff costs due to the implementation of minimum wage, increase in electricity expenses due to the revised ICPT rate and increase in depreciation due to a higher valuation from revaluation and refurbishment in FYE2023.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

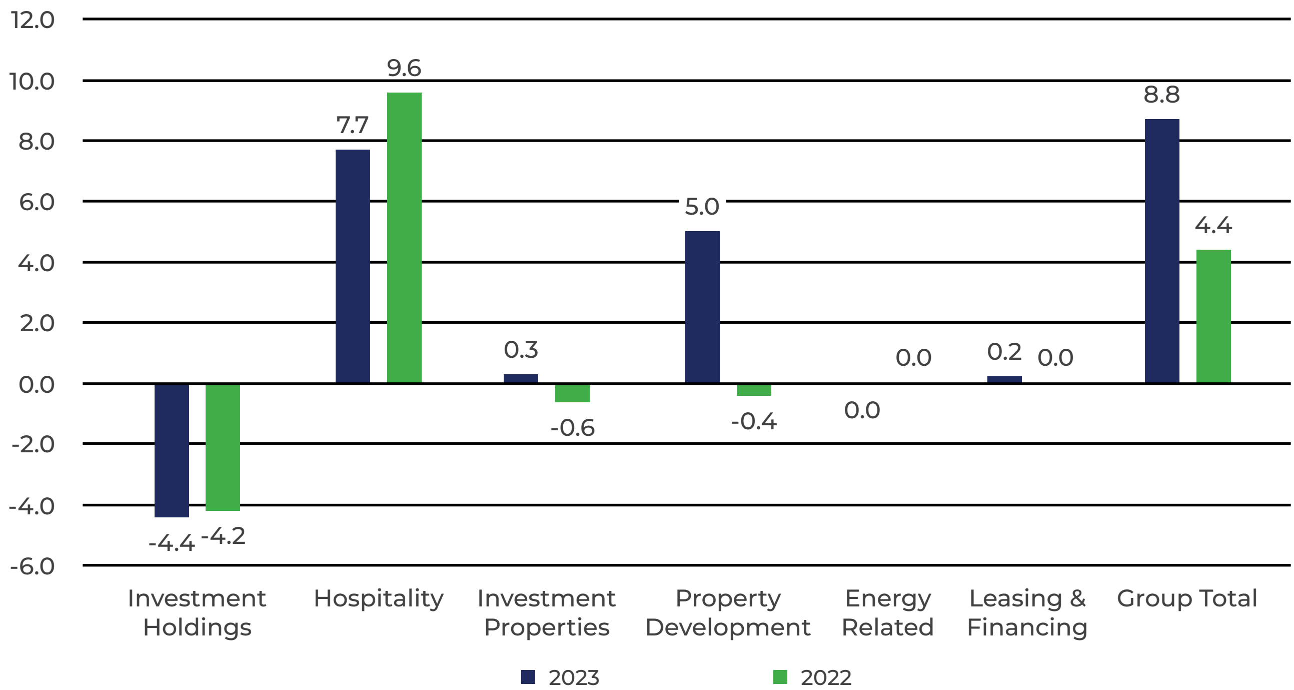
FINANCIAL PERFORMANCE *(cont'd)*

Profitability *(cont'd)*

EBITDA RM'mil



ADJUSTED EBITDA RM'mil

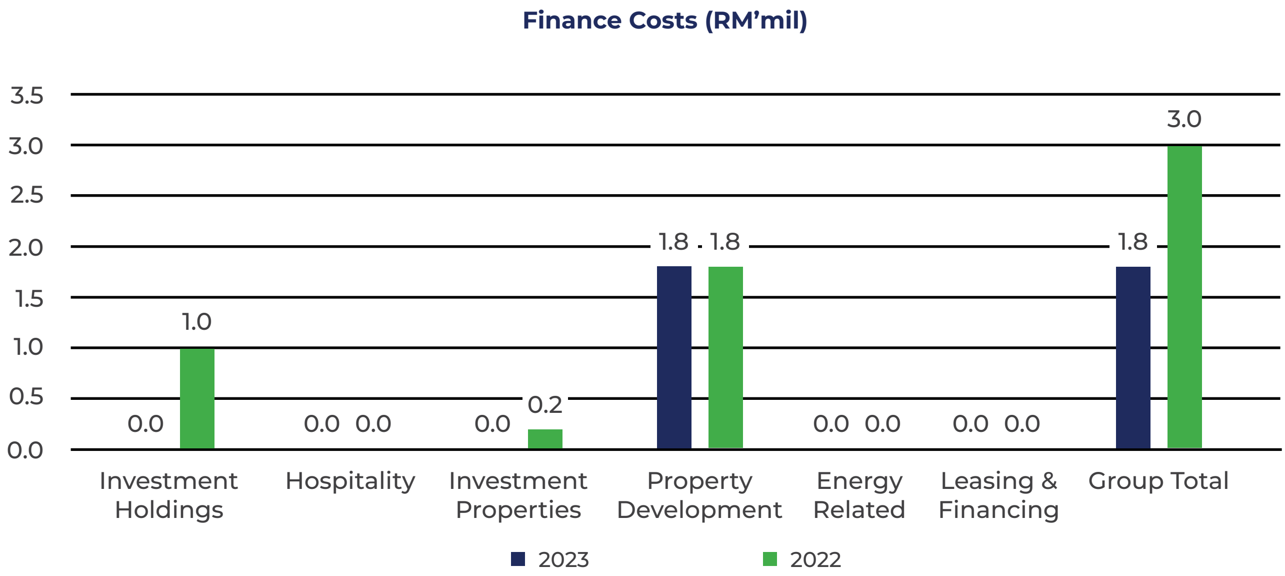


Adjusted EBITDA is the EBITDA excluding reversal of impairment of property, plant & equipment.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

FINANCIAL PERFORMANCE *(cont'd)*

Finance Costs



Finance costs primarily pertain to Islamic term loans and overdraft facilities utilised for project development and working capital purposes.

ASSET CHANGES

Property, Plant and Equipment

Property, plant and equipment increased from RM78.8 million in FYE2022 to RM99.3 million in FYE2023 mainly due to capitalisation of hotel refurbishment and the increase in valuation of the hotel building during the financial year.

Investment Properties

There is no movement in valuation of the investment properties during the financial year.

Inventories

Inventories increased from RM62.4 million in FYE2022 to RM91.2 million in FYE2023, mainly due to the acquisition of properties in Jengka, Pahang (pursuant to the approval of multiple proposals at the EGM on 15 July 2022 and completed in August 2022) amounting to RM24.8 million and the property development costs of the Damai project recognised in FYE2023.

Trade and Other Receivables

Trade and other receivables have doubled compared to FYE2022 mainly due to deposit payments for energy-related businesses and hotel refurbishment.

Contract Asset

Contract asset is mainly the portion of property development cost incurred for the Damai project that is related to the entitlement due to the local council according to the development plan and agreement.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

ASSET CHANGES *(cont'd)*

Financing Receivables

Financing receivables is significantly higher in FYE2023 compared to FYE2022, which is in line with the increased business activities in the leasing & financing segment.

Deposits Placed with Licensed Banks

Deposits placed with licensed banks are significantly higher in FYE2023 compared to FYE2022 due to the pledging of deposits as security for the banking facility.

Liquidity

The cash and bank balance as at 30 June 2023 is 38% higher than in FYE2022, which is mainly attributed to the surplus funds arising from the 20% share issuance completed during FYE2023.

Capital Requirement, Structure and Resources

Total term loans and bank overdraft increased 21% from RM22.3 million in FYE2022 to RM27 million in FYE2023 mainly due to the utilisation of the short-term facilities for the projects and businesses.

KNOWN TRENDS AND MOVING FORWARD

The Group has been looking for business opportunities through diversification to provide new income streams and recurring revenue to the Group. The diversification into energy-related and leasing of machineries & equipment businesses during FYE2023 is expected to further increase the existing revenue contributed by the hospitality, investment property, property development and leasing & financing business segments. Nevertheless, the Group will continue to remain cautious when looking out for business opportunities in the face of the challenging business environment ahead.

DIVIDEND

The Board does not recommend any dividend for FYE2023.

SUSTAINABILITY STATEMENT

Meta Bright Group Berhad ("the Group") is committed to our sustainability goals and maintains effective communication and understanding with all employees and stakeholders in meeting the goals.

The Grand Renai Hotel ("TGR") in Kota Bharu, Kelantan, is a major business segment of the Group, contributing 76% of the Group's revenue for the financial year ended 30 June 2023. In view of this, the scope of this Statement emphasises the sustainability initiatives in TGR.

Sustainability Approach

It is our strategy to generate long-term value creation for the benefit of stakeholders while establishing a meaningful and sustainable environment and social across business operations. The key sustainability approach and initiatives are outlined in this Sustainability Statement, encompassing environmental responsibility, social participation, economic growth and governance.

SUSTAINABILITY STATEMENT
(cont'd)

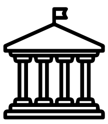
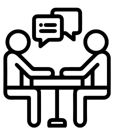
STAKEHOLDER ENGAGEMENT

The Group recognises that stakeholders form an integral part of our ecosystem. Therefore, we are committed to engage with these stakeholders based on mutual respect to fully understand their issues and viewpoints. In this way, stakeholders' concerns are taken into consideration in our decision-making process. This approach allows us to develop long-lasting partnerships within our community.

Stakeholders	Engagement Methods	Frequency	Stakeholder Interests	How We Deliver Value
Shareholders and Investors	• Annual General Meeting • Extraordinary General Meeting	• Annually • When required	• Higher financial return	• Financial performance • Return on Investment (ROI)
Board of Directors	• Board Meetings	• Quarterly • When required	• Corporate Governance • Regulatory Compliance • Sustainability	• Corporate Governance Policy • Sustainability Report
Employees	• Employee engagement programmes • Training • Townhall sessions	• Throughout the year	• Career development • Benefits • Communication	• Training programmes • Townhall sessions • Annual reviews • Family days
Business Partners • JV Partners • Landowners • Financiers	• Meetings & discussions • Periodic reviews as required	• As specified in agreements	• Transparency	• Ethical and fair management policies and practices
Customers	• Roadshows • Events and Activities • Social media • Courtesy calls • Sales visits	• Throughout the year	• Value for money • Quality product • Up to date information • Effective complaints resolution	• Ethical pricing • Exceptional service • Quality assurance and quality control measures • Online and offline communication channels

SUSTAINABILITY STATEMENT
(cont'd)

STAKEHOLDER ENGAGEMENT *(cont'd)*

Stakeholders	Engagement Methods	Frequency	Stakeholder Interests	How We Deliver Value
Local Communities and NGOs 	• Community engagement • Social activities • Social media	• Throughout the year	• Community care and support • Good corporate governance	• CSR activities
Suppliers • Contractors • Material suppliers 	• Tender and Bidding • Request for Quotation • Request for Proposal	• Throughout the year	• Ethical management and procurement	• Online and offline communication channels • Clear and fair procurement policies and practices
Local Government Authorities and Agencies • Bursa • Ministries • Local Authorities • Bomba • Utility Bodies • JKR • JAKIM • Etc 	• Compliance with the Government legislative framework	• Annually • As required on an activity basis	• Transparency • Regulatory compliance and disclosures • Accountability • Policy alignment	• Annual Report • Certifications and Registrations • Public Disclosure • Compliance • Sustainability report
Consultants • Architects • Engineers • Quantity Surveyors • Legal Advisors • Valuer & Estate Agencies • Etc. 	• Project development and execution	• As required on a project basis	• Regulatory compliance • Ethical management	• Clear specification and project briefs • Ethical and fair management policies and practices

SUSTAINABILITY STATEMENT
(cont'd)

SUSTAINABILITY DEVELOPMENT GOALS ("SDGS")

> "The Group has successfully addressed 11 of the 17 goals within 4 years since the inception of its sustainability journey.

Of the 17 SDGs outlined by the United Nations, the Group had adopted 3 Goals in 2019 (outlined in yellow), and 3 goals in 2021 (outlined in red) and further took on 2 goals in 2022 (outlined in purple). The Group proceeded to endorse an additional 3 goals in 2023, namely No Poverty, Affordable and Clean Energy, and Decent Work and Economic Growth. Overall, the Group has successfully addressed 11 of the 17 goals within 4 years since the inception of its sustainability journey. The results of the initiatives taken in these 11 goals have been encouraging.

In working towards 'No Poverty' and 'Zero Hunger', we have donated and will continue to contribute money, food, and other contributions to the underprivileged as part of our Corporate Social Responsibility ("CSR") efforts.

Healthcare is fundamental to ensure the health and well-being of individuals and communities. In order to promote well-being and support the healthcare of the communities, a blood donation campaign was organised with the participation of the employees.

TGR has a diverse workforce, and a variety of job positions are filled by personnel of different races, religions, work experiences and educational backgrounds. The entire workforce is a reflection of the Group's multi-ethnic culture. 'Gender Equality' is practised in recruitment and staffing as we see it as not only a fundamental human right but a necessary element for a peaceful, prosperous and sustainable world.

We started our 'Clean Water and Sanitation' initiative by ensuring that all our employees have access to clean water while at work. Our offices are equipped with water filters that remove harmful chemicals and bacteria for safe water consumption.

TGR upgraded its fittings and equipment to improve energy efficiency significantly, aligning with the goal of 'Affordable and Clean Energy'. These enhancements encompass the improvement of lighting systems, as well as the replacement of chillers and cooling towers.

On 5 July 2022, TGR had participated in a career fair at the Main office of PERKESO in Kota Bharu as part of its initiatives towards 'Decent Work and Economic Growth'. Also, trainings were also provided to our employees to enhance their performance.

In line with 'Industry, Innovation and Infrastructure' and 'Climate Action', sustainable measures were carried out, and investment in better infrastructure and equipment, including replacing the chiller system, which contributes to energy savings leading to a lower carbon footprint. We also continuously source our supplies from nearby locations to reduce CO2 emission in transportation and purchase in bulk, when possible, to reduce the frequency of delivery.

We have further inculcated the mindset of 'Responsible Consumption and Production', especially in our hotel business operations, by reducing food waste and managing utility conservation.

Last but not least, efforts made in the previous year were continued when we forged 'Partnerships for the Goals' with a few governmental organisations and clubs to jointly promote sustainability.

SUSTAINABILITY STATEMENT
(cont'd)

ECONOMIC

Economic sustainability is achieved when there is optimum allocation of human capital, financial and natural resources. This critical aspect is addressed at all levels of the Group. Apart from revenue maximisation measures, a strategy called Life Cycle Cost Analysis has been adopted to ensure that the cost of acquisition, operations, maintenance and disposal are considered before acquiring a plant, property and equipment. Focus is also given to employment creation and local income generation, and where possible, materials and workforce will be sourced locally.

Product Innovation and Infrastructure

Our sustainability approach in product innovation encompasses efficient resource utilisation, attaining cost efficiencies, and maintaining competitiveness in the market. Sustainable product innovation and infrastructure not only contribute positively to the environment but also provide economic benefits by reducing waste, lowering operational costs and appealing to a growing eco-conscious consumer base.

i. Replacement of Lights

In the Grand Ballroom and Ballroom Foyer, the traditional incandescent lights were replaced with LED dimmable lights, hence reducing the electricity consumption. With the increased lifetime cycle of the lights, replacement could be reduced, which indirectly reduces waste.

BEFORE | **AFTER**

ii. Installation of a New Chiller System

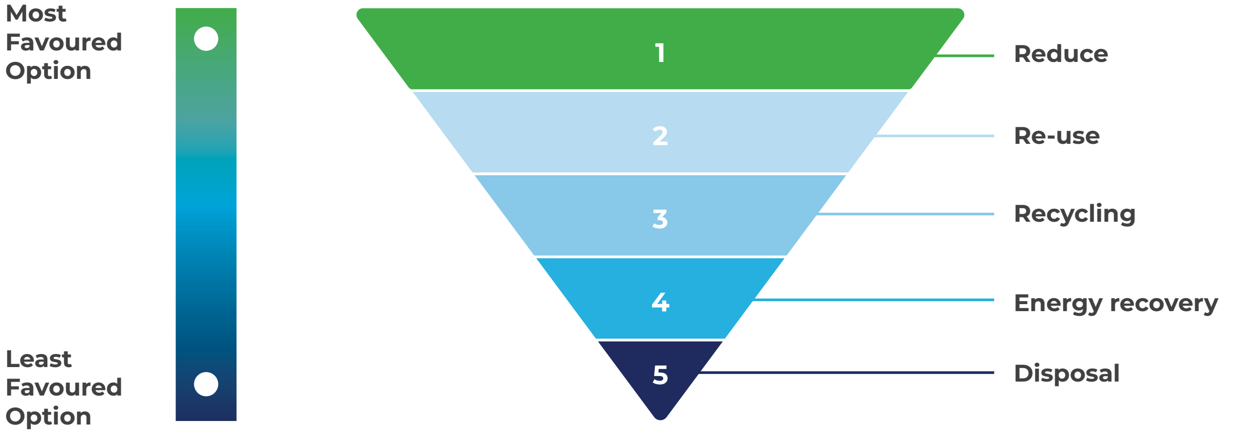
The new chiller system of TGR (consist of the chiller, cooling tower, chilled water pump and condenser water pump) was installed in January 2023. This chiller system reduces energy consumption and increases energy efficiency. Hence, it minimises the carbon footprint in the long run for TGR and KSM Complex.

The energy efficiency of the chiller is determined based on the tonne/s of refrigeration ratio (i.e. the electricity consumed (kW) to freeze 1 tonne/s of water). The average tonne/s of refrigeration ratio between January and June 2023 was 0.593kW/RT as compared to the previous measurement of the old chiller system of 1.224kW/RT. This resulted in a reduction of more than 50 per cent in energy consumption.

SUSTAINABILITY STATEMENT
(cont'd)

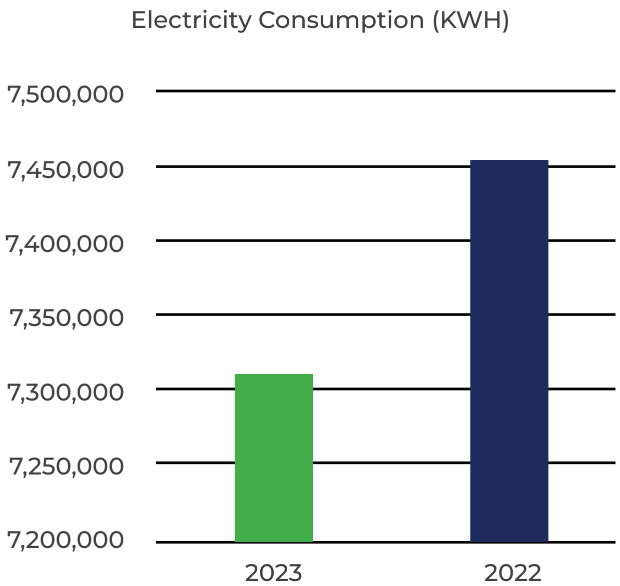
ENVIRONMENTAL

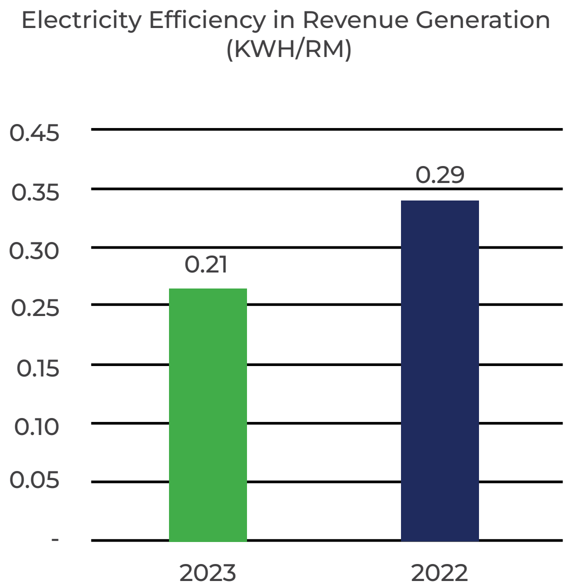
The Group recognises the profound impact business operations can have on the environment. It requires a collective commitment to contribute positively to a more sustainable future. In our commitment to environmental sustainability, the 4Rs Strategy (Reduce, Reuse, Recycling, and Recovery) is adopted.



A large portion of environmental sustainability is derived from the ability to reduce consumption and wastage.

Other than the automatic keycard power switches, which are only switched on when guests are in the rooms, other energy consumption reduction practices have been applied, including replacing lights and chiller system. During off-peak seasons, air-conditioning is switched off on unutilised floors. Also, dual flush Water Closet (6L/3L) and Urinal Bowl sensor Faucets are used in the public toilets to reduce flush volume of the water which in turn will conserve water consumption.





With these initiatives in place, we observed a decrease in electricity consumption (kWh) and an increase in electricity efficiency in revenue generation. With lesser electricity consumption to every revenue earned during FYE 2023, it aligns with our broader mission to reduce our carbon footprint and promote responsible resource management.

SUSTAINABILITY STATEMENT
(cont'd)

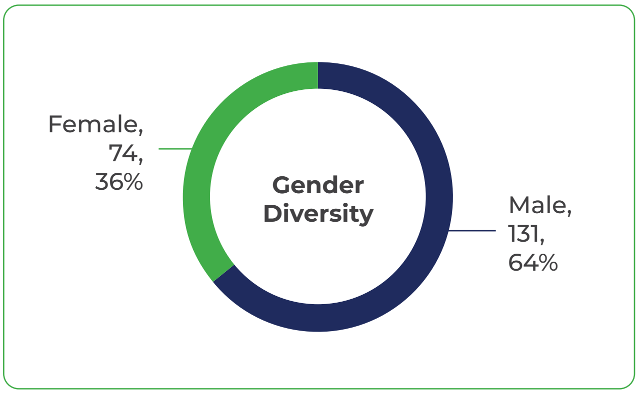
SOCIAL

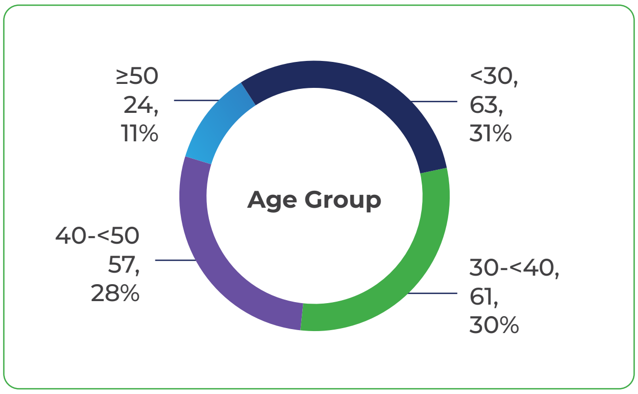
Social sustainability is an equally critical pillar that ensures our communities' long-term health and well-being and those who inhabit them. The Group seeks to build quality relationships within its organisation and stakeholders to create a society that can enjoy equal opportunities, human rights and a better quality of life regardless of their background or circumstances.

In order to work towards a more sustainable society, the Group starts its initiatives from within the Group and extends its responsibilities to other stakeholders.

Human Capital Equity and Diversity

To promote a fair workplace, our Group continues to create a diversified workforce by recruiting employees of diverse ages and genders.





Our Group has achieved more than 30% female workers in the Group. With regards to age, the Group's workforce comprises 61% of employees under the age of 40. The diverse composition contributes to a vibrant workforce, driving sustainable growth by bringing fresh perspectives, revitalising the Group's company culture, and enhancing our adaptability and innovation in a constantly changing environment.

Data Protection and Privacy Awareness

Being in the hospitality industry, the Group is consistently exposed to guests' information. Therefore, the Group prioritises data protection and privacy to build customer trust. In TGR, we only gather necessary guest information after explicitly obtaining their written consent supported with a Consent form stating the purpose and scope of data usage.

The Group demonstrates its commitment to protect and safeguard all personal data in the Privacy Policy by outlining data protection practices, purposes of data usage, and procedures for exercising guest rights. This Privacy Policy is uploaded to the company's website for the reference of all guests and relevant stakeholders (https://grandrenai.com/privacy-policy-2/).

To achieve a security-conscious culture within the organisation, our staff receives on-the-job training and monthly refresher briefings on data protection and their roles in safeguarding the data. To protect the guest data, employees are restricted to access data relevant to their responsibilities.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL *(cont'd)*

Healthy and Safe Environment for Employees and Customers

Our commitment to health and safety in the workplace is not just a moral obligation but also a strategic imperative. Hence, the Group continues to maintain the highest standards for occupational safety and health across all its daily operations by enforcing safety measures incorporated in the standard operating procedures ("SOPs"), ensuring all personal protection equipment is equipped by workers, typhoid injection is provided to all food handling workers, organising Occupational Safety and Health Act ("OSHA") meeting and a fire safety organisation, namely, Organisasi Keselamatan Kebakaran ("OKK") training to increase awareness, and ensuring firefighting equipment and sufficient first aid kits are in place.

With the safety measures in place, it reduces untoward incidents, accidents, absenteeism, and health-related costs, thereby enhancing overall productivity and efficiency in our operation.

Installation of UV-C Disinfection Device

UV-C disinfection upper air device series was installed on the ceilings of the grand ballroom for the disinfection of air in a wide range of applications by deactivating 99.9% of viruses in the air within 10 minutes in a room with sufficient air circulation. This device is environmentally friendly, whereby no ozone emissions are produced during or after usage.

Employee Trainings

The Group is committed to promote continual social sustainability by fostering continual employee development and trainings. These trainings often include components that promote global and corporate governance awareness and personal skill development for our employees. The following trainings were conducted during the financial year 2023 for the employees of the Group:

- Telephone Etiquette Training
- Leadership for Success Training
- HR System Training (Infotech)
- Guest Engagement Training
- Organisasi Keselamatan Kebakaran (OKK)
- F&B Service Training
- Food Handling Course
- Corruption Risk Assessment Workshop
- Employment Act 1955 amendment by the Labor Office
- Insurance Talk – I Lindung (EPF)
- SOCSO Talk

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL *(cont'd)*

Employee Trainings *(cont'd)*

Well-being of Employees

Our Group acknowledges that employee welfare and morale are essential for a company's success and sustainability. High morale contributes to talent retention and attraction, increases productivity and overall performance, improves employees' mental health, reduces absenteeism and increases the likelihood of adhering to company policies, ethical standards, and compliance requirements.

Various associates' recognition programmes conducted during the year which include:

TGR Townhall Session

On 29 August 2022, TGR organised a town hall session which involved all associates and management. At this event, we presented the quarterly performance and achievement progress. The National Day was also celebrated during the event.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL *(cont'd)*

Well-being of Employees *(cont'd)*

Motivation Talk in conjunction with Ramadhan Month

An officer from Jabatan Hal Ehwal Agama Islam Kelantan ("JAHEAIK") was invited to share the benefits of Ramadhan Month since most TGR associates are Muslims.

TGR Sports Day

This activity was held on 16 August 2022 to motivate our staff to work together, promote healthy habits, and relieve stress.

Corporate Social Responsibility (CSR) Events

Some of the CSR activities conducted by the Group in the financial year include:

Blood Donation

On 4 July 2022, TGR organised a blood donation event in collaboration with Hospital Universiti Sains Malaysia, Kubang Kerian, Kelantan, attended by associates, management and the public. The event served to promote a caring and compassionate society.

Donation of sofas to schools

Some of the hotel sofas were donated to Yayasan Islam Kelantan ("YIK") schools to enhance the comfort and learning environment of tahfiz schools in Kelantan which is in line with the 4R strategy of the Group.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL *(cont'd)*

Corporate Social Responsibility (CSR) Events *(cont'd)*

Donation of Birthday Cakes to the Foundation of Disabilities

Birthday cakes were donated to the Foundation for Disabilities, Yayasan Orang Kurang Upaya ("YOKUK") on 24 September 2022 by TGR. This is to demonstrate our dedication to support individuals with disabilities, promoting inclusivity and making meaningful contributions to the community.

Donation to Flood Victims

TGR collaborated with a non-governmental organisation and donated of food and mineral water to flood victims at Kg Banggol Jering, Kg Baru and Pusat Pengajian Al-Quran Al-Abqary Lubok Jong. Three representatives from TGR participated in the distribution of food and water.

Donation to Orphans and Underprivileged Children

As part of CSR initiatives to improve the lives of those less fortunate, TGR donated food to the orphans and underprivileged children at Darul Hanan Rumah Kebajikan Anak Yatim & Miskin Kelab Balkis. This act of benevolence positively impacts the community, nurtures bonds among individuals and serves as a model for others to emulate.

Contribution to Orphanage

TGR distributed Duit Raya and cookies to orphans as part of their commitment to community engagement, celebrating cultural traditions and creating memorable experiences for their patrons. Such gestures foster a sense of belonging, enhance connections within the community and bolster the hotel's reputation among the public.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL *(cont'd)*

Corporate Social Responsibility (CSR) Events *(cont'd)*

Food for Frontline Workers

As part of the gratitude towards the frontline workers' including doctors and nurses for their contribution to the blood donation campaign, we have prepared and distributed some meals that help to sustain them during long and exhausting shifts as their iftar during the fasting month.

Supercar KB Charity – Drive & Iftar

TGR collaborated with KB Supercar Club to host an iftar event to provide food to orphans during the Fiesta Ramadan 2023. These children were offered the chance and experience of sitting inside the sportscars.

SUSTAINABILITY STATEMENT
(cont'd)

GOVERNANCE

At the Group level, the Board has established its governance policies framework to uphold accountability, transparency, integrity and check-and-balance mechanism in the Group. These governance policies framework, among others, include the Board Charter, Fit and Proper Policy, Code of Conduct and Ethics, Anti-Corruption Policy, Whistleblowing Policy, Gender Diversity, Remuneration Policy, and Data Privacy Policy. Under the Board Charter, the Board is responsible for ensuring the Group's strategic plan supports long-term value creation, and sustainability is one of the matters reserved explicitly for the Board's decision.

The Group has taken into account sustainability considerations when considering new business ventures and opportunities. At the same time, as reported above, the health and safety issues, energy and water consumptions, procurement practice impact on carbon emission, the well-being of the community and employees, workplace diversity, heat reduction to the building and asset life cycle analysis were assessed in the process of identifying the appropriate actions to address and manage sustainability impacts in the operations.

To continuously enhance their knowledge and stay abreast of the latest developments relating to sustainability, all Independent Directors attended the sustainability-related training, while the Executive Directors enhanced their sustainability knowledge through participation in business discussions, meetings, trade events and reading literature on sustainability issues.

The Group has identified and prioritised its material sustainability matters. Nonetheless, the Board's and Senior Management's sustainability performance evaluation criteria have not been defined. These sustainability performance evaluation criteria will be formalised after identifying the sustainability target and timeline for the Group's sustainability material matters.

AUDIT AND RISK
MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

Chairman: Ong Lu Yuan
Independent Non-Executive Director

Members: Mohamed Akwal Bin Sultan Mohamad
Independent Non-Executive Director

Masleena Binti Zaid
Independent Non-Executive Director

The Audit and Risk Management Committee ("ARMC") comprises three (3) members who are wholly Independent Non-Executive Directors. All members of the ARMC have no family relationship with any of the Executive Directors, officers and major shareholders of the Company and also met the other criteria of an Independent Director defined in the Main Market Listing Requirements ("MMLR").

The ARMC Chairman, Ong Lu Yuan, is a fellow member of the Institute of Chartered Accountants in England and Wales ("ICAEW") and also an ICAEW business and finance professional. In compliance with Practice 9.1 of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), the Chairman of the ARMC is not the Chairman of the Board.

All the members of the Committee are financially literate, with diverse background and experience in accountancy, corporate banking and legal practice. None of the members of the ARMC was a partner of the current audit firm engaged by the Company.

During the financial year that ended on 30 June 2023, five (5) ARMC Meetings were held. Details of attendance by the members are as follows:

Director	Number of Meetings Attended / Held
Ong Lu Yuan Chairman *Independent Non-Executive Director*	5/5
Mohamed Akwal Bin Sultan Mohamad Member *Independent Non-Executive Director*	5/5
Masleena Binti Zaid Member *Independent Non-Executive Director*	5/5

As the members of the ARMC are also members of the Nominating Committee ("NC"), the Meta Bright Group Berhad Board ("the Board"), therefore, oversees the conduct of peer performance reviews on the ARMC and its members carried out by the NC. For the financial year ended 30 June 2023, the Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities by the ARMC's Terms of Reference.

TERMS OF REFERENCE

The terms of reference of ARMC is published on the corporate website of Meta Bright Group Berhad ("the Company") at https://www.mbgb.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

SUMMARY OF ACTIVITIES

During the financial year, the activities undertaken by the ARMC in discharging its duties and functions concerning their responsibilities are summarised as follows:

a. Ensuring Financial Statements Comply with Applicable Financial Reporting Standards

The Executive Directors and Financial Controller were invited during the ARMC review of the financial performance and statements to respond to questions on financial performance, cash flows and significant financial reporting issues concerning compliance with applicable approved accounting standards and treatments, MMLR and other regulatory requirements. The clarifications and answers provided by the Executive Directors and Financial Controller were deliberated in the meeting before the financial results and statements were formally presented to the Board for consideration and approval for the announcement to Bursa Malaysia Securities Berhad ("Bursa Securities").

When reviewing the annual audited financial statements, the External Auditors were present to brief the ARMC on key audit matters, the accounting treatment applied by the Company, and the basis of their audit opinion. Besides ensuring the financial statements prepared by management complied with the financial reporting standards, the ARMC also deliberated on the Meta Bright Group Berhad and its subsidiaries ("the Group") cash flow projections and positions and its ability to meet financial obligations.

As part of the review process, the ARMC also had private sessions with the External Auditors to ensure that issues were being objectively brought to the attention of the ARMC.

b. Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence

Before the commencement of the current financial year audit, the ARMC reviewed and discussed with the External Auditors on their audit planning memorandum covering the audit risk areas, audit approach and emphasis, and their independence.

After the completion of the audit, the External Auditors presented and briefed the ARMC on the audit status, the new financial reporting standards and their impact on the Group's financial reporting, general regulatory development and changes, and key audit matters to be included in the Auditors' Report.

The ARMC evaluated and assessed the External Auditors' performance and independence and conducted private sessions with the External Auditors without the presence of the Executive Directors and management.

The audit fee and non-audit fees for services provided by the External Auditors to the Group and the Company, respectively, for the financial year ended 30 June 2023, are as follows:

Fees incurred	Audit Fee RM'000	Non-Audit Service Fees RM'000
The Company	106	6
The Group	234	9

Based on the confirmation of the External Auditors, the ARMC concurred that the provision of non-audit services covering the Statement on Risk Management and Internal Control to the Group and review and producing statement for the Company's rights issue corporate exercise, did not impair or were not perceived to impair the independence and objectivity of the External Auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

SUMMARY OF ACTIVITIES *(cont'd)*

b. Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence *(cont'd)*

The ARMC also reviewed the external audit fee based on job scope, material trend and quality of services. It was noted that the audit fee charged was reasonable.

ARMC is satisfied with the performance of the existing External Auditors and recommended the Board to propose their re-appointment to the shareholders for approval in the coming Annual General Meeting of the Company.

c. Reviewing the Audit Findings of the Internal Auditors and Assessing the Effectiveness and Adequacy of the Systems of Risk Management and Internal Control in the Key Operating Processes of the Group

Internal Auditors' findings are the essential source of information for the ARMC in assessing the state of risk management and internal control systems in the Group.

When reviewing the Internal Audit Reports, the ARMC considered the impact of the audit issues and the effectiveness and adequacy of the risk management and internal control processes in the present management systems. Executive Directors and management were invited to attend the ARMC meetings while deliberating internal audit findings. The presence of management ensured that the ARMC received a fair and balanced view of the audit findings and issues reported by the Internal Auditors.

The reviews conducted and reported by the Internal Auditors to the ARMC in the current financial year are as follows:

i. Project planning for the property development segment;

ii. Information technology controls for offices in Kuala Lumpur, Kota Bharu and Kota Kinabalu;

iii Review of management risks mitigation plan; and

iv. Follow-up audits to ascertain the status of management action for past audit findings.

The ARMC conducted an annual review of the Internal Auditors' performance based on their scope of work, competency, staff resources, authority to carry out their work, independence, due professional care, and ongoing engagement with the ARMC Chairman. Overall, the performance of the Internal Auditors was satisfactory.

The ARMC also hold private sessions with the Internal Auditors without the presence of the Executive Directors and management on every occasion.

d. Related Party Transaction Review

The ARMC reviewed the related and recurrent related party transactions involving the interest of an Executive Director who is also a major shareholder of the Company. The ARMC deliberated the rationale, the benefit of these transactions to the Company and minority shareholders, the arm's length value of the transactions, and the terms of the transactions. As part of this review, the ARMC also tabled the contents of the Independent Advisor Letter for the related party transactions to the Board for notation and the Proposed Shareholders' Mandate for the recurrent related party transactions to be recommended to the shareholders for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

SUMMARY OF ACTIVITIES *(cont'd)*

e. Corruption Risk Assessment

The ARMC reviewed the report of corruption risk assessment. The report aims to close the gaps between the existing corruption preventive measures and the provisions in the Guideline on Adequate Procedures. The ARMC was briefed on the outcome of the corruption risk assessment exercise, which suggests that further actions are needed to strengthen the existing anti-corruption defence in the individual business units and departments.

f. Overseeing Governance Practices

The ARMC reviewed the various governance disclosures in the Annual Report. These disclosures include the Corporate Governance ("CG") Report, CG Overview Statement, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement and Directors' Responsibility Statement and ensure that the information provided is adequate, relevant and substantiated.

INTERNAL AUDIT FUNCTION

Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing the governance, risk management and internal control frameworks and systems and measures taken to strengthen these frameworks and systems.

The Company had outsourced its internal audit function to an internal audit consulting firm, IA Essential Sdn. Bhd..

The internal audit function is led by a Manager and supported by a team of audit executives who are accounting graduates. The Manager in charge is Lee Jiann Lin, an Associate Member of the Institute of Internal Auditors Malaysia and an honour degree holder in Accounting from UTAR.

Jiann Lin reports to Chong Kian Soon, the firm's CEO overseeing the engagement. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia.

The Internal Auditors have conducted their work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

To ensure that the audit focuses on relevant and appropriate risk areas, the Internal Auditors will consult the ARMC and management and study the Group's structure, risks, ongoing and upcoming property development projects, and the segmental financial performance of the businesses in the Group before proposing an internal audit plan for ARMC's review and approval.

During the financial year, the Internal Auditors presented its Internal Audit Plan, reviewed information technology controls and project planning, and the status of management action for past audit findings.

The ARMC deliberated the internal audit fee and assessed their independence and objectivity. The cost incurred for the internal audit function for the financial year ended 30 June 2023 was RM37,000 (2022: RM35,000).

NOMINATING COMMITTEE STATEMENT

The Nominating Committee ("NC") consists of three (3) Independent Non-Executive Directors, and it is primarily responsible for ensuring that there are formal and transparent procedures for the appointment and appraisal of Directors and key officers. The current composition of the NC and the meeting attendance of the members are as follows. The Terms of Reference of the NC are available on the Company's website at https://www.mbgb.my.

Director	Number of Meetings Attended / Held During the Financial Year
Masleena Binti Zaid Chairman *(Independent Non-Executive Director)*	1/1
Mohamed Akwal Bin Sultan Mohamad Member *(Independent Non-Executive Director)*	1/1
Ong Lu Yuan Member *(Independent Non-Executive Director)*	1/1

Following are the agendas deliberated by the NC in discharging its responsibilities:

a) Performance Evaluation of the Board, Board Committees and Individual Directors

The performance appraisals of the Board, Board Committees and Individual Directors are conducted through self-assessment (evaluate the board as a whole) and coordinated by the NC.

Broadly, the criteria used in these performance evaluations are as follows:

1. Board and Board Committees evaluation covers the evaluation on the board mix and composition, quality of information and decision making, boardroom activities, and the board's relationship with the management;
2. Character, experience, integrity, competence and time commitment evaluation covers the fit and proper, contribution and performance, calibre and personality of each director;
3. Assessment on mix of skill and experience;
4. Evaluation of the Independence of the Independent Directors;
5. Audit and Risk Management Committee ("ARMC") Evaluation covers the quality and composition, skills and competencies and meeting administration and conduct; and
6. ARMC Members' Self and Peer Evaluation.

Based on the assessments, it was concluded that:

i) The skill mix, composition, size, diversity, performance and effectiveness of the Board and Board Committees are satisfactory;

ii) Independent Non-Executive Directors, Managing Director, Executive Directors and Chief Financial Officer possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risks and management of the Group's business; and have discharged their duties and responsibilities in a commendable manner and have demonstrated their commitment of time and contribution to the affairs of the Company and Group;

NOMINATING COMMITTEE STATEMENT
(cont'd)

a) Performance Evaluation of the Board, Board Committees and Individual Directors *(cont'd)*

Based on the assessments, it was concluded that: *(cont'd)*

iii) All Independent Directors met independence criteria set out in the MMLR of the Bursa Securities and carried out their duties and responsibilities independently and objectively; and

iv) ARMC members' performances were satisfactory, and they have carried out their duties in accordance with their terms of reference.

At the same time, the NC recommended seminar, workshops and training programmes for directors' continuous development purpose.

b) Fit and Proper Policy

The Board has defined and implemented the Fit and Proper Policy for its members and senior management. This Policy outlines the criteria and the approach to be undertaken by the NC, Remuneration Committee and the Board in reviewing and assessing candidates identified for appointment to the Board and existing Directors seeking reappointment. The main fit and proper criterias are character and integrity, experience and competence, and time commitment.

For current financial year under review, as part of the director assessment procedures, all Directors completed a self-declaration form confirming their probity, personal integrity and reputation, and financial integrity.

c) Board Nomination Process

Under the Board Charter, when identifying the candidates for the Board and senior management, the Board will consider the recommendations from its existing Board members, management or major shareholders as well as independent sources to identify suitably qualified candidates for the appointment of Directors and senior management positions. The identification and assessment of candidates for directorship will be based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group.

d) Re-election of Retiring Directors

Based on the above-mentioned annual assessment of Directors' performance, the NC recommended to the Board a resolution to put forth for the shareholders' consideration for the re-election of all retiring Directors at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance ("CG") Overview Statement is presented in accordance with the provisions in the Practice Note 9 of the Main Market Listing Requirements ("MMLR"). The objective of this Statement is to provide an overview of the key corporate governance practices of the Group during the financial year with reference to the CG principles on:

a) Board leadership and effectiveness;
b) effective audit and risk management; and
c) integrity in corporate reporting and meaningful relationship with stakeholders.

It also highlights the Board's focus areas and future governance priorities.

In addition to this CG Overview Statement, the Board has explained point-by-point the application of each CG Practice in its Corporate Governance Report ("CG Report"), which was announced together with the 2023 Annual Report of the Company to Bursa Securities. Shareholders may also obtain this CG Report by accessing this link https://www.mbgb.my for further details and are advised to read this CG Overview Statement together with the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition and Responsibilities

The Board should objectively discharge its duties and responsibilities at all times in the Group's interests and keep abreast of its responsibilities to oversee the conduct and development of the Group's business. The Board has defined its Board Charter and Schedule of Matter by setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval.

The Board has seven (7) members, and the composition of the Independent Directors in the Board (3 out of 7) is slightly below half of the Board size. Nevertheless, the Board assures that such composition will not affect the Board oversight effectiveness and objectivity given that the Board Chairman is an Independent and Non-Executive Director, and his right of a casting vote under the Constitution of the Company. Following is the Board Composition for the financial year 2023:

Name	Designation
Mohamed Akwal Bin Sultan Mohamad	Chairman and Independent Non-Executive Director
Lee Chee Kiang	Managing Director
Dato' Lee Wai Mun, DIMP., JMK., JP.	Executive Director
Tan Chin Hong	Executive Director
Phang Kiew Lim	Executive Director
Ong Lu Yuan	Independent Non-Executive Director
Masleena Binti Zaid	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board Composition and Responsibilities *(cont'd)*

Currently, the Chairman and Managing Director positions are separated. The Chairman of the Board, Mohamed Akwal Bin Sultan Mohamad is responsible for ensuring the effective functioning of the Board, while the Managing Director, Lee Chee Kiang, leads the management in implementing the Board's policies and decisions.

To ensure the business is being adequately managed, the Board performed periodic reviews of the financial results of the Group. These reviews cover the business operations performance, financial position, and business proposals of the Group. The Board performs these reviews with the management in every Board meeting and deliberates on the progress and the resources needed to meet the objectives of these subject matters thereof.

The Board has further strengthened its governance, risk management and internal control framework by defining and implementing its Groupwide Oversight Framework in accordance with Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission. In this framework, the Board has defined its responsibilities with respect to the oversight of business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiaries. The management of the respective subsidiaries supports the Board in carrying out its oversight responsibility by furnishing the Board with relevant and timely information.

The Board has defined and implemented the Fit and Proper Policy. This Policy describes the requirements of a Director's character, experience, qualification, integrity and competence, and time commitment to discharge their roles effectively. Accordingly, the appointment and re-appointment of Directors to the Board will be assessed based on provisions in this Policy.

Board Committees

The Board has established three (3) Board committees, namely the Audit and Risk Management Committee ("ARMC"), Nominating Committee ("NC"), and Remuneration Committee ("RC"), with defined Terms of Reference ("TOR"). The composition of the respective Board Committees is presented on page 9 of this Annual Report, while the TOR of the respective committees are available on the Company's website.

The objective of the Board Committees is to objectively deliberate and oversee areas defined within their TORs and to recommend actions to the Board for decision. Notwithstanding the existence of the Board Committees, the Board is ultimately responsible for the oversight areas and functions of the Board Committees. Therefore, the Board continues to keep itself abreast of the significant matters and resolutions deliberated by each Board Committee based on the reports presented to the Board Committees and the minutes of meetings and circular resolutions passed by them.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board Committees *(cont'd)*

Following is the attendance record of the RC:

Director	Number of Meetings Attended / Held During The Financial Year
Mohamed Akwal Bin Sultan Mohamad Chairman	1/1
Masleena Binti Zaid Member	1/1
Ong Lu Yuan Member	1/1

The attendance records of ARMC and NC are presented on pages 35 and 39 respectively of this Annual Report.

Board's Commitment

The underlying factors of Directors' commitment to the Group are the devotion of time and continuous improvement of knowledge and skill sets. During the financial year, eight (8) Board meetings were held, and the Board members' attendance details are set out below.

Director	Number of Meetings Attended / Held During The Financial Year
Mohamed Akwal Bin Sultan Mohamad *Chairman / Independent Non-Executive Director*	8/8
Lee Chee Kiang *Managing Director*	7/8
Masleena Binti Zaid *Independent Non-Executive Director*	8/8
Ong Lu Yuan *Independent Non-Executive Director*	8/8
Dato' Lee Wai Mun, DIMP., JMK., JP. *Executive Director*	7/8
Phang Kiew Lim *Executive Director*	8/8
Tan Chin Hong *Executive Director*	8/8

The Board is updated regularly by the Company Secretary and management on the training programme available by regulators and professional bodies. Board members are also advised by the NC to attend the relevant training based on their skill set needs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board's Commitment *(cont'd)*

During the financial year, the Board members attended the following training:

Director	Training Attended	Date	Duration
Mohamed Akwal Bin Sultan Mohamed	Integrating Environmental, Social and Governance (ESG) Into Organisational Financial Reporting	9/5/2023	8 hours
Dato' Lee Wai Mun, DIMP., JMK., JP.	Corruption Risk Assessment	27/3/2023	8 hours
Lee Chee Kiang	Corruption Risk Assessment	27/3/2023	8 hours
Masleena Binti Zaid	ESG Reporting : A Key to Value Creation Today	20/6/2023	8 hours
	Stepping up your AMLA Compliance: Best Practice & Challenges in identifying the beneficial owner	26/6/2023	4 hours
Ong Lu Yuan	Financial Reporting on Impact of Climate Change Effects	5/4/2023	8 hours
Tan Chin Hong	Get Chatty With ChatGPT: How to Use the AI Chatbot Everyone's Talking About	15/3/2023	1 hour 30 minutes
	Developing A Transfer Pricing Policy for Intra-Group Services - Key Factors to Consider	17/3/2023	8 hours
	Corruption Risk Assessment	27/3/2023	8 hours
Phang Kiew Lim	Get Chatty With ChatGPT: How to Use the AI Chatbot Everyone's Talking About	15/3/2023	1 hour 30 minutes
	MS Excel for Finance series: Module 1: Best Practices of Financial Modelling Using Excel	17/3/2023	8 hours
	MS Excel for Finance series: Module 2: Constructing Power BI-based business performance evaluation	9/6/2023	8 hours

Annual Board Evaluation

The NC conducts annual assessments of the effectiveness of the Board, Board Committees and Directors. The assessment criteria include competencies, qualification, contribution and performance of Directors are conducted through self-assessment.

Based on the assessments, it was concluded that the overall performance and effectiveness of the Board, Board Committees and Directors are satisfactory. The NC used the results of the evaluations to recommend the Directors standing for re-election to the Board for shareholders' approval in the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Annual Board Evaluation *(cont'd)*

The Board has defined and implemented the Fit and Proper Policy for its members. This Policy outlines the criteria and the approach to be undertaken by the NC, RC and the Board in reviewing and assessing candidates identified for appointment to the Board and existing Directors seeking for reappointment.

The main fit and proper criteria are character and integrity, experience and competence, and time commitment. For current financial year under review, as part of the director assessment procedures, all Directors completed the self-declaration form confirming their probity, personal integrity and reputation, and financial integrity.

Based on the annual assessment of Directors' performance, the NC recommended to the Board a resolution to put forth for the shareholders' consideration for the re-election of all retiring Directors at the AGM.

Remuneration

The remunerations of the Executive and Non-Executive Directors were reviewed by the RC and the Board, respectively. All directors played no part in the decision of their own remuneration.

Broadly, the remuneration policy of the Executive Directors is based on the complexity of the Group's business, the business strategy and long-term objectives of the Group, their performance in managing material sustainability risks and opportunities, and the Group's operating results and comparable remuneration from the similar industry. In contrast, the Non-Executive Directors' remuneration is determined by their experience and the level of responsibilities assumed.

The terms of reference of the RC and the remuneration policy provided in the Board Charter are disclosed on the Company's website.

Under Section 230(1) of the Companies Act 2016, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The detailed disclosure of the Directors and Senior Management's remunerations for the financial year ended 30 June 2023 are reported in Practice 8.1 and 8.2 in the CG Report.

The Directors' fees and benefits proposed for the shareholders' approval at the forthcoming AGM are RM500,000 (2022: RM500,000).

Code of Conduct and Ethics

The Board has defined its Code of Conduct and Ethics, covering the Board's values and principles to guide stakeholders on the ethical behaviours to be expected from the Group and to enable the Board to convey and instil its expected values into the organisation. In addition, the Board has defined policies on abuse of power, corruption, insider trading and money laundering in this Code of Conduct and Ethics.

Anti-Bribery and Corruption Policy

The Group has also defined and implemented the Anti-Bribery and Corruption Policy. The framework and policy aims to guide staff members, employees, and business associates in taking appropriate measures and steps to prevent involvement in bribery activities. During the financial year, the Board initiated an independent review to assess the adequacy and effectiveness of this policy. New measures identified were implemented by the management accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Whistle Blowing Policy and Procedures

The Board has established a whistleblowing policy and reporting channel. The policy is posted on the Company's website at https://www.mbgb.my for public reference.

To protect the information provided and the identity of the whistleblowers, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditors. Stakeholders who know of or suspect any violation of the Code may report the incidence to mbgb@whistleblower.com.my or by posting their complaints to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.

During the financial period, the Board did not receive any complaints of violation from these whistleblowing reporting channels.

Access to Information

Board has unrestricted access to the information within the Group and independent professional advice in furtherance of their duties, at the cost of the Company, if needed.

The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with adequate and timely information, which allows it to discharge its responsibilities effectively and efficiently. The agenda for each meeting, together with Board Papers are delivered beforehand to tenable Directors to review and prepare for the discussion and to obtain further supplementary information from management in advance, if needed.

In addition, the Board is assisted by a qualified Company Secretary. The Company Secretary also advise the Board on the compliance requirements under the Company's Constitution, Board policies and provisions in the regulations.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") comprises three (3) members who are wholly Independent Non-Executive Directors. During the financial year that ended on 30 June 2023, five (5) ARMC Meetings were held and attended by all ARMC members.

The ARMC will deliberate the arm's length of business proposals involving the interest of a related party. ARMC will also consult the corporate advisors and the Company Secretary on the compliance requirements by Bursa Securities and the timing and timeliness of making the appropriate announcements and preserving the confidential information of the business proposals to avoid unusual market activity.

The ARMC continues to play an essential role in ensuring the integrity, clarity and relevance of the information disclosed in the Annual Report. Before finalising the various governance disclosures in the Annual Report, the ARMC and other Board Members, Company Secretary, and management will review the disclosures and statements in the Annual Report.

Further explanations on the ARMC's roles in ensuring financial statements compliance with Applicable Financial Reporting Standards, the relationship with both Internal Auditors and External Auditors, and other activities during the financial year are set out in the ARMC Report in this Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

Risk Management and Internal Control

The Board has put in place a Risk Management Policy covering the risk management responsibilities of the Board and management. In accordance with this policy, the Managing Director, Executive Directors and management shall assist the Board in executing business plans, reviewing, monitoring and tracking operational challenges, and implementing risk mitigation action plans.

During the financial year, a corruption risk assessment training and workshop was organised and attended by management and heads of departments. This training and workshop aimed to refresh and reinforce management awareness of anti-bribery and corruption regulations and their responsibilities in assessing corruption risk and setting effective preventive defence system. At the conclusion of the training and workshop, the Management had identified, assessed, evaluated and documented the potential corruption risks and the action plan to prevent corruption and bribery in their operation.

The Board is satisfied that the current level of risk management and internal control systems and was assured by the Managing Director, Executive Director and the Financial Controller that the Group's risk management and internal control systems to the best of their knowledge are adequate and effective under the present business and cash flow positions of the Group.

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

Communication with Stakeholders

The importance of communication between the Company, Board and stakeholders is that it facilitates mutual understanding of objectives and expectations and enables stakeholders to make informed decisions concerning the business of the Company and the Board.

At Meta Bright, the corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports and through various periodic and ongoing disclosures made to Bursa Securities. In addition, the Group maintains a website at https://www.mbgb.my where shareholders or investors may access the corporate information, latest financial results, annual reports, announcements to Bursa Securities, as well as the various governance policies and the Board Committees' terms of references under "Investor Relations" section. All these information are disseminated in strict adherence to the disclosure requirements of Bursa Malaysia Securities Berhad.

Conduct of General Meetings

The Board will continue to issue Notice of the AGM to shareholders at least 28 days before the general meeting date. Shareholders and investors are encouraged to interact and provide feedback to the Chairman and Managing Director on their areas of concern during the general meetings.

Shareholders who are unable to attend the AGM are encouraged to appoint proxies to attend and vote by completing the proxy form enclosed in the Notice of the AGM and depositing it at the Registrar's Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

The resolutions were approved by way of poll voting. The results of the poll were validated by GovernAce Advisory & Solutions Sdn. Bhd., an Independent Scrutineer appointed by the Company. The outcome of the AGM was announced to Bursa Securities on the same meeting day.

This CG Overview Statement is presented according to Paragraph 15.25(1) of the Main Market Listing requirements ("MMLR") of the Bursa Securities and is made by a resolution of the Board on 17 October 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

i. The annual audited financial statements of the Group and the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR so as to give a true and fair view of the financial statements and state of affairs of the Group and the Company for the financial year, and

ii. Proper accounting and other records are kept, which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in preparing the financial statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Meta Bright Group Berhad ("the Board") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2023. The disclosure in this Statement is presented pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Meta Bright Group Berhad and its subsidiaries' ("the Group") Risk Management Policy.

BOARD RESPONSIBILITIES

The Board understands the principal business risks of the Group. It establishes the following measures and procedures in overseeing the conduct of the risk management and internal control systems in the Group:

- Board of Directors' discussions with management during the Board meetings on the business and operational issues, the measures taken by management to mitigate and manage the business and operational risks, and the financial performance based on the quarterly financial results;
- The Audit and Risk Management Committee's ("ARMC") reviews and consultations with management on the integrity of the financial results, annual reports and audited financial statements;
- The External Auditors report to the ARMC on the key audit matters, accounting standards compliance, related party transactions and feedback on risk and control issues noted in their statutory audit;
- The Internal Auditors perform periodic reviews on the system of internal controls and report their findings and management actions for improvement to the ARMC;
- Reviews of the related party transactions and the control procedure thereof;
- Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material respects; and
- The implementation of the Group-wide Oversight Framework by the *Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries* issued by the Securities Commission. This framework facilitates the application of governance policies and procedures of the Board at the subsidiary level. It requires the subsidiaries' management to support the Board in gaining insight into the subsidiaries for oversight purposes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

RISK MANAGEMENT

The Board has defined the Group Risk Policy, which outlines the principles of risk management, the Board's and management's responsibilities, and the risk management objectives. Management will periodically assess the business and operational risks and finetune the existing ones, and identify new mitigation action plans to address risks. Risks identified are measured in accordance with the likelihood of occurrence and significance. In addition, during the Board and ARMC meetings, the Board and Senior Management members will consider and deliberate the risks and impacts of the Board agenda together with the effectiveness and adequacy of the risk management action plan.

During the financial year, a corruption risk assessment training and workshop was organised and attended by management and heads of departments. This training and workshop aimed to refresh and reinforce management awareness of anti-bribery and corruption regulations and their responsibilities in assessing corruption risk and setting effective preventive defence system. At the conclusion of the training and workshop, the Management had identified, assessed, evaluated and documented the potential corruption risks and the action plan to prevent corruption and bribery in their operation.

Over the years, the Group's performance has been affected by financial liquidity and cash flow issue during the Covid-19 pandemic. Nonetheless, the Group overcame these challenges after raising capital through private placements and the rights issue. With the improved financial position, the Group achieved a better result in the 2023 financial year by securing more sales from the completed properties, increased rental income from newly acquired properties, accrued project revenue from property development and interest income from its leasing and financing business.

With the improvement in the Group's financial performance, the Group continues to seek and explore new businesses by diversifying and venturing into leasing of machinery and equipment, renewable energy and energy efficiency-related technology and business opportunities. At the same time, the Group will continue to monitor and assess the property market condition before proceeding with further activities in its property development business segment.

INTERNAL CONTROLS

Complementing the above risk management oversights and procedures, the following are the key control procedures in the Group. These fundamental controls are embedded in the management operation and control framework.

- Organisational structure outlining the lines of responsibilities and hierarchical structure within each business operation;
- Documented standard operating guidelines and procedures for operating departments. These guidelines and procedures are subject to review and update by the operational units and management;
- Limits of Authority are defined to facilitate the delegation of authority and approval limit threshold;
- Periodic monitoring of the Group's cash flows, financial and business units' performances, funding and operational issues in order to ensure that challenges and risks are addressed timely and appropriately;
- Appointment of external professional advisor and consultant to manage contractual risks before entering into material contracts or agreements;
- Anti-Bribery and Corruption Framework and Policy guiding employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities; and
- Whistleblowing reporting channel administered by the Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Functionally, the Executive Directors and Senior Management are the Group's first and second line defence of the risk management and internal control systems and are responsible for the following:

- Identifying risks relevant to the Group's business objectives and ensuring the achievement of its objectives;
- Designing, implementing, and monitoring the risk management actions and achieving the Group's objectives within its risk appetite;
- Assuring the effectiveness and adequacy of the risk management and internal control systems; and
- Reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives.

When producing this Statement, the Board has received assurance from the Managing Director, Executive Director and Financial Controller that the Group's risk management and internal control systems are adequate and effective in all material aspects to the best of their knowledge.

BOARD ASSURANCE AND LIMITATION

The Board recognises that the risk management and internal control system should be continuously improved, consistent with the evolving business and operating environment. Nonetheless, it should be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

For the financial year under review, the Board is satisfied that the current level of risk management and internal control systems are adequate and effective under the present business and cash flow positions of the Group.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Under Paragraph 15.23 of Bursa's Main Market Listing Requirements and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysian Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 30 June 2023.

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

This Statement on Risk Management and Internal Control is approved by the resolution of the Board of Directors.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. UTILISATION OF PROCEEDS

Private Placement

The Company successfully completed fund raising exercise on 9 February 2023 - 20% share issuance of 389,469,246 new ordinary shares at issue price of RM0.1125 per share which raised RM43,815,290.18. The utilisation of the proceeds raised is as follows: -

Details of Utilisation	Proposed utilisation of proceeds RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Utilisation timeframe
Business development for Energy Related Business	18,600	3,904	14,696	Within 12 months
Refurbishment of The Grand Renai Hotel	10,000	7,937	2,063	Within 12 months
Other business opportunities	10,000	6,207	3,793	Within 12 months
General working capital	4,815	3,143	1,672	Within 12 months
Estimated expenses for the Proposed Shares Issuance	400	400	-	
	43,815	21,591	22,224	

2. SHARE BUY-BACKS

There was no share buy-backs effected during the financial year ended 30 June 2023.

3. OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial year ended 30 June 2023.

4. DEPOSITORY RECEIPT PROGRAMME

There were no depository receipt programme sponsored by the Company during the financial year ended 30 June 2023.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, Directors and management by the relevant regulatory bodies which have material impact on the operations or financial position of the Group during the financial year ended 30 June 2023.

6. NON-AUDIT FEES

The non-audit fees paid or payable to the external Auditors and its affiliates by the Group during the financial year ended 30 June 2023 amounted to RM9,000.

7. VARIATION IN RESULTS

There was no variation in the financial results of 10% or more from unaudited results announced.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
(cont'd)

8. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 30 June 2023 or entered into since the end of the previous financial year.

9. PROFIT GUARANTEES

The Group did not provide or receive any profit guarantee during the financial year ended 30 June 2023.

10. CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans by the Group involving the interests of Directors and major shareholders during the financial year ended 30 June 2023.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

During the financial year ended 30 June 2023, the following related party transactions of a revenue and trading nature were entered into by our Group:

Related parties involved	Relationship	Nature of Transaction	Amount (RM'000)
Ecodwell Ventures Sdn Bhd	Dato' Lee is an Executive Director of MBGB and indirect Major Shareholder of MBGB (via Leading Ventures Sdn. Bhd.). Dato' Lee holds a direct stake of 50% shares in AMG Power and AMG Power holds 60% shares in Ecodwell Ventures Sdn. Bhd..	Provision of EPCC works by Ecodwell Ventures to the Group	459

12. EMPLOYEES' SHARES SCHEME (ESS)

The shareholders of the Company had approved the establishment of an ESS at the Extraordinary General Meeting held on 23 May 2023.

There was no ESS share or option that has been granted during the financial year.

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include property development, investment in properties and hotel operations, investment holding, property investment, money lending, business of leasing machineries and equipment, including short term rental and its any ancillary business activities.

There have been no significant changes in the nature of these activities during the financial year, other than diversification of existing principal activities of the Group to include investment advisory services and leasing, renewable energy and energy efficiency related technology and businesses.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	8,709,081	(1,201,126)
Attributable to:		
Owners of the Company	8,709,081	(1,201,126)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2023.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT
(cont'd)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

DIRECTORS' REPORT
(cont'd)

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year were RM243,000 and RM112,000 respectively.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 381,538,461 new ordinary shares at a price of RM0.065 per ordinary share pursuant to acquisition of 92 commercial units comprising the ground and first floor within 46 stratified 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur, for a total purchase consideration of RM24,800,000;

(ii) issued 389,469,246 new ordinary shares at a price of RM0.113 per ordinary share through private placement for a total consideration of RM43,815,290; and

(iii) issued 1,969,200 new ordinary shares arising from the exercise of Warrants B at the exercise price of RM0.085 per warrant.

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

There were no issue of debentures during the financial year.

DIRECTORS' REPORT
(cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

WARRANTS

On 3 January 2022, the Company executed a Deed Poll pertaining to the issuance of 782,901,982 free detachable warrants ("the Warrants").

The Company issued 782,901,982 Warrants to the shareholders of the Company on the basis of 13 Warrants for every 19 Rights Shares subscribed for. The Warrants are listed on the Main Market of the Bursa Malaysia Securities Berhad.

The salient features of the Warrants 2022/2032 are as follows:

(i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.085 subject to adjustments in accordance with the provisions of the Deed Poll;

(ii) The close of business on the warrants is ten (10) years from and including the date of issuance of the warrants and ending on the date preceding the 10th anniversary at the date of issuance, or if such is not a market day, then it shall be the market day immediately preceding the said non-market day;

(iii) The warrants may be exercised at any time on or before the expiry date falling Ten (10) years (2022/2032) from the date of issue of the warrants on 18 February 2022. Warrants which have not been exercised by the Maturity Date will lapse and cease to be valid for any purpose;

(iv) The warrants shall as between the warrant holders rank pari passu and rateably in all aspects amongst themselves;

(v) The new shares to be issued arising from the exercise of the exercise rights represented by the warrants, shall upon allotment and issuance rank equally in all respects with the existing ordinary shares, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new shares;

DIRECTORS' REPORT
(cont'd)

WARRANTS *(cont'd)*

The salient features of the Warrants 2022/2032 are as follows: *(cont'd)*

(vi) The holders of the warrants are not entitled to any voting rights or to participate in any form of distribution and/or offer of further securities in the Company other than winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and

(vii) The warrants are quoted on the Main Market of Bursa Securities on 18 February 2022. The movements in the Group's and the Company's number of shares under warrants during the financial year are as follows:

	2022/2032 Number of warrants of RM0.085 each			
	1.7.2022	**Issued**	**Exercised**	**30.6.2023**
	Unit	**Unit**	**Unit**	**Unit**
Number of unexercised warrants	782,901,982	-	(1,969,200)	780,932,782

DIRECTORS

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

Dato' Lee Wai Mun, DIMP., JMK., JP. *
Lee Chee Kiang *
Mohamed Akwal Bin Sultan Mohamad
Ong Lu Yuan
Masleena Binti Zaid
Tan Chin Hong *
Phang Kiew Lim *

* Directors of the Company and certain subsidiaries

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

Tan Chin Hao
Eric Wee Ei-Mas (Resigned on 31 January 2023)

DIRECTORS' REPORT
(cont'd)

DIRECTORS' INTERESTS

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

Interests in the Company

	Number of ordinary shares			
	At 1.7.2022	**Bought**	**Sold**	**At 30.6.2023**
Direct interests:				
Lee Chee Kiang	93,736,800	-	-	93,736,800
Ong Lu Yuan	1,198,800	-	-	1,198,800
Indirect interests:				
Dato' Lee Wai Mun, DIMP., JMK., JP. #	243,942,563	1,006,533,445	-	1,250,476,008
Tan Chin Hong *	18,333,928	-	-	18,333,928

	Number of Warrants			
	At 1.7.2022	**Bought**	**Exercised**	**At 30.6.2023**
Direct interests:				
Ong Lu Yuan	620,442	-	-	620,442
Lee Chee Kiang	46,868,831	-	-	46,868,831
Indirect interests:				
Dato' Lee Wai Mun, DIMP., JMK., JP. #	157,299,015	2,077	-	157,301,092

Shares held through a company in which the director has substantial financial interests.
* Shares held through corporations and siblings.

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Lee Wai Mun, DIMP., JMK., JP. is deemed to have interests in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' REPORT
(cont'd)

DIRECTORS' BENEFITS

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

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

	Group RM	Company RM
Directors of the Company		
- Fees	266,000	266,000
- Salaries and allowances	1,174,200	1,174,200
- Other emoluments	141,494	141,494
- Estimated money value of benefits-in-kind	8,800	8,800
	1,590,494	1,590,494
Directors of subsidiaries		
- Salaries and allowances	110,000	-
- Other emoluments	14,319	-
	124,319	-
	1,714,813	1,590,494

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM1,131 respectively.

DIRECTORS' REPORT
(cont'd)

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Company	Country of incorporation	Effective Equity Interest 2023 %	2022 %	Principal activities
Direct subsidiaries				
Eastern Biscuit Factory Sdn. Bhd.	Malaysia	100	100	Property development, investment in properties and hotel operations
FBO Land (Setapak) Sdn. Bhd.	Malaysia	100	100	Property development, renewable energy and energy efficiency related technology and businesses
FBO Properties Sdn. Bhd.	Malaysia	-	100	Dormant
Perfect Diamond Capital Sdn. Bhd.	Malaysia	100	100	Investment holding
EBF Land Sdn. Bhd.	Malaysia	100	100	Investment holding
Meta Bright Sdn. Bhd.	Malaysia	100	100	Investment advisory services and leasing
Indirect subsidiaries				
Subsidiary of Eastern Biscuit Factory Sdn. Bhd.				
FBO Land (Serendah) Sdn. Bhd.	Malaysia	100	100	Property investment
Subsidiary of Perfect Diamond Capital Sdn. Bhd.				
Rimaflex Sdn. Bhd.	Malaysia	100	100	Money lending
Subsidiary of EBF Land Sdn. Bhd.				
Exquisite Properties Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiary of Meta Bright Sdn. Bhd.				
Meta Bright Australia Pty Ltd	Australia	100	-	Involved in the business of leasing machineries and equipment, including short term rental and its any ancillary business activities

DIRECTORS' REPORT
(cont'd)

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

Other than as disclosed elsewhere in this report, the Company does not have any interests in shares in the holding company and its other related corporations during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 18 March 2022, the Group proposes to undertake the following:

(i) FBO Land (Setapak) Sdn. Bhd. (a wholly-owned subsidiary of the Company) had entered into a conditional sale and purchase agreement ("CSPA") with the Company, Top Land Resources Sdn. Bhd., Mentiga Development & Construction Sdn. Bhd. and Leading Ventures Sdn. Bhd. ("LV"), to acquire 92 commercial units comprising the ground and first floor within 46 stratified 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur ("Properties"), for a total purchase consideration of RM24,800,000 ("Purchase Consideration") which will be satisfied via the issuance of 381,538,461 new ordinary shares in the Company at an issue price of RM0.065 each, subject to the terms and conditions of the CSPA.

All the conditions precedent have been fulfilled on 15 July 2022 in accordance to the terms and conditions of the CSPA and the CSPA has become unconditional on even date.

The acquisition had been completed on 8 August 2022 following the issuance and allotment of 381,538,461 consideration shares to security stakeholder and LV in accordance to the CSPA on even date.

(ii) Proposed capital reduction exercise comprising the proposed reduction from the capital reserve account of the Company and proposed reduction in the share capital of the Company, pursuant to Section 116 of the Companies Act, 2016 to reduce the share capital of the Company.

On 22 September 2022, the Company announced that the High Court of Malaya had granted the order confirming the proposed capital reduction. Accordingly, the proposed capital reduction has been lodged to Companies Commission of Malaysia on 30 September 2022 and taken effect and deemed completed on 30 September 2022.

(iii) Proposed diversification of the existing principal activities of the Company and its subsidiaries to include renewable energy and energy efficiency related technology and businesses.

DIRECTORS' REPORT
(cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *(cont'd)*

(b) On 30 August 2022, Leading Ventures Sdn. Bhd. ("LV" or the Offeror") had via direct business transactions acquired 369,120,100 ordinary shares in the Company, representing 18.96% of the total issued shares in the Company. Following the Shares Acquisition, LV's shareholding in the Company increased from 625,481,024 ordinary shares (representing approximately 32.12% of the total issued shares) to 994,601,124 ordinary shares, representing approximately 51.07% of the total issued shares in the Company.

Dato' Lee Wai Mun, DIMP., JMK., JP., the Executive Director of the Company is the sole director and sole shareholder of LV, and is thus deemed as the ultimate offeror for the Offer ("Ultimate Offeror")

Pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and Paragraph 4.01(a) of the Securities Commission Malaysia's Rule on Take-overs, Mergers and Compulsory Acquisitions, LV is obligated to extend a mandatory take-over offer to acquire:

(i) all the remaining shares not already owned by the Ultimate Offeror, Offeror and persons acting in concert ("PAC") with them, as well as such number of new Company's shares that may be issued and allotted prior to the Closing Date arising from the exercise of the outstanding warrants 2022/2032 for a cash consideration of RM0.070 per Offer Share.

(ii) all the remaining Warrants which are not already owned by the Ultimate Offeror, Offeror and PACs for a cash consideration of RM0.005 per Offer Warrant.

(c) On 3 April 2023, the Company is proposing to establish an employees' shares scheme of up to 15% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any) at any point in time during the tenure of the Scheme for eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries, if any).

The effective date for the implementation of the proposed employees' shares scheme is on 1 June 2023.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 4 September 2023, the Company's wholly-owned subsidiary, Exquisite Properties Sdn. Bhd. has been officially struck-off from the Register of Companies Commission of Malaysia.

DIRECTORS' REPORT
(cont'd)

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR *(cont'd)*

(b) Subsequent to the financial year, the following shares were issued:

Date	Purpose of issue	Class of shares	Number of shares	Term of issue
3 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,000	Cash
6 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,200,000	Cash
10 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,500,000	Cash
13 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,050,000	Cash
17 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,480,000	Cash
20 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	607,900	Cash
2 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	350,000	Cash
23 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,000	Cash
28 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,515,000	Cash
4 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,249,000	Cash
7 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	7,811,200	Cash
12 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,648,000	Cash
18 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	169,200	Cash
21 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	4,283,000	Cash
22 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	563,400	Cash
26 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,347,900	Cash
4 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,185,000	Cash
6 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,535,200	Cash
12 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,7484,00	Cash
17 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,262	Cash

HOLDING COMPANY

The directors regard Leading Ventures Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the holding company of the Company.

DIRECTORS' REPORT
(cont'd)

AUDITORS

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

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

LEE CHEE KIANG
Director

TAN CHIN HONG
Director

Date: 17 October 2023

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	5	34,066,551	25,704,534	1,080,000	800,000
Other operating income		1,957,597	705,799	-	-
Bad debts written off		-	-	(9,495)	(8,459)
Consumables used	13	(3,963,039)	(2,994,035)	-	-
Cost of sales of completed properties	13	(845,475)	-	-	-
Cost of sales of property development units	13	(1,605,202)	(64,083)	-	-
Deposits written off		-	(10,120)	-	-
Depreciation of property, plant and equipment	11	(3,477,625)	(2,622,400)	(19,706)	(11,135)
Directors' remuneration	27(c)	(1,706,013)	(1,679,860)	(1,581,694)	(1,500,532)
Fair value adjustment on payable measured at amortised cost		77,469	271,652	-	-
Finance (costs)/income, net of finance income/(costs)	7	(1,003,739)	(2,803,366)	2,164,499	(860,830)
Finance (costs)/income, net of associate		-	1,775	-	1,775
Gain on disposal of property, plant and equipment		1,000	-	-	-
Impairment losses on:					
- amounts owing by subsidiaries	17(c)	-	-	(9,361)	(91,551)
- investment in subsidiaries	14	-	-	(7,728)	(32,089,450)
- trade receivables	17(a)	-	(325,298)	-	-
Other receivable written off		(2,322)	-	-	-
Reversal of impairment losses on:					
- financing receivables	16	-	18,654	-	-
- trade receivables	17(a)	16,000	2,824	-	-
- amounts owing by subsidiaries	17(c)	-	-	471,368	32,079,766
- property, plant and equipment	11	7,390,336	7,579,356	-	-
Reversal of provision for liquidated and ascertained damages		1,942,836	-	-	-
Staff costs:					
- hotel operations		(6,524,461)	(4,801,324)	-	-
- others		(1,783,006)	(1,564,612)	(1,170,842)	(960,413)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Struck off of a subsidiary	14	-	-	(2)	-
Write-back of payables		440,905	-	-	9,282
Other operating expenses		(14,015,402)	(10,949,926)	(2,118,165)	(1,780,692)
Profit/(Loss) before tax	8	10,966,410	6,469,570	(1,201,126)	(4,412,239)
Income tax expense	9	(2,257,329)	(2,395,058)	-	-
Profit/(Loss) for the financial year		8,709,081	4,074,512	(1,201,126)	(4,412,239)
Other comprehensive (loss)/income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Arising from revaluation of property, plant and equipment		-	540,183	-	-
Fair value loss on equity instrument designated at fair value through other comprehensive income		(12,806)	(47,751)	(12,806)	(47,751)
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		(1,662)	-	-	-
Other comprehensive (loss)/income for the financial year		(14,468)	492,432	(12,806)	(47,751)
Total comprehensive income/(loss) for the financial year		8,694,613	4,566,944	(1,213,932)	(4,459,990)
Profit/(Loss) attributable to:					
Owners of the Company		8,709,081	4,074,512	(1,201,126)	(4,412,239)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		8,694,613	4,566,944	(1,213,932)	(4,459,990)
Earnings per share attributable to owners of the Company (sen)					
Basic earnings per share	10	0.42	0.49		
Diluted earnings per share	10	0.37	0.48		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	99,334,698	78,827,725	84,693	50,173
Investment properties	12	62,593,700	62,593,700	-	-
Inventories	13	500,000	-	-	-
Investment in subsidiaries	14	-	-	137,493,896	103,801,626
Other investments	15	1,616,129	1,628,935	1,616,129	1,628,935
Financing receivables	16	-	15,240	-	-
Total non-current assets		164,044,527	143,065,600	139,194,718	105,480,734
Current assets					
Inventories	13	90,671,451	62,361,655	-	-
Tax assets		45,000	-	-	-
Financing receivables	16	6,902,965	39,588	-	-
Trade and other receivables	17	7,507,283	3,925,937	51,340,716	46,433,525
Contract assets	18	2,155,718	2,335,034	-	-
Deposits placed with licensed banks	19	10,600,785	5,173,296	-	-
Cash and bank balances	20	37,475,318	27,065,159	31,985,997	4,064,924
Total current assets		155,358,520	100,900,669	83,326,713	50,498,449
TOTAL ASSETS		319,403,047	243,966,269	222,521,431	155,979,183

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023
(cont'd)

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	184,111,556	181,667,731	184,111,556	181,667,731
Other reserves	22	39,568,205	149,916,216	39,029,684	149,376,033
Retained earnings/(Accumulated losses)		15,058,317	(170,002,763)	(970,806)	(176,121,679)
TOTAL EQUITY		238,738,078	161,581,184	222,170,434	154,922,085
Non-current liabilities					
Loans and borrowings	23	20,182,462	20,082,083	-	-
Deferred tax liabilities	24	8,157,363	5,900,034	-	-
Trade and other payables	25	2,858,590	2,800,009	-	-
Total non-current liabilities		31,198,415	28,782,126	-	-
Current liabilities					
Loans and borrowings	23	7,118,753	2,432,201	-	-
Provision for liabilities	26	1,812,000	1,812,000	-	-
Trade and other payables	25	18,837,603	24,234,403	350,997	1,057,098
Contract liabilities	18	21,698,198	25,124,355	-	-
Total current liabilities		49,466,554	53,602,959	350,997	1,057,098
TOTAL LIABILITIES		80,664,969	82,385,085	350,997	1,057,098
TOTAL EQUITY AND LIABILITIES		319,403,047	243,966,269	222,521,431	155,979,183

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Attributable to Owners of the Company							
	Note	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM	Warrant Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Currency Translation Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Group									
At 1 July 2022		181,667,731	110,238,037	540,183	37,970,746	1,167,250	-	(170,002,763)	161,581,184
Total comprehensive income for the financial year									
Profit for the financial year		-	-	-	-	-	-	8,709,081	8,709,081
Other comprehensive loss for the financial year		-	-	-	-	(12,806)	(1,662)	-	(14,468)
Total comprehensive income		-	-	-	-	(12,806)	(1,662)	8,709,081	8,694,613

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Attributable to Owners of the Company							
	Note	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM	Warrant Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Currency Translation Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
Transactions with owners									
Issue of ordinary shares pursuant to:									
- acquisition of inventories	21	24,800,000	-	-	-	-	-	-	24,800,000
- conversion of warrants B	21	262,888	-	-	(95,506)	-	-	-	167,382
- private placement	21	43,815,290	-	-	-	-	-	-	43,815,290
Share capital reduction	21	(66,113,962)	(110,238,037)	-	-	-	-	176,351,999	-
Transaction costs of share issue	21	(320,391)	-	-	-	-	-	-	(320,391)
Total transactions with owners		2,443,825	(110,238,037)	-	(95,506)	-	-	176,351,999	68,462,281
At 30 June 2023		184,111,556	-	540,183	37,875,240	1,154,444	(1,662)	15,058,317	238,738,078

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Attributable to Owners of the Company						
	Note	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM	Warrant Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Accumulated Losses) RM	Total Equity RM
Group								
At 1 July 2021		133,877,051	110,238,037	-	-	1,215,001	(174,077,275)	71,252,814
Total comprehensive income for the financial year								
Profit for the financial year		-	-	-	-	-	4,074,512	4,074,512
Other comprehensive income/ (loss) for the financial year		-	-	540,183	-	(47,751)	-	492,432
Total comprehensive income		-	-	540,183	-	(47,751)	4,074,512	4,566,944
Transactions with owners								
Issue of ordinary shares pursuant to:								
- private placement	21	6,868,283	-	-	-	-	-	6,868,283
- rights issue	21	42,126,175	-	-	37,970,746	-	-	80,096,921
Transaction costs of share issue	21	(1,203,778)	-	-	-	-	-	(1,203,778)
Total transactions with owners		47,790,680	-	-	37,970,746	-	-	85,761,426
At 30 June 2022		181,667,731	110,238,037	540,183	37,970,746	1,167,250	(170,002,763)	161,581,184

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		← Attributable to Owners of the Company →					
	Note	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Accumulated Losses) RM	Total Equity RM
Company							
At 1 July 2022		181,667,731	110,238,037	37,970,746	1,167,250	(176,121,679)	154,922,085
Total comprehensive loss for the financial year							
Loss for the financial year		-	-	-	-	(1,201,126)	(1,201,126)
Other comprehensive loss for the financial year		-	-	-	(12,806)	-	(12,806)
Total comprehensive loss		-	-	-	(12,806)	(1,201,126)	(1,213,932)
Transactions with owners							
Issue of ordinary shares pursuant to:							
- acquisition of inventories	21	24,800,000	-	-	-	-	24,800,000
- conversion of warrants B	21	262,888	-	(95,506)	-	-	167,382
- private placement	21	43,815,290	-	-	-	-	43,815,290
Share capital reduction	21	(66,113,962)	(110,238,037)	-	-	176,351,999	-
Transaction costs of share issue	21	(320,391)	-	-	-	-	(320,391)
Total transactions with owners		2,443,825	(110,238,037)	(95,506)	-	176,351,999	68,462,281
At 30 June 2023		184,111,556	-	37,875,240	1,154,444	(970,806)	222,170,434

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Attributable to Owners of the Company					
	Note	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Accumulated Losses) RM	Total Equity RM
Company							
At 1 July 2021		133,877,051	110,238,037	-	1,215,001	(171,709,440)	73,620,649
Total comprehensive loss for the financial year							
Loss for the financial year		-	-	-	-	(4,412,239)	(4,412,239)
Other comprehensive loss for the financial year		-	-	-	(47,751)	-	(47,751)
Total comprehensive loss		-	-	-	(47,751)	(4,412,239)	(4,459,990)
Transactions with owners							
Issue of ordinary shares pursuant to:							
- private placement	21	6,868,283	-	-	-	-	6,868,283
- rights issue	21	42,126,175	-	37,970,746	-	-	80,096,921
Transactions costs of share issue	21	(1,203,778)	-	-	-	-	(1,203,778)
Total transactions with owners		47,790,680	-	37,970,746	-	-	85,761,426
At 30 June 2022		181,667,731	110,238,037	37,970,746	1,167,250	(176,121,679)	154,922,085

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Cash flows from operating activities:					
Profit/(Loss) before tax		10,966,410	6,469,570	(1,201,126)	(4,412,239)
Adjustments for:					
Bad debts written off		-	-	9,495	8,459
Deposits written off		-	10,120	-	-
Depreciation of property, plant and equipment	11	3,477,625	2,622,400	19,706	11,135
Fair value adjustment on payable measured at amortised cost		(77,469)	(271,652)	-	-
Finance costs	7	1,763,744	2,955,543	-	969,450
Finance income	7	(760,005)	(152,177)	(2,164,499)	(108,620)
Gain on derecognition of an associate		-	(1,775)	-	(1,775)
Gain on disposal of property, plant and equipment		(1,000)	-	-	-
Impairment losses on:					
- amounts owing by subsidiaries	17(c)	-	-	9,361	91,551
- investments in subsidiaries	14	-	-	7,728	32,089,450
- trade receivables	17(a)	-	325,298	-	-
Other receivable written off		2,322	-	-	-
Reversal of impairment losses on:					
- amounts owing by subsidiaries	17(c)	-	-	(471,368)	(32,079,766)
- financing receivables	16	-	(18,654)	-	-
- trade receivables	17(a)	(16,000)	(2,824)	-	-
- property, plant and equipment	11	(7,390,336)	(7,579,356)	-	-
Reversal of provision for liquidated and ascertained damages		(1,942,836)	-	-	-
Struck off of a subsidiary	14	-	-	2	-
Write-back of payables		(440,905)	-	-	(9,282)
Operating profit/(loss) before working capital changes, balances carried forward		5,581,550	4,356,493	(3,790,701)	(3,441,637)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash flows from operating activities: *(cont'd)*					
Operating profit/(loss) before working capital changes, balances brought forward		5,581,550	4,356,493	(3,790,701)	(3,441,637)
Changes in working capital:					
Contract assets		179,316	(2,335,034)	-	-
Contract liabilities		(3,426,157)	22,119,974	-	-
Inventories		(2,066,960)	(34,718,588)	-	-
Trade and other receivables		(10,417,467)	(2,282,141)	(93,584)	(5,938)
Trade and other payables		(4,808,845)	4,508,128	(689,333)	(43,978)
Net cash used in operations		(14,958,563)	(8,351,168)	(4,573,618)	(3,491,553)
Interest paid		(183,929)	(359,663)	-	-
Interest received		1,894	12,529	-	-
Income tax paid		(45,000)	-	-	-
Net cash used in operating activities		(15,185,598)	(8,698,302)	(4,573,618)	(3,491,553)
Cash flows from investing activities:					
Acquisition of a subsidiary	14	-	-	-	(1)
Advances to subsidiaries		-	-	(13,261,095)	(54,406,705)
Change in pledged deposits		(5,062,712)	(212,264)	-	-
Interest received		758,111	139,648	2,164,499	108,620
Proceeds from disposal of property, plant and equipment		1,000	-	-	-
Purchase of property, plant and equipment	(a)	(16,223,676)	(2,312,601)	(54,226)	(45,585)
Net cash used in investing activities		(20,527,277)	(2,385,217)	(11,150,822)	(54,343,671)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	**RM**	**RM**	**RM**	**RM**
Cash flows from financing activities:	(b)				
Repayment to a director		(11,000)	(12,300,798)	-	(8,540,000)
Repayment to subsidiaries		-	-	(16,768)	(14,752,545)
Drawdown of term loan		1,982,987	1,692,745	-	-
Interest paid		(1,579,815)	(2,595,880)	-	(969,450)
Proceeds from issuance of shares pursuant to:					
- private placement	21	43,494,899	85,761,426	43,494,899	85,761,426
- conversion of warrants B	21	167,382	-	167,382	-
Repayments of term loan		(1,692,745)	(28,490,853)	-	-
Repayments of hire purchase payable		(20,047)	-	-	-
Repayments of lease liabilities		(140,990)	(275,406)	-	-
Net cash from financing activities		42,200,671	43,791,234	43,645,513	61,499,431
Net increase in cash and cash equivalents		6,487,796	32,707,715	27,921,073	3,664,207
Cash and cash equivalents at the beginning of the financial year		27,066,879	(5,640,836)	4,064,924	400,717
Cash and cash equivalents at the end of the financial year		33,554,675	27,066,879	31,985,997	4,064,924
Analysis of cash and cash equivalents:					
Cash and bank balances	20	37,223,657	26,815,569	31,985,997	4,064,924
Cash held under Housing Development Account	20	251,661	249,590	-	-
Deposits placed with licensed banks	19	10,600,785	5,173,296	-	-
		48,076,103	32,238,455	31,985,997	4,064,924
Bank overdrafts	23	(4,935,738)	(648,598)	-	-
		43,140,365	31,589,857	31,985,997	4,064,924
Less: Deposits pledged	19	(9,585,690)	(4,522,978)	-	-
		33,554,675	27,066,879	31,985,997	4,064,924

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

(a) Purchase of property, plant and equipment:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Purchase of property, plant and equipment	16,594,262	2,503,963	54,226	45,585
Financed by way of hire purchase arrangement	(140,000)	-	-	-
Financed by way of lease arrangements	(230,586)	(191,362)	-	-
Cash payments on purchase of property, plant and equipment	16,223,676	2,312,601	54,226	45,585

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 July 2022	Cash Flows	Non-cash Acquisition	30 June 2023
	RM	RM	RM	RM
Group				
Amount owing to a director	239,202	(11,000)	-	228,202
Term loan	21,680,755	290,242	-	21,970,997
Hire purchase payable	-	(20,047)	140,000	119,953
Lease liabilities	184,931	(140,990)	230,586	274,527
	22,104,888	118,205	370,586	22,593,679
Company				
Amount owing to a subsidiary	16,768	(16,768)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows: *(cont'd)*

	1 July 2021 RM	Cash Flows RM	Non-cash Acquisition RM	Non-cash Others RM	30 June 2022 RM
Group					
Amount owing to a director	12,540,000	(12,300,798)	-	-	239,202
Term loan	48,478,863	(26,798,108)	-	-	21,680,755
Lease liabilities	268,975	(275,406)	191,362	-	184,931
	61,287,838	(39,374,312)	191,362	-	22,104,888
Company					
Amount owing to a director	8,540,000	(8,540,000)	-	-	-
Amount owing to a subsidiary	14,778,595	(14,752,545)	-	(9,282)	16,768
	23,318,595	(23,292,545)	-	(9,282)	16,768

(c) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM200,641 (2022: RM322,018) and RM18,402 (2022: RM11,804) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Meta Bright Group Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The principal place of business of the Company is located at V06-07-03A, Signature 2, Lingkaran SV, Sunway Velocity, 55100, W.P Kuala Lumpur, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include property development, investment in properties and hotel operations, investment holding, property investment, money lending, business of leasing machineries and equipment, including short term rental and its any ancillary business activities.

There have been no significant changes in the nature of these activities during the financial year, other than diversification of existing principal activities of the Group to include investment advisory services and leasing, renewable energy and energy efficiency related technology and businesses.

The holding company of the Company is Leading Ventures Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 October 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

<u>Amendments/Improvements to MFRSs</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. BASIS OF PREPARATION *(cont'd)*

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#/ 1 January 2024
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#/ 1 January 2024
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. BASIS OF PREPARATION *(cont'd)*

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

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

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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

2. BASIS OF PREPARATION *(cont'd)*

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

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below. *(cont'd)*

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

In another amendments, it gives entities temporary relief from recognising and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's ("OECD") international tax reform; and introduces targeted disclosure requirements to help investors better understand an entity's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Applying the temporary relief, entities neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The relief will help to ensure consistency in the financial statements while easing into the implementation of the rules by allowing time for entities to assess how they are affected.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. BASIS OF PREPARATION *(cont'd)*

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

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below. *(cont'd)*

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

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

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

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(a) Subsidiaries and business combination *(cont'd)*

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

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

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

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

(b) Transactions eliminated on consolidation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.15(b).

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Foreign currency transactions and operations *(cont'd)*

(b) Translation of foreign operations

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

Exchange differences arising on the translation are recognised in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Revenue and other income

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

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

(a) Revenue from hotel operations

Hotel room revenue is recognised at a point in time when the services are rendered to the customer over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits until services are provided to the customer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Revenue and other income *(cont'd)*

(a) Revenue from hotel operations *(cont'd)*

Revenue from the sale of goods or services is recognised at a point in time when the food and beverage, entertainment and retail goods is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods.

(b) Revenue from green energy and energy efficiency project

Revenue is recognised at a point in time when electricity saving is consumed by customers.

(c) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

(d) Property development

The Group develops and sell residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance does not create an asset with an alternative use to the Group but the Group does not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the legal title has passed to the customer.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Revenue and other income *(cont'd)*

(d) Property development *(cont'd)*

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

(e) Other income

- Administrative charges receivable is recognised on an accrual basis.
- Interest income is recognised using the effective interest method.

(f) Management fee

Management fee is recognised upon completion of services rendered in accordance with the terms of the agreement entered into.

3.5 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Borrowing costs

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

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

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

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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

3.7 Income tax

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

(a) Current tax

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

(b) Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Income tax *(cont'd)*

(b) Deferred tax *(cont'd)*

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

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

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

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

Where investment properties are carried at fair value in accordance with the accounting policy as disclosed in Note 3.11, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Income tax *(cont'd)*

(c) Sales and services tax

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

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

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

3.8 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment were initially stated at cost. Land and building were subsequently shown at market value, based on valuations of external independent valuers, less subsequent accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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

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

(b) Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Property, plant and equipment *(cont'd)*

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Building	2%
Plant and machinery	5% to 10%
Renewable energy plant	4.76%
Motor vehicles	10%
Furniture, fittings and renovations	5% to 20%
Computers and office equipment	5% to 20%

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

(d) Derecognition

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

Property, plant and equipment (other than freehold land) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b).

Freehold land and building are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on building and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and building does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Property, plant and equipment *(cont'd)*

(d) Derecognition *(cont'd)*

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3.9 Leases

(a) Definition of lease

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

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

(b) Lessee accounting

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

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 11(e) and lease liabilities in Note 23(c).

Right-of-use asset

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.9 Leases *(cont'd)*

(b) Lessee accounting *(cont'd)*

Right-of-use asset *(cont'd)*

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b) to the financial statements.

Lease liability

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

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.9 Leases *(cont'd)*

(b) Lessee accounting *(cont'd)*

Short-term leases and leases of low value assets

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

(c) Lessor accounting

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

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

When a contract includes lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3.10 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. 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.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Investment properties *(cont'd)*

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.11 Inventories

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

Costs of food and beverages include purchase price and the incidental expenses incurred. Costs of completed properties comprises all direct construction cost and land cost, and direct development expenditure which is determined by the specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

<u>Property under development</u>

Cost includes:
- leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.12 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(a).

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.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.14 Financial instruments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Financial instruments *(cont'd)*

(a) Subsequent measurement

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

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in two categories:
- Financial assets at amortised cost
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition

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

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

<u>Debt instruments</u>

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

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.15(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Financial instruments *(cont'd)*

(a) Subsequent measurement *(cont'd)*

The Group and the Company categorise the financial instruments as follows: *(cont'd)*

(i) Financial assets *(cont'd)*

Equity instruments

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

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

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Financial instruments *(cont'd)*

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Financial instruments *(cont'd)*

(d) Derecognition *(cont'd)*

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

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

(e) Offsetting of financial instruments

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

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

3.15 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Impairment of assets *(cont'd)*

(a) Impairment of financial assets and contract assets *(cont'd)*

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:
- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Impairment of assets *(cont'd)*

(a) Impairment of financial assets and contract assets *(cont'd)*

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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and investment properties 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 Group and the Company make an estimate of the asset's recoverable amount.

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Impairment of assets *(cont'd)*

(b) Impairment of non-financial assets *(cont'd)*

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

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

3.16 Share capital

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

3.17 Provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.18 Operating segments

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

3.19 Fair value measurements

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

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

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

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

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

3.20 Earnings per share

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.21 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:
(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged external valuer to determine the fair values. The valuation methods adopted by the valuer include sales comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, income approach, being the projected net income and other benefits that are the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the investment properties.

The carrying amounts of the investment properties are disclosed in Note 12.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(cont'd)*

(b) Valuation of property, plant and equipment

Freehold land and building are carried at revalued amount. Revaluation of these assets is based on valuation performed by independent professional property valuers. The independent professional property valuers may exercise judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in their valuation process. Judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates. Any changes in these assumptions will have an impact on the carrying amounts of the revalued properties.

The carrying amounts of the property, plant and equipment are disclosed in Note 11.

(c) Net realisable value of inventories

The Group writes down its inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the inventories are disclosed in Note 13.

(d) Property development revenue and expenses

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of property development costs, contract assets and contract liabilities are disclosed in Notes 13 and 18.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(cont'd)*

(e) Impairment of investment in subsidiaries

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. Reviews are performed if events indicate that this is necessary. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

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

The carrying amounts of investment in subsidiaries are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

5. REVENUE

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revenue from contract customers:				
Over time				
Property development	3,331,589	246,026	-	-
Interest income	408,685	1,110	-	-
At a point in time				
Green energy and energy efficiency	78,702	-	-	-
Hotel operations	13,959,713	12,951,603	-	-
Management fees	-	-	1,080,000	800,000
Other income from hotel operations	11,995,793	9,685,626	-	-
Sale of completed properties	1,350,000	-	-	-
Revenue from other sources:				
Rental income from investment properties	2,931,441	2,820,169	-	-
Lease income	10,628	-	-	-
	34,066,551	25,704,534	1,080,000	800,000

Transaction price allocated to the remaining performance obligations

As of 30 June 2023, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM20,155,433 (2022: RM23,619,754) and the entity will recognise this revenue as the building is completed, which is expected to occur over the next 12–36 months.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by all executive directors for the purpose of making decisions about resource allocation and performance assessment.

(a) General information

The Group's operating business is classified according to the following operating divisions:
(i) Investment holding;
(ii) Leasing and financing;
(iii) Hospitality;
(iv) Investment properties;
(v) Property development;
(vi) Energy related; and
(vii) Others - inactive companies

(b) Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Inter-segment pricing is determined on negotiated basis.

<u>Segment profit</u>
Segment results is measured based on segment profit before tax that are reviewed by all executive directors. There are no significant changes from prior financial year in the measurement methods used to determine reported segment results.

<u>Segment assets</u>
The total of segment assets are measured based on all assets of a segment other than current and deferred tax assets.

<u>Segment liabilities</u>
The total of segment liabilities are measured based on all liabilities of a segment other than current and deferred tax liabilities.

(c) Geographical Information

No segmental information by geographical segment has been presented as the Group principally operates in Malaysia.

(d) Major customer

During the financial year, revenue from a major customer in the hotel operation segment represent approximately RM6,347,148 (2022: RM4,717,411) or 19% (2022: 18%) of the Group's revenue.

6. SEGMENTAL INFORMATION *(cont'd)*

The segmental information of the Group are as follows:

Group 2023	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Energy related RM	Others RM	Adjustments and elimination RM	Total RM
Revenue:										
Revenue from external customers		-	419,313	25,955,506	2,931,441	4,681,589	78,702	-	-	34,066,551
Inter-segment revenue	(a)	1,080,000	-	5,950	18,397	-	-	-	(1,104,347)	-
		1,080,000	419,313	25,961,456	2,949,838	4,681,589	78,702	-	(1,104,347)	34,066,551
Results:										
Included in the measure of segment (loss)/ profit are:										
Bad debts written off		(9,495)	-	-	-	-	-	-	9,495	-
Depreciation of property, plant and equipment		(19,706)	(15,200)	(3,023,863)	(98,343)	(264,068)	(56,445)	-	-	(3,477,625)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2023	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Energy related RM	Others RM	Adjustments and elimination RM	Total RM
Included in the measure of segment (loss)/ profit are: (cont'd)										
Fair value adjustment on payable measured at amortised cost		-	-	-	-	77,469	-	-	-	77,469
Finance income		2,164,499	-	73,979	-	202,766	-	-	(1,681,239)	760,005
Finance costs		-	-	(7,303)	-	(3,437,680)	-	-	1,681,239	(1,763,744)
Gain on disposal of property, plant equipment		-	-	-	1,000	-	-	-	-	1,000
Impairment losses on:										
- amounts owing by subsidiaries		(9,361)	-	-	-	-	-	-	9,361	-
- investment in subsidiaries		(7,728)	-	-	(452,537)	-	-	-	460,265	-
Other receivable written off		-	-	-	(2,322)	-	-	-	-	(2,322)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2023	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Energy related RM	Others RM	Adjustments and elimination RM	Total RM
Included in the measure of segment (loss)/ profit are: (cont'd)										
Struck off of a subsidiary		(2)	-	-	-	-	-	-	2	-
Reversal of impairment losses on:										
- amounts owing by subsidiaries		471,368	-	-	-	-	-	-	(471,368)	-
- trade receivables		-	-	-	16,000	-	-	-	-	16,000
- property, plant and equipment		-	-	7,390,336	-	-	-	-	-	7,390,336
Reversal of provision for liquidated and ascertained damages		-	-	-	-	1,942,836	-	-	-	1,942,836
Waiver of debts		-	-	-	-	-	-	9,497	(9,497)	-
Write-back of payables		-	-	-	440,905	-	-	-	-	440,905

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2023	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Energy related RM	Others RM	Adjustments and elimination RM	Total RM
Unallocated corporate expenses		(4,888,950)	(181,699)	(18,628,772)	(3,221,722)	(2,537,905)	(124,405)	(5,895)	1,104,347	(28,485,001)
Segment (loss)/ profit before tax		(1,219,375)	222,414	11,765,833	(367,181)	665,007	(102,148)	3,602	(1,742)	10,966,410
Income tax expense		-	-	(2,257,329)	-	-	-	-	-	(2,257,329)
(Loss)/Profit for the financial year		(1,219,375)	222,414	9,508,504	(367,181)	665,007	(102,148)	3,602	(1,742)	8,709,081
Assets:										
Additions to non-current assets		54,226	456,000	10,632,220	-	237,986	5,213,830	-	-	16,594,262
Segment assets	(b)	229,321,433	8,109,097	92,366,757	77,066,379	99,767,189	8,567,497	-	(195,840,305)	319,358,047
Liabilities:										
Segment liabilities	(c)	7,249,708	16,235,661	10,147,985	37,363,659	68,067,685	291,383	-	(66,848,475)	72,507,606

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2022	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Revenue:									
Revenue from external customers		-	1,110	22,637,229	2,820,169	246,026	-	-	25,704,534
Inter-segment revenue	(a)	800,000	-	18,677	28,367	-	-	(847,044)	-
		800,000	1,110	22,655,906	2,848,536	246,026	-	(847,044)	25,704,534
Results:									
Included in the measure of segment (loss)/ profit are:									
Bad debts written off		(8,459)	-	-	-	-	(9,282)	17,741	-
Depreciation of property, plant and equipment		(11,135)	-	(2,316,757)	(83,722)	(210,786)	-	-	(2,622,400)
Deposits written off		-	(10,120)	-	-	-	-	-	(10,120)
Fair value adjustment on payable measured at amortised cost		-	-	-	-	271,652	-	-	271,652
Finance income		108,620	-	19,367	-	24,190	-	-	152,177
Finance costs		(969,450)	-	(2,150)	(211,031)	(1,772,912)	-	-	(2,955,543)
Gain on derecognition of an associate		1,775	-	-	-	-	-	-	1,775

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2022	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Included in the measure of segment (loss)/ profit are: (cont'd)									
Impairment losses on:									
- amounts owing by subsidiaries		(91,551)	-	-	-	-	-	91,551	-
- investment in subsidiaries		(32,089,450)	-	-	-	-	-	32,089,450	-
- trade receivables		-	-	-	(325,298)	-	-	-	(325,298)
Reversal of impairment losses on:									
- amounts owing by subsidiaries		32,079,766	-	-	-	-	-	(32,079,766)	-
- financing receivables		-	18,654	-	-	-	-	-	18,654
- trade receivables		-	-	-	2,824	-	-	-	2,824
- property, plant and equipment		-	-	7,579,356	-	-	-	-	7,579,356
Write-back of payables		9,282	-	-	-	-	70,471	(79,753)	-
Unallocated corporate expenses		(4,267,127)	(13,822)	(13,096,830)	(3,474,757)	(1,327,487)	(15,062)	847,044	(21,348,041)
Segment (loss)/ profit before tax		(4,437,729)	(4,178)	14,838,892	(1,243,448)	(2,769,317)	46,127	39,223	6,469,570

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 2022	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Income tax expense		-	-	(2,395,058)	-	-	-	-	(2,395,058)
(Loss)/Profit for the financial year		(4,437,729)	(4,178)	12,443,834	(1,243,448)	(2,769,317)	46,127	39,223	4,074,512
Assets:									
Additions to non-current assets		45,585	-	2,037,104	-	421,274	-	-	2,503,963
Segment assets	(b)	155,995,962	91,299	77,254,141	81,213,447	79,663,414	-	(150,251,994)	243,966,269
Liabilities:									
Segment liabilities	(c)	1,162,474	15,234,578	3,635,061	42,625,509	76,042,370	3,600	(62,218,541)	76,485,051

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. SEGMENTAL INFORMATION *(cont'd)*

Reconciliation of reportable segment revenue is as follows:

(a) Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

(b) Reconciliation of assets

	Group 2023 RM	2022 RM
Tax assets	45,000	-
Segment assets	319,358,047	243,966,269
	319,403,047	243,966,269

(c) Reconciliation of liabilities

	Group 2023 RM	2022 RM
Deferred tax liabilities	8,157,363	5,900,034
Segment liabilities	72,507,606	76,485,051
	80,664,969	82,385,085

7. FINANCE COSTS, NET OF FINANCE INCOME

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Finance income:				
- Amounts owing by subsidiaries	-	-	1,681,239	-
- Housing development account	2,071	1,522	-	-
- Current accounts	551,351	130,977	483,260	108,620
- Deposits placed with licensed banks	204,689	7,149	-	-
- Overdue interests on trade receivables	1,894	12,529	-	-
	760,005	152,177	2,164,499	108,620

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

7. FINANCE COSTS, NET OF FINANCE INCOME *(cont'd)*

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Finance costs:				
- Term loan	(1,572,512)	(2,595,880)	-	-
- Bank overdrafts	(160,519)	(251,392)	-	-
- Hire purchase payable	(7,303)	-	-	-
- Lease liabilities	(23,410)	(15,604)	-	-
- Trade payable	-	(92,667)	-	-
- Amount owing to a subsidiary	-	-	-	(969,450)
	(1,763,744)	(2,955,543)	-	(969,450)
	(1,003,739)	(2,803,366)	2,164,499	(860,830)

8. PROFIT/(LOSS) BEFORE TAX

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

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Auditors' remuneration:				
- Statutory audit	(234,000)	(201,000)	(106,000)	(102,000)
- Non-statutory audit	(9,000)	(6,000)	(6,000)	(6,000)
Bad debts written off	-	-	(9,495)	(8,459)
Depreciation of property, plant and equipment	(3,477,625)	(2,622,400)	(19,706)	(11,135)
Deposits written off	-	(10,120)	-	-
Employee benefits expenses (Note a)	(10,013,480)	(8,045,796)	(2,752,536)	(2,460,945)
Expenses relating to short-term leases:				
- equipment	(15,487)	(17,538)	-	-
- parking	(8,640)	(3,240)	(8,640)	(3,240)
Expenses relating to low-value assets:				
- equipment	(12,114)	(10,230)	(9,762)	(8,564)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

8. PROFIT/(LOSS) BEFORE TAX *(cont'd)*

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fair value adjustment on payable measured at amortised cost	77,469	271,652	-	-
Gain on derecognition of an associate	-	1,775	-	1,775
Gain on disposal of property, plant and equipment	1,000	-	-	-
Impairment losses on:				
- amounts owing by subsidiaries	-	-	(9,361)	(91,551)
- investment in subsidiaries	-	-	(7,728)	(32,089,450)
- trade receivables	-	(325,298)	-	-
Other receivable written off	(2,322)	-	-	-
Professional fees	(1,668,480)	(1,281,205)	(942,227)	(1,052,683)
Rental income	1,136,667	-	-	-
Reversal of impairment losses on:				
- amounts owing by subsidiaries	-	-	471,368	32,079,766
- financing receivables	-	18,654	-	-
- trade receivables	16,000	2,824	-	-
- property, plant and equipment	7,390,336	7,579,356	-	-
Reversal of provision for liquidated and ascertained damages	1,942,836	-	-	-
Struck off of a subsidiary	-	-	(2)	-
Write-back of payables	440,905	-	-	9,282

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

8. PROFIT/(LOSS) BEFORE TAX *(cont'd)*

(a) Employee benefits expenses:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Wages and salaries	6,735,024	5,278,844	1,006,129	803,389
Defined contribution plans	852,606	635,777	123,577	98,427
Defined benefit plans	114,220	81,357	11,994	7,815
Other staff related costs	605,617	369,958	29,142	50,782
	8,307,467	6,365,936	1,170,842	960,413
Directors' fees	266,000	216,000	266,000	216,000
Directors' other emoluments	1,440,013	1,463,860	1,315,694	1,284,532
	1,706,013	1,679,860	1,581,694	1,500,532
Total	10,013,480	8,045,796	2,752,536	2,460,945

The estimated monetary value of a director's benefit-in-kind is RM8,800 (2022: RM8,800).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

9. INCOME TAX EXPENSE

The major components of income tax credit for the financial years ended 30 June 2023 and 30 June 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Statements of comprehensive income				
Current income tax:				
Adjustment in respect of prior years	-	572,189	-	-
Deferred tax: (Note 24)				
Origination of temporary differences	1,190,232	1,670,659	-	-
Adjustment in respect of prior years	1,067,097	152,210	-	-
	2,257,329	1,822,869	-	-
Income tax expense	2,257,329	2,395,058	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

9. INCOME TAX EXPENSE *(cont'd)*

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before tax	10,966,410	6,469,570	(1,201,126)	(4,412,239)
Taxation at applicable statutory tax rate of 24% (2022: 24%)	2,631,938	1,552,697	(288,270)	(1,058,937)
Tax effects arising from:				
- non-deductible expenses	1,293,557	1,151,029	355,445	8,048,137
- non-taxable income	(2,580,980)	(1,883,185)	(516,626)	(7,701,798)
- utilisation of previously unrecognised tax losses	(606,909)	(1,427)	-	-
- deferred tax assets not recognised on tax losses and temporary differences	452,626	851,545	449,451	712,598
- adjustment in respect of current income tax of prior years	-	572,189	-	-
- adjustment in respect of deferred tax of prior years	1,067,097	152,210	-	-
Income tax expense	2,257,329	2,395,058	-	-

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Deductible temporary differences	30,399	25,062	-	-
Unutilised tax losses	206,902,659	207,681,590	41,164,486	39,311,012
Unutilised capital allowances	624,845	494,099	698,600	679,362
Net deferred tax assets	207,557,903	208,200,751	41,863,086	39,990,374
Potential deferred tax assets not recognised at 24% (2022: 24%)	49,813,898	49,968,181	10,047,140	9,597,689

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

9. INCOME TAX EXPENSE *(cont'd)*

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
2028	197,551,154	200,183,559	33,813,096	33,813,096
2029	1,356,678	1,356,678	1,138,325	1,138,325
2030	1,753,694	1,753,694	1,309,880	1,309,880
2031	1,690,573	1,690,573	1,334,744	1,334,744
2032	2,697,086	2,697,086	1,714,967	1,714,967
2033	1,853,474	-	1,853,474	-
	206,902,659	207,681,590	41,164,486	39,311,012

10. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares during the financial year, calculated as follows:

	Group	
	2023	**2022**
Profit attributable to owners of the Company		
Profit for the financial year (RM)	8,709,081	4,074,512
Weighted average number of ordinary shares for basic earnings per share (unit)	2,059,211,066	827,555,712
Basic earnings per ordinary share (sen)	0.42	0.49

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

10. EARNINGS PER SHARE *(cont'd)*

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2023	**2022**
Profit attributable to owners of the Company		
Profit for the financial year (RM)	8,709,081	4,074,512
Weighted average number of ordinary shares for basic earnings per share (unit)	2,059,211,066	827,555,712
Effect of dilution from warrants	293,208,414	14,645,898
Weighted average number of ordinary shares for diluted earnings per share	2,352,419,480	842,201,610
Diluted earnings per ordinary share (sen)	0.37	0.48

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT

Group 2023	Freehold land RM	Building RM	Plant and machinery RM	Renewable energy plant RM	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Construction work-in-progress RM	Right-of-use assets RM	Total RM
Cost/Valuation										
At 1 July 2022										
- At cost	-	-	3,471,670	-	1,367,966	6,448,152	1,672,914	1,146,039	443,862	14,550,603
- At valuation	4,485,081	116,558,739	-	-	-	-	-	-	-	121,043,820
	4,485,081	116,558,739	3,471,670	-	1,367,966	6,448,152	1,672,914	1,146,039	443,862	135,594,423
Additions	-	-	5,356,000	313,830	157,573	1,203,580	168,553	9,164,140	230,586	16,594,262
Disposals	-	-	-	-	(99,320)	-	-	-	(252,500)	(351,820)
Written off	-	-	-	-	-	-	(12,962)	-	-	(12,962)
Reclassification	-	-	(136,072)	-	-	7,710,787	21,901	(7,596,616)	-	-
At 30 June 2023	4,485,081	116,558,739	8,691,598	313,830	1,426,219	15,362,519	1,850,406	2,713,563	421,948	151,823,903
Accumulated Depreciation										
At 1 July 2022	-	25,152,983	3,146,317	-	1,367,966	5,073,667	850,935	-	283,993	35,875,861
Depreciation charge for the financial year (Note 8)	-	2,390,336	145,249	1,245	23,636	576,960	193,872	-	146,327	3,477,625
Disposals	-	-	-	-	(99,320)	-	-	-	(252,500)	(351,820)
Written off	-	-	-	-	-	-	(12,962)	-	-	(12,962)
Reclassification	-	-	(136,072)	-	-	136,072	-	-	-	-
At 30 June 2023	-	27,543,319	3,155,494	1,245	1,292,282	5,786,699	1,031,845	-	177,820	38,988,704

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group

2023	**Freehold land RM**	**Building RM**	**Plant and machinery RM**	**Renewable energy plant RM**	**Motor vehicles RM**	**Furniture, fittings and renovation RM**	**Computers and office equipment RM**	**Construction work-in-progress RM**	**Right-of-use assets RM**	**Total RM**
Accumulated Impairment Loss										
At 1 July 2022	-	20,890,837	-	-	-	-	-	-	-	20,890,837
Reversal during the financial year (Note 8)	-	(7,390,336)	-	-	-	-	-	-	-	(7,390,336)
At 30 June 2023	-	13,500,501	-	-	-	-	-	-	-	13,500,501
Carrying Amount										
At 30 June 2023										
- At cost	-	-	5,536,104	312,585	133,937	9,575,820	818,561	2,713,563	244,128	19,334,698
- At valuation	4,485,081	75,514,919	-	-	-	-	-	-	-	80,000,000
	4,485,081	75,514,919	5,536,104	312,585	133,937	9,575,820	818,561	2,713,563	244,128	99,334,698

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group 2022	Freehold land RM	Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Construction work-in-progress RM	Right-of-use assets RM	Total RM
Cost/Valuation									
At 1 July 2021									
- At cost	-	-	3,335,598	1,367,966	5,442,507	1,527,261	-	388,572	12,061,904
- At valuation	3,916,467	116,558,739	-	-	-	-	-	-	120,475,206
	3,916,467	116,558,739	3,335,598	1,367,966	5,442,507	1,527,261	-	388,572	132,537,110
Additions	-	-	-	-	1,005,645	160,917	1,146,039	191,362	2,503,963
Written off	-	-	-	-	-	(15,264)	-	-	(15,264)
Reclassification	-	-	136,072	-	-	-	-	(136,072)	-
Adjustment on revaluation	568,614	-	-	-	-	-	-	-	568,614
At 30 June 2022	4,485,081	116,558,739	3,471,670	1,367,966	6,448,152	1,672,914	1,146,039	443,862	135,594,423
Accumulated Depreciation									
At 1 July 2021	-	23,005,013	3,045,643	1,367,966	4,863,688	734,015	-	252,400	33,268,725
Depreciation charge for the financial year (Note 8)	-	2,147,970	77,815	-	238,332	132,231	-	167,665	2,764,013
Adjustment	-	-	(113,213)	-	(28,353)	(47)	-	-	(141,613)
Written off	-	-	-	-	-	(15,264)	-	-	(15,264)
Reclassification	-	-	136,072	-	-	-	-	(136,072)	-
At 30 June 2022	-	25,152,983	3,146,317	1,367,966	5,073,667	850,935	-	283,993	35,875,861

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group **2022**	Freehold land RM	Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Construction work-in-progress RM	Right-of-use assets RM	Total RM
Accumulated Impairment Loss									
At 1 July 2021	429,566	28,040,627	-	-	-	-	-	-	28,470,193
Reversal during the financial year (Note 8)	(429,566)	(7,149,790)	-	-	-	-	-	-	(7,579,356)
At 30 June 2022	-	20,890,837	-	-	-	-	-	-	20,890,837
Carrying Amount									
At 30 June 2022									
- At cost	-	-	325,353	-	1,374,485	821,979	1,146,039	159,869	3,827,725
- At valuation	4,485,081	70,514,919	-	-	-	-	-	-	75,000,000
	4,485,081	70,514,919	325,353	-	1,374,485	821,979	1,146,039	159,869	78,827,725

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Company **2023**	**Note**	**Motor vehicles** **RM**	**Furniture, fittings and renovation** **RM**	**Computers and office equipment** **RM**	**Total** **RM**
Cost					
At 1 July 2022		1,061,889	6,327	104,719	1,172,935
Additions		-	10,700	43,526	54,226
Written off		-	-	(12,962)	(12,962)
At 30 June 2023		1,061,889	17,027	135,283	1,214,199
Accumulated Depreciation					
At 1 July 2022		1,061,889	4,998	55,875	1,122,762
Depreciation charge for the financial year	8	-	1,294	18,412	19,706
Written off		-	-	(12,962)	(12,962)
At 30 June 2023		1,061,889	6,292	61,325	1,129,506
Carrying Amount					
At 30 June 2023		-	10,735	73,958	84,693

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Company

2022	**Note**	**Motor vehicles RM**	**Furniture, fittings and renovation RM**	**Computers and office equipment RM**	**Total RM**
Cost					
At 1 July 2021		1,061,889	4,946	75,779	1,142,614
Additions		-	1,381	44,204	45,585
Written off		-	-	(15,264)	(15,264)
At 30 June 2022		1,061,889	6,327	104,719	1,172,935
Accumulated Depreciation					
At 1 July 2021		1,061,889	4,946	60,056	1,126,891
Depreciation charge for the financial year	8	-	52	11,083	11,135
Written off		-	-	(15,264)	(15,264)
At 30 June 2022		1,061,889	4,998	55,875	1,122,762
Carrying Amount					
At 30 June 2022		-	1,329	48,844	50,173

(a) Freehold land and building

The freehold land and building was carried at revalued amounts of RM80,000,000 and RM75,000,000 as at 30 June 2023 and 30 June 2022 respectively.

Fair value information

The carrying amount of freehold land and building carried at valuation are categorised as follows:

Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
2023				
Freehold land and building	-	-	80,000,000	80,000,000
2022				
Freehold land and building	-	-	75,000,000	75,000,000

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(a) Freehold land and building *(cont'd)*

Fair value information *(cont'd)*

The fair values of freehold land and building were determined by external and independent property valuers, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The freehold land and building (at valuation) of the Group are for own use.

Transfer between levels of fair value hierarchy

There are no transfers between levels of fair values hierarchy during the financial years ended 30 June 2023 and 30 June 2022.

Level 3 fair value

Fair value of freehold land and building have been derived using the profit method. The profit method entails estimating the gross annual income that can be derived from the running of the property as a business concern. The net annual income is then arrived at by deducting therefrom the operating costs and outgoings incidental to the running of the business and ownership of the property, allowing a margin of profit for the running of the business. The net annual income so arrived at is then capitalised at a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

(b) Had the revalued freehold land and building been carried at historical cost less accumulated depreciation, the net carrying amount of the land and building that would have been included in the financial statements of the Group are as follows:

	Group	
	2023	**2022**
	RM	**RM**
Freehold land	3,916,467	3,916,467
Building	87,419,056	90,486,390

(c) Assets pledged as security

(i) The freehold land and building with carrying amount of RM80,000,000 (2022: RM75,000,000) have been pledged as securities for credit facilities granted to a subsidiary as disclosed in Note 23.

(ii) Motor vehicle with carrying amount of RM133,937 (2022: Nil) has been pledged as security for hire purchase arrangement as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(d) Impairment loss and subsequent reversal

As at the end of the financial year, the accumulated impairment loss of RM13,500,501 (2022: RM20,890,837) was recognised for the impairment of freehold land and building in the hospitality segment to its recoverable amount, as a result of revaluation.

During the financial year, the Group reassessed the recoverable amount of the freehold land and building and RM7,390,336 (2022: RM7,579,356) of the loss was reversed and recognised in profit or loss.

The recoverable amounts of freehold land and building as at 30 June 2023 and 30 June 2022 were based on valuation performed by independent valuer.

(e) Right-of-use assets

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

Group	**Office buildings**	**Furniture and fittings**	**Total**
	RM	**RM**	**RM**
Carrying amount			
At 1 July 2021	90,815	45,357	136,172
Additions	191,362	-	191,362
Depreciation	(122,308)	(45,357)	(167,665)
At 30 June 2022	159,869	-	159,869
Additions	230,586	-	230,586
Depreciation	(146,327)	-	(146,327)
At 30 June 2023	244,128	-	244,128

The Group leases buildings for its office space. The leases for office space generally have lease term between 2 to 3 years (2022: 2 to 3 years).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

12. INVESTMENT PROPERTIES

	Group 2023 RM	Group 2022 RM
Shopping complex, at fair value		
At beginning/end of the financial year	62,593,700	62,593,700

Details of the Group's investment properties are as follows:

Descriptions	**Location**	**Existing use**
Shopping complex, including foodcourt, office/amusement area and supermarket	Kota Sri Mutiara Complex, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan.	Generate rental income

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

	Group 2023 RM	Group 2022 RM
Rental income	2,803,802	2,625,656
Direct operating expenses	(2,500,293)	(2,367,980)

Fair value information

Fair value of investment properties are categorised as follows:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Shopping complex	-	-	62,593,700	62,593,700
2022				
Shopping complex	-	-	62,593,700	62,593,700

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

12. INVESTMENT PROPERTIES *(cont'd)*

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.

Transfer between levels of fair value hierarchy

There are no Level 1 or Level 2 investment properties during the financial years ended 30 June 2023 and 30 June 2022.

Level 3 fair value

Fair value of investment properties have been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in location, size, age and condition of the building, floor level, tenure, title restrictions and other relevant characteristics to arrive at the market value.

Valuation process applied by the Group

The fair value of investment properties is determined by an external independent property valuer, C H Williams Talhar & Wong Sdn. Bhd., a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio yearly. Changes in Level 3 fair values are analysed by the Group yearly after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the investment properties, the highest and best use of the investment properties are their current use.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

13. INVENTORIES

	Group 2023 RM	2022 RM
Non-current:		
At cost		
Leasehold land held for development	500,000	-
Current:		
At net realisable value		
Property under development		
- Leasehold land at cost	229,946	317,351
- Development costs	9,501,450	9,531,012
	9,731,396	9,848,363
Leasehold land	7,000,000	7,000,000
Completed properties	891,100	880,012
	17,622,496	17,728,375
At cost		
Property under development		
- Leasehold land at cost	33,488,802	34,004,176
- Development costs	5,682,274	735,114
	39,171,076	34,739,290
Completed properties	33,647,280	9,703,843
Food and beverages	230,599	190,147
	73,048,955	44,633,280
Total inventories (current)	90,671,451	62,361,655
Total inventories (non-current and current)	91,171,451	62,361,655

The cost of inventories of the Group recognised as an expense during the financial year was RM6,413,716 (2022: RM3,058,118).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM	2022 RM
Unquoted shares, at cost		
At beginning of the financial year	237,753,004	197,753,003
Additions	33,700,000	40,000,001
Less: Struck off of a subsidiary	(2)	-
Less: Impairment loss	(133,959,106)	(133,951,378)
At end of the financial year	137,493,896	103,801,626

The movement in allowance for impairment loss of investment in subsidiaries are as follows:

	Company 2023 RM	2022 RM
At beginning of the financial year	(133,951,378)	(101,861,928)
Impairment loss for the financial year	(7,728)	(32,089,450)
At end of the financial year	(133,959,106)	(133,951,378)

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Effective Equity Interest 2023 %	2022 %	Principal activities
Direct subsidiaries				
Eastern Biscuit Factory Sdn. Bhd.	Malaysia	100	100	Property development, investment in properties and hotel operations
FBO Land (Setapak) Sdn. Bhd.	Malaysia	100	100	Property development, renewable energy and energy efficiency related technology and businesses

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. INVESTMENT IN SUBSIDIARIES *(cont'd)*

Details of the subsidiaries are as follows: *(cont'd)*

Name of Company	Country of incorporation	Effective Equity Interest 2023 %	Effective Equity Interest 2022 %	Principal activities
Direct subsidiaries (cont'd)				
FBO Properties Sdn. Bhd.^	Malaysia	-	100	Dormant
Perfect Diamond Capital Sdn. Bhd.	Malaysia	100	100	Investment holding
EBF Land Sdn. Bhd.	Malaysia	100	100	Investment holding
Meta Bright Sdn. Bhd.	Malaysia	100	100	Investment advisory services and leasing
Indirect subsidiaries				
Subsidiary of Eastern Biscuit Factory Sdn. Bhd.				
FBO Land (Serendah) Sdn. Bhd.	Malaysia	100	100	Property investment
Subsidiary of Perfect Diamond Capital Sdn. Bhd.				
Rimaflex Sdn. Bhd.	Malaysia	100	100	Money lending
Subsidiary of EBF Land Sdn. Bhd.				
Exquisite Properties Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiary of Meta Bright Sdn. Bhd.				
Meta Bright Australia Pty Ltd*	Australia	100	-	Involved in the business of leasing machineries and equipment, including short term rental and its any ancillary business activities

* Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

^ Struck-off in current financial year.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. INVESTMENT IN SUBSIDIARIES *(cont'd)*

(i) Incorporation/Acquisition of subsidiaries

2023

On 12 May 2023, the Company's wholly-owned subsidiary, namely Meta Bright Sdn. Bhd. had incorporated a 100% owned subsidiary, namely Meta Bright Australia Pty Ltd ("MBA") with an issued and paid-up capital of 1,000 ordinary shares of AUD1 each or equivalent to RM3 each. The intended principal activity of MBA was involved in the business of leasing machineries and equipment, including short term rental and its any ancillary business activities.

2022

On 8 March 2022, the Company had acquired a new subsidiary, Meta Bright Sdn. Bhd. ("MBSB") with an issued and paid-up capital of 1 ordinary share of RM1. The principal activity of MBSB was to carry out business of an investment company.

(ii) Subscription for additional interests in subsidiaries

2023

FBO Land (Setapak) Sdn. Bhd.
On 30 June 2023, the Company had subscribed additional 33,700,000 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, FBO Land (Setapak) Sdn. Bhd. by way of capitalising the amount owing to the Company of RM33,700,000.

FBO Land (Serendah) Sdn. Bhd.
On 30 June 2023, the Company's wholly-owned subsidiary, namely Eastern Biscuit Factory Sdn. Bhd. had subscribed additional 452,537 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, FBO Land (Serendah) Sdn. Bhd. by way of capitalising the amount owing to the Company of RM452,537.

Rimaflex Sdn. Bhd.
On 30 June 2023, the Company's wholly-owned subsidiary, namely Perfect Diamond Capital Sdn. Bhd. had subscribed additional 6,800,000 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Rimaflex Sdn. Bhd. by way of capitalising the amount owing to the Company of RM6,800,000.

2022

FBO Land (Setapak) Sdn. Bhd.
On 30 June 2022, the Company had subscribed additional 40,000,000 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, FBO Land (Setapak) Sdn. Bhd. by way of capitalising the amount owing to the Company of RM40,000,000.

(iii) Striking-off of a subsidiary

FBO Properties Sdn. Bhd.
On 8 November 2022, the Company's wholly-owned subsidiary, FBO Properties Sdn. Bhd. had been struck-off with Register of Companies Commission of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. OTHER INVESTMENTS

	Group and Company	
	2023	2022
	RM	RM
Financial assets designated at fair value through other comprehensive income ("FVOCI")		
At fair value:		
- Quoted equity securities International Equities Corporation Ltd.		
At beginning of the financial year	1,627,160	1,674,911
Fair value loss on equity instruments designated at fair value through other comprehensive loss	(12,806)	(47,751)
At end of the financial year	1,614,354	1,627,160
- Unquoted equity securities		
P.A Project Sdn. Bhd.	1,775	1,775
	1,616,129	1,628,935

The Group and the Company hold non-controlling interests in equity securities designated at fair value through other comprehensive income. This investment was irrevocably designated at fair value through other comprehensive income as the Group and the Company consider this investment as strategic long-term investment and the volatility of market prices of these investments would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

16. FINANCING RECEIVABLES

	Group 2023 RM	2022 RM
Non-current:		
Unsecured financing receivables	-	16,215
Less: Unearned interest	-	(975)
	-	15,240
Current:		
Financing receivables		
- secured	1,800,000	-
- unsecured	21,834,815	16,648,898
Less: Unearned interest		
- secured	(54,000)	-
- unsecured	(660,866)	(592,326)
	22,919,949	16,056,572
Less: Impairment losses	(16,016,984)	(16,016,984)
	6,902,965	39,588
Total financing receivables (non-current and current)	6,902,965	54,828

The movement in the impairment losses of financing receivables is as follows:

	Group 2023 RM	2022 RM
At beginning of the financial year	(16,016,984)	(16,035,638)
Reversal of impairment losses	-	18,654
At end of the financial year	(16,016,984)	(16,016,984)

The information about the credit exposures are disclosed in Note 28(b)(i).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Trade receivables	(a)	2,999,151	3,340,793	-	-
Less: Impairment losses		(921,638)	(1,173,732)	-	-
		2,077,513	2,167,061	-	-
Amounts owing by subsidiaries	(c)	-	-	66,506,237	62,154,637
Less: Impairment losses		-	-	(15,306,169)	(15,768,176)
		-	-	51,200,068	46,386,461
Other receivables	(b)	4,847,990	4,674,629	-	-
Less: Impairment losses		(4,584,459)	(4,584,459)	-	-
		263,531	90,170	-	-
Advances to suppliers		1,010,340	17,548	-	-
Deposits	(d)	3,806,423	1,528,848	2,450	2,580
Prepayments		349,329	119,841	138,198	44,484
GST claimable		147	2,469	-	-
Total trade and other receivables		7,507,283	3,925,937	51,340,716	46,433,525

(a) Trade receivables

The trade credit terms granted to the customers ranging from 7 to 90 days (2022: 7 to 90 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND OTHER RECEIVABLES *(cont'd)*

(a) Trade receivables *(cont'd)*

Receivables that are impaired

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

	Group 2023 RM	2022 RM
At beginning of the financial year	(1,173,732)	(851,258)
Charge for the financial year		
- Individually assessed	-	(325,298)
Reversal of impairment losses	16,000	2,824
Written off	236,094	-
At end of the financial year	(921,638)	(1,173,732)

The information about the credit exposures are disclosed in Note 28(b)(i).

(b) Other receivables

Included in the other receivables is an amount of RM1,600,000 (2022: RM1,600,000) owing by a single debtor which represents the total consideration for the disposal of plant and machinery. An allowance for impairment loss of RM1,600,000 (2022: RM1,600,000) has been made for this receivable.

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

	Group 2023 RM	2022 RM
At beginning/end of the financial year	(4,584,459)	(4,584,459)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. TRADE AND OTHER RECEIVABLES *(cont'd)*

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries are non-trade in nature, unsecured, bear interest at a rate of 4% (2022: Nil) and repayable on demand in cash.

The amounts owing by subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of amounts owing by subsidiaries are as follows:

	Company 2023 RM	Company 2022 RM
At beginning of the financial year	(15,768,176)	(47,818,403)
Charge for the financial year		
- Individually assessed	(9,361)	(91,551)
Reversal of impairment losses	471,368	32,079,766
Written off	-	62,012
At end of the financial year	(15,306,169)	(15,768,176)

(d) Deposits

Included in deposit of the Group is an amount of RM3,410,112 (2022: RM1,227,788) refundable deposit paid by a subsidiary to the contractor for the development of solar photovoltaic generation facilities at customers' site.

18. CONTRACT ASSETS/(LIABILITIES)

	Group 2023 RM	Group 2022 RM
Contract assets relating to property development contracts	2,155,718	2,335,034
Contract liabilities relating to property development contracts	(21,698,198)	(25,124,355)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

18. CONTRACT ASSETS/(LIABILITIES) *(cont'd)*

(a) Significant changes in contract balances

	2023		2022	
	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease
Group	**RM**	**RM**	**RM**	**RM**
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	3,558,195	-	-
Increases due to consideration received/ receivable from customers, but revenue not recognised	-	(132,038)	-	(22,119,974)
Increase due to cost incurred, but yet to recognised	524,225	-	2,335,034	-
Cost recognised that was included in contract assets at the beginning of the financial year	(703,541)	-	-	-
	(179,316)	3,426,157	2,335,034	(22,119,974)

(b) Revenue recognised in relation to contract balances

	Group 2023	2022
	RM	**RM**
Revenue recognised that was included in contract liabilities at the beginning of the financial year	3,558,195	-

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

19. DEPOSITS PLACED WITH LICENSED BANKS

Included in the deposits placed with licensed banks of the Group, are deposits pledged to the financial institutions for banking facilities granted to the subsidiaries as follows:

(i) Amounts of RM5,631,530 (2022: RM620,668) which earn interest at rates ranging from 2.50% to 2.75% (2022: 1.75%) per annum.

(ii) Amounts of RM3,834,160 (2022: RM3,762,310) marginal deposits as disclosed in Notes 23(a) and 23(d) respectively.

(iii) Amounts of RM120,000 (2022: RM140,000) held under lien for bank guarantee facilities in favour of Tenaga Nasional Berhad.

20. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	37,223,657	26,815,569	31,985,997	4,064,924
Cash held under Housing Development Account	251,661	249,590	-	-
	37,475,318	27,065,159	31,985,997	4,064,924

The housing development accounts which held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 comprise monies received from purchasers, are for the payment of property development expenditure incurred and are restricted from use in other operations.

21. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2023	2022	2023	2022
	Unit	Unit	RM	RM
Issued and fully paid up (no par value):				
At beginning of the financial year	1,565,807,770	356,709,727	181,667,731	133,877,051
Share capital reduction	-	-	(66,113,962)	-
Issue of ordinary shares pursuant to:				
- acquisition of inventories	381,538,461	-	24,800,000	-
- conversion of warrants B	1,969,200	-	262,888	-
- private placement	389,469,246	64,856,312	43,815,290	6,868,283
- rights issue	-	1,144,241,731	-	42,126,175
Transaction costs of share issue	-	-	(320,391)	(1,203,778)
At end of the financial year	2,338,784,677	1,565,807,770	184,111,556	181,667,731

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

On 22 September 2022, the Company completed the proposed share capital reduction which entailed the reduction and cancellation of RM66,113,962 of its issued share capital pursuant to Section 116 of the Companies Act, 2016. The credit of RM66,113,962 arising from the share capital reduction was used to eliminate the accumulated losses of the Company.

During the financial year, the Company:

(i) issued 381,538,461 new ordinary shares at a price of RM0.065 per ordinary share pursuant to acquisition of 92 commercial units comprising the ground and first floor within 46 stratified 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur, for a total purchase consideration of RM24,800,000;

(ii) issued 389,469,246 new ordinary shares at a price of RM0.113 per ordinary share through private placement for a total consideration of RM43,815,290; and

(iii) issued 1,969,200 new ordinary shares arising from the exercise of Warrants B at the exercise price of RM0.085 per warrant.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

21. SHARE CAPITAL *(cont'd)*

In the previous financial year, the Company:

(i) issued 64,856,312 new ordinary shares at an issue price of RM0.1059 per ordinary share through private placement for a total consideration of RM6,868,283; and

(ii) issued renounceable rights issue of 1,144,241,731 new ordinary shares on the basis of 19 Rights Shares for every 7 existing shares at an issue price of RM0.07 each, together with 782,901,982 free detachable warrants on the basis of 13 warrants for every 19 rights shares subscribed for.

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

22. OTHER RESERVES

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Capital reserve	(a)	-	110,238,037	-	110,238,037
Revaluation reserve	(b)	540,183	540,183	-	-
Fair value reserve of financial assets at FVOCI	(c)	1,154,444	1,167,250	1,154,444	1,167,250
Foreign currency translation reserve	(d)	(1,662)	-	-	-
Warrant reserve	(e)	37,875,240	37,970,746	37,875,240	37,970,746
		39,568,205	149,916,216	39,029,684	149,376,033

(a) Capital reserve

Capital reserve arose from the par value reduction exercise undertaken by the Company in year 2009. It represents surplus arising after the off-setting of the Company's issued and paid up capital against its accumulated losses at the date when the reduction of share capital became effective.

The capital reduction reserve is a non-distributable reserve.

On 22 September 2022, the High Court of Malaya had granted the order to cancel the entire capital reserve account of the Company for capital reduction exercise.

(b) Revaluation reserve

The revaluation reserve represents the surplus arising from revaluation of freehold land and building. This amount is presented net of deferred tax liability arising from revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

22. OTHER RESERVES *(cont'd)*

(c) Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income ("FVOCI") until the investments are derecognised or impaired.

(d) Foreign currency translation reserve

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

(e) Warrant reserve

The warrants were constituted under the Deed Poll dated 3 January 2022.

The salient features of the Warrants 2022/2032 are as follows:

(i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.085 subject to adjustments in accordance with the provisions of the Deed Poll;

(ii) The close of business on the warrants is ten (10) years from and including the date of issuance of the warrants and ending on the date preceding the 10th anniversary at the date of issuance, or if such is not a market day, then it shall be the market day immediately preceding the said non-market day;

(iii) The warrants may be exercised at any time on or before the expiry date falling Ten (10) years (2022/2032) from the date of issue of the warrants on 18 February 2022. Warrants which have not been exercised by the Maturity Date will lapse and cease to be valid for any purpose;

(iv) The warrants shall as between the warrant holders rank pari passu and rateably in all aspects amongst themselves;

(v) The new shares to be issued arising from the exercise of the exercise rights represented by the warrants, shall upon allotment and issuance rank equally in all respects with the existing ordinary shares, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new shares;

(vi) The holders of the warrants are not entitled to any voting rights or to participate in any form of distribution and/or offer of further securities in the Company other than winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

22. OTHER RESERVES *(cont'd)*

(e) Warrant reserve *(cont'd)*

(vii) The warrants are quoted on the Main Market of Bursa Securities on 18 February 2022. The movements in the Group's and the Company's number of shares under warrants during the financial year are as follows:

	2022/2032 Number of warrants of RM0.085 each			
	At 1.7.2022	**Issued**	**Exercised**	**At 30.6.2023**
	Unit	**Unit**	**Unit**	**Unit**
Number of unexercised warrants	782,901,982	-	(1,969,200)	780,932,782

The fair value of warrants is measured using the binomial option pricing model with the following inputs:

Fair value at grant date (RM)	0.0485
Warrant life (years)	10
Risk-free rate (%)	3.66
Expected dividend (%)	-
Expected volatility (%)	47.13

23. LOANS AND BORROWINGS

		Group	
		2023	**2022**
	Note	**RM**	**RM**
Current:			
Bank overdrafts	(a)	4,935,738	648,598
Hire purchase payable	(b)	25,793	-
Lease liabilities	(c)	174,235	90,858
Term loan	(d)	1,982,987	1,692,745
		7,118,753	2,432,201
Non-current:			
Hire purchase payable	(b)	94,160	-
Lease liabilities	(c)	100,292	94,073
Term loan	(d)	19,988,010	19,988,010
		20,182,462	20,082,083

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS *(cont'd)*

		Group	
		2023	**2022**
	Note	**RM**	**RM**
Total loans and borrowings:			
Bank overdrafts	(a)	4,935,738	648,598
Hire purchase payable	(b)	119,953	-
Lease liabilities	(c)	274,527	184,931
Term loan	(d)	21,970,997	21,680,755
		27,301,215	22,514,284

(a) Bank overdrafts

Bank overdrafts bear profit rate at rates ranging from 3.75% to 7.97% (2022: 6.72%) per annum.

The bank overdrafts of the Group are secured by way of:

(i) First party first legal charge over a subsidiary's property as disclosed in Note 11;
(ii) First party second legal charge over the freehold land and building as disclosed in Note 11;
(iii) Fixed and Marginal deposit as disclosed in Note 19; and
(iv) Corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS *(cont'd)*

(b) Hire purchase payable

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

	Group 2023 RM	2022 RM
Minimum lease payments:		
Not later than one year	32,820	-
Later than one year and not later than five years	103,910	-
	136,730	-
Less: Future finance charges	(16,777)	-
Present value of minimum lease payments	119,953	-
Present value of minimum lease payments:		
Not later than one year	25,793	-
Later than one year and not later than five years	94,160	-
	119,953	-
Less: Amount due within 12 months	(25,793)	-
Amount due after 12 months	94,160	-

Hire purchase payable of the Group of RM119,953 (2022: Nil) bears interest at a rate of 3.44% (2022: Nil) per annum and is secured by the Group's motor vehicle under hire purchase arrangement as disclosed in Note 11(c).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

23. LOANS AND BORROWINGS *(cont'd)*

(c) Lease liabilities

The interest rate implicit in the leases is at a rate of 8.00% (2022: 8.00%).

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

	Group 2023	2022
	RM	RM
Minimum lease payments:		
Not later than one year	188,400	100,700
Later than one year and not later than five years	111,800	99,000
	300,200	199,700
Less: Future finance charges	(25,673)	(14,769)
Present value of minimum lease payments	274,527	184,931
Present value of minimum lease payments:		
Not later than one year	174,235	90,858
Later than one year and not later than five years	100,292	94,073
	274,527	184,931
Less: Amount due within 12 months	(174,235)	(90,858)
Amount due after 12 months	100,292	94,073

(d) Term loan

The term loan of a subsidiary is Islamic term loan which bears profit rate of 8.22% (2022: 7.22%) per annum. It is repayable by monthly instalments of RM130,000 and is secured as follows:

(i) First party second legal charge over the freehold land and building of a subsidiary as disclosed in Note 11;
(ii) Marginal deposit as disclosed in Note 19; and
(iii) Corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

24. DEFERRED TAX LIABILITIES

	Group 2023 RM	Group 2022 RM
At beginning of the financial year	5,900,034	4,048,734
Recognised in profit or loss during the financial year (Note 9)	2,257,329	1,822,869
Deferred tax relating to revaluation reserve	-	28,431
At end of the financial year	8,157,363	5,900,034

The components of deferred tax liabilities as at the end of the financial year are as follows:

	Group 2023 RM	Group 2022 RM
Deferred tax liabilities		
Temporary differences between net carrying amount and corresponding tax written down values in relation to property, plant and equipment	8,128,932	5,871,603
Surplus arising from revaluation of freehold land	28,431	28,431
	8,157,363	5,900,034

25. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:					
Trade payable	(a)	2,858,590	2,800,009	-	-
Current:					
Trade payables	(b)	9,169,404	13,761,420	-	-
Other payables	(c)	3,614,596	3,394,678	167,874	428,065
Accruals	(d)	3,970,124	3,948,827	183,123	612,265
Amount owing to a subsidiary	(e)	-	-	-	16,768
Amount owing to a director	(f)	228,202	239,202	-	-
Deposits received		1,855,277	2,890,276	-	-
Total trade and other payables (current)		18,837,603	24,234,403	350,997	1,057,098
Total trade and other payables (non-current and current)		21,696,193	27,034,412	350,997	1,057,098

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

25. TRADE AND OTHER PAYABLES *(cont'd)*

(a) Long-term trade payable is measured at amortised cost at imputed interest rate at 3.75% (2022: 2.75%) per annum.

(b) Trade payables

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2022: 30 to 60 days).

Included in trade payables of the Group is an amount of RM252,478 (2022: Nil) held as retention sum payable to contractor.

(c) Other payables

During the financial year, included in other payables of the Group are amounts owing to related parties of RM23,574 (2022: Nil) in which a director of the Group and of the Company has a substantial financial interest. These amounts are non-trade in nature, unsecured, interest-free and repayable upon demand.

(d) Accruals

In the previous financial year, included in the accruals of the Group was an amount of RM1,942,836 in respect of anticipated loss arising from late deliveries of completed property development projects to the buyers.

(e) Amount owing to a subsidiary

In the previous financial year, the amount owing to a subsidiary was non-trade in nature, unsecured, interest-free and repayable upon demand.

(f) Amount owing to a director

Amount owing to a director is non-trade in nature, unsecured, interest-free and repayable upon demand, as and when the amount and timing of repayment will not adversely affect the cash flows of the Group and of the Company to meet their obligations as and when they fall due.

(g) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 28(b)(ii).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

26. PROVISION FOR LIABILITIES

	Provision for strata-title application costs RM
Group	
At beginning/end of the financial year	1,812,000

Provision for strata-title application costs

This was in respect of an strata-title application costs for a project of a subsidiary which had been completed in prior years.

27. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Holding company;
(ii) Subsidiaries as disclosed in Note 14;
(iii) Entities in which directors have substantial financial interests; and
(iv) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

27. RELATED PARTIES *(cont'd)*

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group 2023 RM	Group 2022 RM
Entities in which a director has substantial financial interests		
Talam Mesra Sdn. Bhd.		
Rental paid/payable	(72,000)	(72,000)
Inland World Sdn. Bhd.		
Development rights paid/payable	-	(8,000,000)
Ecodwell Venture Sdn. Bhd.		
Purchase of property, plant and equipment	(313,830)	-

Subsidiaries	Company 2023 RM	Company 2022 RM
Eastern Biscuit Factory Sdn. Bhd.		
Interest income	1,266,422	-
Management fee	480,000	400,000
FBO Land (Setapak) Sdn. Bhd.		
Interest income	414,817	-
Management fee	600,000	400,000
Exquisite Properties Sdn. Bhd.		
Bad debts written off	(6,727)	-
Write-back of payable	-	9,282
FBO Properties Sdn. Bhd.		
Bad debts written off	(2,768)	(8,459)

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 17 and 25.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to a subsidiary as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

27. RELATED PARTIES *(cont'd)*

(c) Key management personnel compensation

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Executive Directors				
Salaries, allowances and bonus	1,251,800	1,278,248	1,141,800	1,114,633
Other emoluments	155,813	153,212	141,494	137,499
	1,407,613	1,431,460	1,283,294	1,252,132
Non-Executive Directors				
Allowances	32,400	32,400	32,400	32,400
Fees	266,000	216,000	266,000	216,000
	298,400	248,400	298,400	248,400
Total directors' remuneration	1,706,013	1,679,860	1,581,694	1,500,532
Key management personnel				
- Salaries and allowances	302,000	357,000	302,000	357,000
- Defined contribution plans	36,240	42,840	36,240	42,840
- Socso contribution	1,756	1,771	1,756	1,771
	339,996	401,611	339,996	401,611

The estimated monetary values of a director's and key management personnel's benefit-in-kind are RM8,800 and RM9,900 respectively (2022: RM8,800 and RM9,900 respectively).

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost
(ii) Fair value through other comprehensive income ("FVOCI")

	Carrying amount RM	Amortised cost RM	FVOCI RM
2023			
Financial assets			
Group			
Other investments	1,616,129	-	1,616,129
Financing receivables	6,902,965	6,902,965	-
Trade and other receivables (exclude prepayments, advances to suppliers and GST claimable)	6,147,467	6,147,467	-
Deposits placed with licensed banks	10,600,785	10,600,785	-
Cash and bank balances	37,475,318	37,475,318	-
	62,742,664	61,126,535	1,616,129
Company			
Other investments	1,616,129	-	1,616,129
Trade and other receivables (exclude prepayments)	51,202,518	51,202,518	-
Cash and bank balances	31,985,997	31,985,997	-
	84,804,644	83,188,515	1,616,129
Financial liabilities			
Group			
Trade and other payables	21,696,193	21,696,193	-
Loans and borrowings (exclude lease liabilities)	27,026,688	27,026,688	-
	48,722,881	48,722,881	-
Company			
Trade and other payables	350,997	350,997	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Categories of financial instruments *(cont'd)*

	Carrying amount RM	Amortised cost RM	FVOCI RM
2022			
Financial assets			
Group			
Other investments	1,628,935	-	1,628,935
Financing receivables	54,828	54,828	-
Trade and other receivables (exclude prepayments, advances to suppliers and GST claimable)	3,786,079	3,786,079	-
Deposits placed with licensed banks	5,173,296	5,173,296	-
Cash and bank balances	27,065,159	27,065,159	-
	37,708,297	36,079,362	1,628,935
Company			
Other investments	1,628,935	-	1,628,935
Trade and other receivables (exclude prepayments)	46,389,041	46,389,041	-
Cash and bank balances	4,064,924	4,064,924	-
	52,082,900	50,453,965	1,628,935
Financial liabilities			
Group			
Trade and other payables	27,034,412	27,034,412	-
Loans and borrowings (exclude lease liabilities)	22,329,353	22,329,353	-
	49,363,765	49,363,765	-
Company			
Trade and other payables	1,057,098	1,057,098	-

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risk and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Financing receivables, trade receivables and contract assets

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

The carrying amount of trade receivables and contracts assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all financing receivables, trade receivables and contracts assets. To measure the impairment losses, financing and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Financing receivables, trade receivables and contract assets *(cont'd)*

The information about the credit risk exposure on the Group's and the Company's financing receivables, trade receivables and contracts assets are as follows:

Group	**Gross carrying amount at default RM**
2023	
Contract assets	2,155,718
Financing and trade receivables	
Current	7,756,726
1-30 days past due	532,638
31-60 days past due	28,584
61-90 days past due	14,598
91-120 days past due	317,279
>121 days past due	330,653
	8,980,478
Impairment losses	
- Individually assessed	16,938,622
	25,919,100
	28,074,818

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Trade receivables and contract assets *(cont'd)*

The information about the credit risk exposure on the Group's and the Company's financing receivables, trade receivables and contracts assets are as follows: *(cont'd)*

Group	Gross carrying amount at default RM
2022	
Contract assets	2,335,034
Financing and trade receivables	
Current	1,384,840
1-30 days past due	258,802
31-60 days past due	220,015
61-90 days past due	76,812
91-120 days past due	61,147
>121 days past due	220,273
	2,221,889
Impairment losses	
- Individually assessed	17,190,716
	19,412,605
	21,747,639

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, deposits placed with licensed banks, and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Other receivables and other financial assets *(cont'd)*

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired amounts owing by subsidiaries and other receivables, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

Refer to Note 3.15(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and its repayments on an on-going basis. The maximum exposure to credit risks amounts to RM23,385,917 (2022: RM22,329,353) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 28(b)(ii). As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Financial guarantee contracts *(cont'd)*

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary's secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from differences of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(ii) Liquidity risk *(cont'd)*

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount	**Within 1 Year**	**1 - 5 Years**	**> 5 Years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
2023					
Group					
Financial liabilities					
Trade and other payables	21,696,193	18,874,814	3,170,501	-	22,045,315
Loans and borrowings	27,301,215	6,956,958	14,113,710	12,966,053	34,036,721
	48,997,408	25,831,772	17,284,211	12,966,053	56,082,036
Company					
Trade and other payables	350,997	350,997	-	-	350,997
Financial guarantee contracts	-	23,385,917	-	-	23,385,917
	350,997	23,736,914	-	-	23,736,914

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(ii) Liquidity risk *(cont'd)*

Maturity analysis *(cont'd)*

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: *(cont'd)*

		Contractual cash flows			
	Carrying amount	**Within 1 Year**	**1 - 5 Years**	**> 5 Years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
2022					
Group					
Financial liabilities					
Trade and other payables	27,034,412	24,281,932	3,024,132	-	27,306,064
Loans and borrowings	22,514,284	2,031,565	11,921,000	16,574,887	30,527,452
	49,548,696	26,313,497	14,945,132	16,574,887	57,833,516
Company					
Trade and other payables	1,057,098	1,057,098	-	-	1,057,098
Financial guarantee contracts	-	22,329,353	-	-	22,329,353
	1,057,098	23,386,451	-	-	23,386,451

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's other investment.

The Group's and the Company's financial assets that are not denominated in their functional currencies are as follows:

	Group and Company Functional currencies RM
2023	
Other investment	
Australian Dollar	1,614,354
2022	
Other investment	
Australian Dollar	1,627,160

The Group's and the Company's principal foreign currency exposure relates mainly to Australian Dollar ("AUD").

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

	Change in rate	Effect on profit/ (loss) for the financial year RM	Effect on equity RM
Group and Company			
2023			
- AUD	10%	-	161,435
	-10%	-	(161,435)
2022			
- AUD	10%	-	162,716
	-10%	-	(162,716)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate	Effect on profit/ (loss) for the financial year RM	Effect on equity RM
Group			
2023	+1%	(204,491)	(204,491)
	- 1%	204,491	204,491
2022	+1%	(169,703)	(169,703)
	- 1%	169,703	169,703

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments outside Malaysia are listed on Australian Securities Exchange ("ASX") in Australia.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(v) Market price risk *(cont'd)*

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in ASX, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

	Change in rate	Effect on profit/ (loss) for the financial year RM	Effect on equity RM
Group and Company			
2023	+1%	-	16,144
	- 1%	-	(16,144)
2022	+1%	-	16,272
	- 1%	-	(16,272)

(c) Fair value measurement

The carrying amounts of cash and bank balances, deposits placed with licensed banks, short-term receivables, payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

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

28. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Fair value measurement *(cont'd)*

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
2023									
Group and Company									
Financial assets									
Other investments	1,616,129	1,614,354	-	1,775	1,616,129	-	-	-	-
Group									
Financial liabilities									
Hire purchase payable	119,953	-	-	-	-	-	-	119,953	119,953
2022									
Group and Company									
Financial asset									
Other investments	1,628,935	1,627,160	-	1,775	1,628,935	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

28. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Fair value measurement *(cont'd)*

Level 3 fair value

Fair value of financial instruments carried at fair value

The management is of the view that the cost represents the appropriate estimate of fair value due to the insufficiency of the availability of the more recent information to measure fair value as well as the wide range of possible fair value measurements.

Fair value of financial instruments not carried at fair value.

The fair value of hire purchase payable is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

29. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	2023 RM	2022 RM
Property, plant and equipment approved and contracted for	8,060,901	2,680,957
Property, plant and equipment approved but not contracted for	401,558	340,596
	8,462,459	3,021,553

30. FINANCIAL GUARANTEES

	2023 RM	2022 RM
Corporate guarantee to banks in respect of banking facilities granted to a subsidiary	23,385,917	22,329,353

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group and the Company manage their capital structure by monitoring the capital and net debt on an on-going basis. To maintain the capital structure, the Group and the Company may adjust the dividend payment to shareholders.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company monitor using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio at 30 June 2023 and 30 June 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade and other payables	21,696,193	27,034,412	350,997	1,057,098
Loans and borrowings	27,301,215	22,514,284	-	-
Total debts	48,997,408	49,548,696	350,997	1,057,098
Total equity	238,738,078	161,581,184	222,170,434	154,922,085
Gearing ratio	21%	31%	0%	1%

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 18 March 2022, the Group proposes to undertake the following:

(i) FBO Land (Setapak) Sdn. Bhd. (a wholly-owned subsidiary of the Company) had entered into a conditional sale and purchase agreement ("CSPA") with the Company, Top Land Resources Sdn. Bhd., Mentiga Development & Construction Sdn. Bhd. and Leading Ventures Sdn. Bhd. ("LV"), to acquire 92 commercial units comprising the ground and first floor within 46 stratified 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur ("Properties"), for a total purchase consideration of RM24,800,000 ("Purchase Consideration") which will be satisfied via the issuance of 381,538,461 new ordinary shares in the Company at an issue price of RM0.065 each, subject to the terms and conditions of the CSPA.

All the conditions precedent have been fulfilled on 15 July 2022 in accordance to the terms and conditions of the CSPA and the CSPA has become unconditional on even date.

The acquisition had been completed on 8 August 2022 following the issuance and allotment of 381,538,461 consideration shares to security stakeholder and LV in accordance to the CSPA on even date.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *(cont'd)*

(a) On 18 March 2022, the Group proposes to undertake the following: *(cont'd)*

(ii) Proposed capital reduction exercise comprising the proposed reduction from the capital reserve account of the Company and proposed reduction in the share capital of the Company, pursuant to Section 116 of the Companies Act, 2016 to reduce the share capital of the Company.

On 22 September 2022, the Company announced that the High Court of Malaya had granted the order confirming the proposed capital reduction. Accordingly, the proposed capital reduction has been lodged to Companies Commission of Malaysia on 30 September 2022 and taken effect and deemed completed on 30 September 2022.

(iii) Proposed diversification of the existing principal activities of the Company and its subsidiaries to include renewable energy and energy efficiency related technology and businesses.

(b) On 30 August 2022, Leading Ventures Sdn. Bhd. ("LV" or the Offeror") had via direct business transactions acquired 369,120,100 ordinary shares in the Company, representing 18.96% of the total issued shares in the Company. Following the Shares Acquisition, LV's shareholding in the Company increased from 625,481,024 ordinary shares (representing approximately 32.12% of the total issued shares) to 994,601,124 ordinary shares, representing approximately 51.07% of the total issued shares in the Company.

Dato' Lee Wai Mun, DIMP., JMK., JP., the Executive Director of the Company is the sole director and sole shareholder of LV, and is thus deemed as the ultimate offeror for the Offer ("Ultimate Offeror")

Pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and Paragraph 4.01(a) of the Securities Commission Malaysia's Rule on Take-overs, Mergers and Compulsory Acquisitions, LV is obligated to extend a mandatory take-over offer to acquire:

(i) all the remaining shares not already owned by the Ultimate Offeror, Offeror and persons acting in concert ("PAC") with them, as well as such number of new Company's shares that may be issued and allotted prior to the Closing Date arising from the exercise of the outstanding warrants 2022/2032 for a cash consideration of RM0.070 per Offer Share.

(ii) all the remaining Warrants which are not already owned by the Ultimate Offeror, Offeror and PACs for a cash consideration of RM0.005 per Offer Warrant.

(c) On 3 April 2023, the Company is proposing to establish an employees' shares scheme of up to 15% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any) at any point in time during the tenure of the Scheme for eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries, if any).

The effective date for the implementation of the proposed employees' shares scheme is on 1 June 2023.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 4 September 2023, the Company's wholly-owned subsidiary, Exquisite Properties Sdn. Bhd. has been officially struck-off from the Register of Companies Commission of Malaysia.

(b) Subsequent to the financial year, the following shares were issued:

Date	Purpose of issue	Class of shares	Number of shares	Term of issue
3 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,000	Cash
6 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,200,000	Cash
10 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,500,000	Cash
13 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,050,000	Cash
17 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,480,000	Cash
20 July 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	607,900	Cash
2 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	350,000	Cash
23 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,000	Cash
28 August 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,515,000	Cash
4 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,249,000	Cash
7 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	7,811,200	Cash
12 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,648,000	Cash
18 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	169,200	Cash
21 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	4,283,000	Cash
22 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	563,400	Cash
26 September 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,347,900	Cash
4 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,185,000	Cash
6 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	1,535,200	Cash
12 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	2,748,400	Cash
17 October 2023	Conversion of warrants B	Ordinary shares of RM0.085 each	200,262	Cash

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

We, **LEE CHEE KIANG** and **TAN CHIN HONG**, being two of the directors of Meta Bright Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 67 to 178 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial year then ended.

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

LEE CHEE KIANG
Director

TAN CHIN HONG
Director

Kuala Lumpur

Date: 17 October 2023

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

I, **TAN CHIN HONG**, being the director primarily responsible for the financial management of Meta Bright Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 67 to 178 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN CHIN HONG

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 17 October 2023.

Before me,

HADINUR MOHD SYARIF (No. W761)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meta Bright Group Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 178.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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 META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Investment properties and property, plant and equipment (Notes 4(a), 4(b), 11 and 12 to the financial statements)

The Group has significant balances of investment properties and property, plant and equipment. The Group's policy is to measure investment properties at fair value and property, plant and equipment (comprising freehold land and building) carried at valuation subsequent to their initial recognition. The directors estimated the fair value of the investment properties and valuation of property, plant and equipment based on information provided and the valuation performed by an external independent valuer.

We focused on this area because the estimation of fair value of investment properties and valuation of property, plant and equipment requires significant judgement in key assumptions used.

Our response:

Our audit procedures included, among others:
- considering the competence, capabilities and objectivity of the external valuers which includes consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- reading the valuation reports and discussing with external valuer and directors on their valuation approach and the significant judgements made; and
- understanding the relevance of the key input data used by the external valuers.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(cont'd)

Key Audit Matters *(cont'd)*

Group *(cont'd)*

Inventories (Notes 4(c) and 13 to the financial statements)

We focused on this area because the review of carrying value of certain inventories at lower of cost and net realisable value by the directors are major source of estimation uncertainty.

Our response:

Our audit procedures included, among others:
- considering the competence, capabilities and objectivity of the external valuers which includes consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- comparing the directors' assumptions to externally derived data, if any, as well as discussing with external valuer on their assessment of the fair value of the leasehold land;
- observing physical inventory count to observe physical existence of the finished goods;
- checking subsequent sales and discussing directors' assessment on estimated net realisable value on selected inventory items; and
- discussing with directors on whether the inventories have been written down to their net realisable value.

Revenue and corresponding costs recognition for property development activities (Notes 4(d), 5, 13 and 18 to the financial statements)

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. The estimated total revenue and costs are affected by a variety of uncertainties that depend of the outcome of future events.

Our response:

Our audit procedures included, among others:
- reading the terms and conditions of sample of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation; and
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(cont'd)

Key Audit Matters *(cont'd)*

<u>Company</u>

Investment in subsidiaries (Notes 4(e) and 14 to the financial statements)

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. Reviews are performed if events indicate that this is necessary. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

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

Our response:

Our audit procedures included, among others:
- understanding the directors' assumptions in relation to key assumptions discussing the achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- understanding the sensitivity analysis around the key assumptions.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF META BRIGHT GROUP BERHAD
(Incorporated in Malaysia)
(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements *(cont'd)*

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 14 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2024 J
Chartered Accountant

Kuala Lumpur

Date: 17 October 2023

PROPERTIES OWNED BY
THE COMPANY AND ITS SUBSIDIARIES

Registered Beneficial Owner	Description and existing use	Location	Tenure	Land Area/ Floor Area	Age of Building (Year)	Net Book Value RM	Date of Acquisition/ Revaluation
Eastern Biscuit Factory Sdn Bhd	Shopping Centre with basement carpark and a 4 star Hotel	Kota Sri Mutiara Jalan Sultan Yahya Petra 15150 Kota Bharu, Kelantan	Freehold	8,068 square metres	25	142,593,700	30/06/2023
Eastern Biscuit Factory Sdn Bhd	Completed condominium 11 units Completed shoplots 20 units	Kota Sri Mutiara Jalan Sultan Yahya Petra 15150 Kota Bharu, Kelantan	Freehold	21,983 square feet	25	3,919,664	30/06/2023
Eastern Biscuit Factory Sdn Bhd	Ongoing development land	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold (Expiring on 22 July 2074)	48,201 square feet	N/A	9,731,396	27/04/2009
Eastern Biscuit Factory Sdn Bhd	Land held for sales	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold (Expiring on 22 July 2074)	196,721 square feet	N/A	7,000,000	30/06/2023
Eastern Biscuit Factory Sdn Bhd	Completed shop houses 15 units 2-storey	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold (Expiring on 22 July 2074)	24,900 square feet	7	5,818,717	15/05/2016
Eastern Biscuit Factory Sdn Bhd	Land held for development	Mukim Bandar Kota Bharu Jejahan Kota Bharu Kelantan	Leasehold (Expiring on 1 March 2122)	62,075 square feet	N/A	500,000	22/03/2023
FBO Land (Setapak) Sdn Bhd	Ongoing development land	Damai, Kota Kinabalu, Sabah	Leasehold (Expiring on 31 December 2081)	1,306 square metres	N/A	39,171,076	23/09/2022
FBO Land (Setapak) Sdn Bhd	Completed shop/ offices 46 units 2-storey	Mukim Chenor Daerah Maran Pahang	Leasehold (Expiring on 22 October 2101)	99,505 square feet	4	24,800,000	08/08/2022

ANALYSIS OF SHAREHOLDINGS
AS AT 29 SEPTEMBER 2023

Issued and Paid-up Capital	:	187,872,865 divided into 2,366,959,277 shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	15,163

DISTRIBUTION OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2023

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Issued Share Capital
1 to 99 shares	7,753	51.131%	323,329	0.014%
100 to 1,000 shares	4,273	28.181%	1,234,044	0.052%
1,001 to 10,000 shares	1,666	10.987%	7,960,178	0.336%
10,001 to 100,000 shares	1,074	7.083%	40,686,018	1.719%
100,001 to 118,280,568 shares	395	2.605%	1,139,547,320	48.144%
118,280,569 and above	2	0.013%	1,177,208,388	49.735%
TOTAL	**15,163**	**100%**	**2,366,959,277**	**100%**

DIRECTORS' SHAREHOLDINGS AS AT 29 SEPTEMBER 2023 (as per Register of Directors' Shareholdings)

Name of Directors	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Dato' Lee Wai Mun, DIMP., JMK., JP.	-	-	1,302,089,926*	55.011
Lee Chee Kiang	93,736,800	3.960	-	-
Tan Chin Hong	-	-	18,333,928**	0.775
Phang Kiew Lim	-	-	-	-
Mohamed Akwal Bin Sultan Mohamad	-	-	-	-
Masleena Binti Zaid	-	-	-	-
Ong Lu Yuan	1,198,800	0.051	-	-

NOTES:

* *Deemed interest by virtue of his interest in Leading Ventures Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

** *Indirect interest by virtue of his directorship and shareholding in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed Interest by virtue of shares held by his sister, Ms Adeline Tan Wan Chen and his brother, Tan Chin Hao.*

ANALYSIS OF SHAREHOLDINGS
AS AT 29 SEPTEMBER 2023
(cont'd)

SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2023 (as per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Leading Ventures Sdn Bhd	1,302,089,926	55.011	-	-
Dato' Lee Wai Mun, DIMP., JMK., JP.	-	-	1,302,089,926*	55.011

NOTES:

* *Deemed interest by virtue of his interest in Leading Ventures Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholdings No. of Shares	Percentage (%)
1	**LEADING VENTURES SDN BHD**	612,793,404	25.889
2	**LEADING VENTURES SDN BHD**	564,414,984	23.846
3	**MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD** LEADING VENTURES SDN. BHD.	114,461,538	4.836
4	**WANG, RUIHUI**	78,192,800	3.304
5	**LEONG MAY LING**	77,100,000	3.257
6	**CHEONG POH CHOY**	74,971,946	3.167
7	**LIM WEN YEH**	63,407,548	2.679
8	**KUAH OOI SIAN**	60,444,500	2.554
9	**LEE CHEE KIANG**	51,736,800	2.186
10	**ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LEE CHEE KIANG (7006854)	42,000,000	1.774
11	**NG KAOI YUN**	40,239,500	1.700
12	**JS GREENWOOD SDN BHD**	35,052,000	1.481
13	**MELVINYEO KIANDEE**	31,420,714	1.327
14	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN. BHD.	30,077,871	1.271
15	**CHEW KENG SIEW**	24,811,428	1.048
16	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR PRESTIGE PAVILION SDN BHD (MY1661)	17,670,000	0.747
17	**CHONG OI LING**	14,420,800	0.609
18	**NG KOOI CHENG**	13,406,000	0.566
19	**LIM WEN YEH**	12,814,285	0.541

ANALYSIS OF SHAREHOLDINGS
AS AT 29 SEPTEMBER 2023
(cont'd)

No.	Name	Shareholdings No. of Shares	Percentage (%)
20	**TA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LIEW CHENG TONG	12,676,000	0.536
21	**LAI YAT SENG**	11,070,000	0.468
22	**CARTABAN NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (BJSSHKBR-CL O L)	11,024,000	0.466
23	**POH SHIOW WOAN**	10,792,821	0.456
24	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR YAP YOON SUN (MY3608)	10,000,000	0.422
25	**LING HUNG TAH**	9,614,800	0.406
26	**UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	9,395,799	0.397
27	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR CHU SHENG TAUR (PB)	9,119,533	0.385
28	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR CHU JAN TOW (PB)	8,734,813	0.369
29	**SWC CAPITAL SDN. BHD.**	8,700,000	0.368
30	**FOO CHEK PANG**	7,076,100	0.299
	Total	**2,067,639,984**	**87.354**

ANALYSIS OF WARRANTS B HOLDINGS
AS AT 29 SEPTEMBER 2023

No. of Warrants B Issued	:	782,901,982
No. of Warrants B Exercised	:	30,143,800
No. of Warrants B Unexercised	:	752,758,182
Issue date	:	14 February 2022
Maturity date	:	13 February 2032
Rights of Warrants B Holder	:	The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for the new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.

DISTRIBUTION OF WARRANTS B HOLDINGS AS AT 29 SEPTEMBER 2023

Size of Warrants B Holdings	No. of Warrants B Holders	Percentage of Warrants B Holders	No. of Warrants	Percentage of Issued Warrants
Less than 100	84	16.438%	3,897	0.001%
100 to 1,000	29	5.675%	13,599	0.002%
1,001 to 10,000	90	17.613%	486,807	0.065%
10,001 to 100,000	172	33.659%	7,411,253	0.984%
100,001 to 37,637,909 (*)	129	25.245%	321,625,134	42.726%
37,637,909 AND ABOVE (**)	7	1.370%	423,217,492	56.222%
TOTAL	**511**	**100%**	**752,758,182**	**100%**

DIRECTORS' WARRANTS B HOLDINGS AS AT 29 SEPTEMBER 2023 (as per Register of Directors' Warrants B Holdings)

Name of Directors	No. of Warrants B (Direct)	%	No. of Warrants B (Indirect)	%
Dato' Lee Wai Mun, DIMP., JMK., JP.	-	-	157,301,092*	20.897
Lee Chee Kiang	46,868,831	6.226	-	-
Masleena Binti Zaid	-	-		-
Mohamed Akwal Bin Sultan Mohamad	-	-	-	
Ong Lu Yuan	620,442	0.082	-	-
Phang Kiew Lim	-	-	-	-
Tan Chin Hong	-	-	-	-

Notes:

* *Deemed interest by virtue of his interest in Leading Ventures Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF WARRANTS B HOLDINGS
AS AT 29 SEPTEMBER 2023
(cont'd)

THIRTY LARGEST WARRANTS B HOLDERS

No.	Name	No. of Warrants B	Shareholdings Percentage (%)
1	**LEADING VENTURES SDN BHD**	157,299,015	20.896
2	**LEONG MAY LING**	52,752,631	7.008
3	**LEE CHEE KIANG**	46,868,831	6.226
4	**CHEONG POH CHOY**	44,117,551	5.861
5	**WAN CHEE KONG**	42,113,644	5.595
6	**LIEW YEN HUEI**	41,743,436	5.545
7	**LEE MEI ZHEN**	38,322,384	5.091
8	**SIM LI YIN**	36,953,963	4.909
9	**NG KAOI YUN**	34,210,526	4.545
10	**LIM WEN YEH**	31,703,773	4.212
11	**TAN MAI PENG**	21,894,736	2.909
12	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LUI YUEN QIU (7001122)	17,670,000	2.347
13	**MELVINYEO KIANDEE**	15,985,356	2.124
14	**WONG KOK KUN**	14,982,152	1.990
15	**EPSILON MANAGEMENT SDN BHD**	13,458,647	1.788
16	**CHEW KENG SIEW**	12,405,713	1.648
17	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR CHEOK LEE HAR (7001135)	11,400,000	1.514
18	**TA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR EPSILON MANAGEMENT SDN BHD	10,934,285	1.453
19	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN. BHD.	10,000,785	1.329
20	**UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	9,050,000	1.202
21	**LIM WEN YEH**	6,407,142	0.851
22	**LING HUNG TAH**	4,807,400	0.639
23	**CHONG OI LING**	4,613,494	0.613
24	**TING DIEW WEI**	4,389,252	0.583
25	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR TAN SZE HONG (7001191)	4,229,500	0.562
26	**POH SHIOW WOAN**	3,909,784	0.519
27	**LUI YUEN QIU**	2,487,600	0.330
28	**KENANGA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR SOH HAO KANG	2,000,000	0.266
29	**KENANGA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR YEE CHEN WAH	1,975,000	0.262
30	**TEO CHIT MING @ TEO CHEE MING**	1,792,630	0.238
	Total	**700,479,230**	**93.055**

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Meta Bright
正源 Group 集团

META BRIGHT GROUP BERHAD

(Registration No. 200001013359 (515965-A))
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of shares held	CDS Account No. of Authorised Nominee

I/We ______________________________ NRIC/Passport/Co. No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____
(ADDRESS)

Email Address ______________________________ Tel No. ____________________

being a member of **META BRIGHT GROUP BERHAD**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email :			

Proxy 2 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email :			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty-Third ("**23rd**") Annual General Meeting ("**AGM**") of the Company, to be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia on Friday, 15 December 2023 at 9.30 a.m. or any adjournment thereof.

My/our proxy(ies) shall vote as follows:

No.	Resolutions	For	Against
	Ordinary Resolutions		
1.	To re-elect Mr Lee Chee Kiang as Director		
2.	To re-elect Mr Tan Chin Hong as Director		
3.	To approve the Directors' Fees and Benefits Payable to the Directors of an amount up to RM500,000 for the period from the date of the 23rd AGM until the date of the next AGM, to be paid monthly in arrears		
4.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	To authorise the Directors to allot and issue shares		
6.	To approve proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature		
7.	To approve proposed authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this ____________ day of ____________, 2023

____
Signature of Shareholder or Common Seal

Fold this flap for sealing

Notes:

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote shall have the same rights as the members to speak at the meeting.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee who holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The Form of Proxy shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. To make available a Record of Depositor as at 5 December 2023 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
7. Pursuant to Clause 78 of the Company's Constitution, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 31 October 2023.

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AFFIX
STAMP

META BRIGHT GROUP BERHAD
(Registration No. 200001013359 (515965-A))
c/o BOARDROOM SHARE REGISTRARS SDN. BHD.
GROUND & 11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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