Johan Holdings Berhad

Annual Report

for the financial period from
1 February 2020 to 31 July 2021

▷ CONTENTS ◁

▷ CORPORATE PROFILE ◁

Johan began its activities in 1920 as Johan Tin Dredging Ltd. It operated a mining lease off the Sungei Johan in the Kinta District of Perak, Malaysia with a paid-up capital of RM136,000 which remained unchanged for 61 years until 1981. In 1979, the Company was renamed Johan Holdings Berhad.

Since 1979, Johan diversified away from its tin mining business and through acquisitions and organic growth. The Johan Group today is a Malaysian grown group with diversified operations.

Johan is listed on the Main Market of Bursa Malaysia Securities Berhad.

Johan Group's current principal activities include the manufacture, sale and distribution of gloves, travel and tours, property development, resorts and hotels.

Group Corporate Directory
Principal Companies

Malaysia ◁

Johan Holdings Berhad
11th Floor, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603 2092 1858
Fax : 603 2092 2812
Website : www.johanholdings.com

The Orient Star Resort, Lumut
(owned by Lumut Park Resort Sdn Bhd)
Lot 203 & 366 Jalan Iskandar Shah
32200 Lumut
Perak Darul Ridzuan
Tel : 605 683 3800
Fax : 605 683 8088
Website : www.orientstar.com.my

Diners Club (Malaysia) Sdn Bhd
Suite 16.03, 16th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 2161 1322
Fax : 603 2161 1518

Diners World Travel (Malaysia) Sdn Bhd
Suite 16.03, 16th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 2164 0068
Fax : 603 2161 3670

Dynacare Sdn Bhd
Lot 15528 (PT 5001)
Kawasan Perusahaan Kampung Acheh
32000 Sitiawan
Perak Darul Ridzuan
Tel : 603 2092 1858
Fax : 603 2092 2812
Email : enquiry@dynacare.com.my
Website : www.dynacare.com.my

William Jacks & Company (Malaysia) Sendirian Berhad
11th Floor, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603 2092 1858
Fax : 603 2092 2812

Singapore ◁

J Capital Investments Pte Ltd
(formerly known as Diners World Travel Pte Ltd)
250 North Bridge Road
#37-03 Raffles City Tower
Singapore 179101
Tel : 65 6893 6631
Fax : 65 6266 6573

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Tan Kay Hock
Chairman & Chief Executive

Puan Sri Datin Tan Swee Bee
Group Managing Director

Tan Sri Dato' Seri Dr Ting Chew Peh
Non-Independent Non-Executive Director

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Independent Non-Executive Director

Ooi Teng Chew
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff *(Chairman)*
Tan Sri Dato' Seri Dr Ting Chew Peh
Ooi Teng Chew

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Tan Kay Hock *(Chairman)*
Puan Sri Datin Tan Swee Bee
Lee Teck Siong
Choo Chin Yoon

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Dr Ting Chew Peh *(Chairman)*
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Puan Sri Datin Tan Swee Bee

NOMINATING COMMITTEE

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff *(Chairman)*
Tan Sri Dato' Seri Dr Ting Chew Peh
Ooi Teng Chew

COMPANY SECRETARY

Teh Yong Fah
SSM PC No.: 201908003410
MACS 00400

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants

SHARE REGISTRAR

Johan Management Services Sdn. Bhd.
11th Floor, Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : johanms1@outlook.com

REGISTERED OFFICE

11th Floor, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812

BUSINESS OFFICE

11th Floor, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 603-2092 1858
Fax : 603-2092 2812
E-mail : jhb@johanholdings.com.my
Website : www.johanholdings.com

GROUP PRINCIPAL BANKERS
(in alphabetical order)

CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
Stock Name : JOHAN
Stock Code : 3441
Sector : Financial Services

CORPORATE WEBSITE

www.johanholdings.com

Chairman's Management Discussion & Analysis

On behalf of your Board of Directors, it is my pleasure to present to shareholders, the Annual Report of Johan Holdings Berhad for the 18 months period ended 31 July 2021 ("FP 2020/21"), following the change to its new financial year.

YEAR OF CHANGE AND ACTIVITIES

The period under review was a watershed for the Group having disposed our main business, Diners Club Singapore, and, entering into the healthcare business particularly the manufacture of gloves. There was a hive of corporate activities with numerous shareholders' approvals for capital injection and to embark on the new business. The capital base is much more substantial and the Balance Sheet is much strengthened with virtually no debt. With the strong foundation the Group is now poised to enter a new chapter in the history the Group to deliver value to the shareholders.

ECONOMIC AND BUSINESS OVERVIEW

Year 2020 was a tumultuous period due to the effects of the COVID-19 pandemic worldwide which saw slowdown in the global economy due to lockdowns implemented across the world to curb the spread of the virus infection. The spread of the COVID 19 continued unabated up until our financial year end 31st July 2021. At the date of writing many countries in the world are beginning, albert cautiously, to open up their economies and borders.

The rapid deployment of vaccines as well as fiscal and monetary policy support in the developed countries enabled these economies to experience a nascent recovery, but the developing countries that lacked such support lagged behind. According to the World Bank, the GDP growth contracted by 3.5%, a sharp contraction as compared to the 2.5% growth recoded in 2019. The IMF expects global growth to rebound to 6.0% in 2021 on account of additional fiscal support, increased rollout of vaccinations and continued adaptation of economic activity to movement restrictions.

Malaysia's economy mirrored the global trend, where GDP growth contracted by 5.6% in 2020 (+4.3% in 2019), reflecting the unprecedented impact of the Government's COVID-19 containment measures, as various iterations of the Movement Control Order curtailed activities in all economic sectors. With the uncertainties over the recovery from the Covid-19 pandemic and the on and off lockdown imposed, most businesses in Malaysia remains weak. The retail sector underwent tough challenges as the Government reimposed some of the containment measures and strict SOPs on all retail outlets. The imposition of periodic lockdowns and travel bans and absence of foreign tourists has confronted the hospitality businesses with an unprecedented challenges. According to a biannual industry survey conducted by the Federation of Malaysian Manufacturers and the Malaysian Institute of Economic Research, manufacturers reported that business activity had declined tremendously in the 1st half of 2021. The general business activity index plunged far below the 100-point optimism threshold to 65, losing 36 points from 2nd half of 2020. While Malaysia's GDP saw a strong recovery to 16.1% year on year growth in the second quarter of 2021, Bank Negara revised downwards its full year GDP growth forecast for Malaysia to between 3 % and 4 % for 2021, after taking into account the reimposition of nationwide containment measures.

Chairman's Management Discussion & Analysis
cont'd

Singapore was not spared from the Covid-19 pandemic as the economy recorded its worst full year recession since independence. Singapore's GDP for 2020 contracted 5.8% verses 0.7% growth in 2019. This is the worst result, below the 2.2% contraction recorded for 1998 during the Asian financial crisis. The Singapore Government's implementation of Circuit Breaker measures in April 2020 had resulted in travel restrictions, safe distancing measures, lockdowns, remote working arrangements, closure of non-essential workplaces as well as manpower disruptions. The imposition of these Circuit Breaker measures, even after being lifted, had greatly affected your Group's businesses, ie the Diners Club Card services and air ticketing and travel management services in Singapore.

REVIEW OF GROUP FINANCIAL RESULTS

FP2020/21 was an unprecedented and tumultuous period as our Group's businesses faced immense challenges due to the Covid-19 pandemic and the measures including lockdowns, travel restrictions, remote working arrangements, safe distancing etc which not only brought about operational disruptions but also structural changes to the economy.

Your Group recorded Revenue of RM133.189 million, which includes revenue of RM84.077 million contributed up to 30 June 2021 by Diners Club (Singapore) Pte Ltd ("DCS") and Diners Pay Pte Ltd ("DPPL") (collectively the "Discontinued operations") following completion of the disposal of these two subsidiaries on 9 July 2021.

Loss from Continuing operations was RM39.164 million, and Loss from Discontinued operations was RM43.632 million. However your Group registered a gain on disposal of RM243.852 million, when the disposal of DCS and DPPL for a consideration of approximately S$103.586 million was completed on 9 July 2021. As a result, your Group registered a Profit after tax of RM161.056 million for FP 2020/21.

The substantial positive financial impact resulting from the disposal of DCS and DPPL, which have been incurring losses over the past few years, resulted in your Group achieving a notable turnaround in profit after tax and contributed substantially to strengthen the Group's balance sheet as at 31 July 2021. Set out below, for purposes of illustration, are highlights of the improved financial position of your Group's for FP2020/21 when compared to financial year ended 31 January, 2020 (" FY2019/20"):-

	FP2020/21	**FY2019/20**
• Profit/(Loss) after tax (RM'000)	161,056	(17,301)
• Earnings/(Loss) per share (sen)	22.89	(3.05)
• Shareholders' fund (RM'000)	239,839	59,860
• Total assets (RM'000)	302,969	972,551
• Total current liabilities (RM'000)	33,411	576,852
• Net assets per share (sen)	21.06	10.29
• Gearing ratio (times)	N/A	13.50

Your Group is now virtually debt-free.

CORPORATE DEVELOPMENT

(1) <u>Proposed Private Placement of New Ordinary Shares of Johan Holdings Berhad ("Johan")</u>

At the Extraordinary General Meeting ("EGM") of the Company held on 15 September 2020, shareholders had approved the Proposed Private Placement of up to 218,031,900 new ordinary shares of Johan, representing up to approximately 35% of the total issued Johan shares, to the following parties:-

Chairman's Management Discussion & Analysis
cont'd

(i) Mustika Manis Sdn Bhd ("MMSB") of up to 81,460,487 new Johan ordinary shares and Kurnia Menang Sdn Bhd ("KMSB") of up to 74,276,613 new Johan ordinary shares, at an issue price of RM0.063 per Johan share; and

(ii) Third party investor(s), who qualify under Schedule 6 and 7 of the Capital Markets and Services Act 2007, to be identified at a later stage of up to 62,294,800 new Johan ordinary shares, at an issue price to be determined later by the Board of Directors of Johan.

On 29 September 2020, MMSB and KMSB were respectively allotted 81,460,487 and 74,276,613 new Johan ordinary shares at an issue price of RM0.063 per share. Total cash proceeds from these 155,737,100 new Johan ordinary shares issued amounted to RM9,811,437.30. The cash proceeds are to be utilized for estimated expenses of RM 160,000 and balance of RM9.651 million for business/investment opportunities. These 155,737,100 new Johan ordinary shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") with effect on 29 September 2020.

The balance tranche of 62,294,800 new Johan ordinary shares to be placed out to third party investor(s) by 14 February 2021 was upon approval by Bursa Securities extended for a further 6 months to expire on 13 August 2021. This balance tranche of placement shares was not placed out to any third party investor(s) and therefore lapsed on 13 August 2021.

(2) <u>Proposed Disposal of Diners Club (Singapore) Pte Ltd ("DCS")</u>

At the EGM of the Company held on 29 January 2021, shareholders' approval was obtained for the proposed disposal by Johan Investment Pte Ltd, a wholly-owned subsidiary of Johan, of the entire equity interest in DCS, (including one of its subsidiaries, Diners Pay Pte Ltd) to Ezy Net Pte Ltd, for a total Disposal Consideration of S$103,586,103 (equivalent to approximately RM315.93 million) ("DCS Disposal").

Under the terms of the Share Purchase Agreement dated 24 December 2020, the Disposal Consideration of approximately S$103.586 million is to be fully setoff against cost of Excluded Assets consideration of S$18.861 million and Net Receivables Amount of S$84.725 million.

The Excluded Assets comprised cost of equity investment in wholly-owned subsidiaries of DCS, namely Diners World Travel Singapore Pte Ltd, and Strategic Usage Sdn Bhd and its wholly-owned subsidiaries, Diners Club (Malaysia) Sdn Bhd, Diners World Travel (Malaysia) Sdn Bhd and Lumut Park Resort Sdn Bhd, to be transferred back to Johan.

The DCS Disposal was completed on 9 July 2021, and DCS and DPPL ceased to be subsidiaries of the Johan Group. The shares in the Excluded Assets were simultaneously transferred and registered in the name of Johan Capital Sdn Bhd.

(3) <u>(I) Proposed Acquisition, (II) Proposed Diversification, (III) Proposed Rights Issue with Warrants, (IV) Proposed Offer to Subscribe and (V) Proposed Right To Execute the Works (the "Multiple Proposals")</u>

At the EGM of the Company held on 31 May 2021, shareholders' approval was obtained for all the Multiple Proposals.

(I) The Proposed Acquisition was for Dynacare Sdn Bhd ("Dynacare") to acquire a parcel of 71,980 sq.m industrial land with existing 6 factory buildings, an office building and ancillary buildings (the "Subject Property") in Lumut Port Industrial Park, Kampung Acheh, Sitiawan, Perak for a cash consideration of RM27,300,000. Dynacare has identified the Subject Property for the construction of the 42 production lines Gloves Manufacturing Plant.

(II) The Proposed Diversification was for Johan Group to diversify their existing activities to include the manufacturing, sale and distribution of Gloves via its subsidiary, Dynacare.

Chairman's Management Discussion & Analysis

cont'd

(III) The Proposed Rights Issue with Warrants was for Johan to undertake a Rights Issue of 389,342,813 Rights shares on the basis of 1 Rights share for every 2 existing Johan shares held on the entitlement date, together with 389,342,813 free Warrants on the basis of 1 Warrant for every Rights share subscribed for, at an issue price of RM0.10 per Rights share.

On 21 July 2021, it was announced that at the close of acceptance, excess application and payment for the Rights Issue with Warrants on 13 July 2021, a total of valid acceptances and excess applications for 652,661,733 Rights shares were received. Based on the total of 389,342,813 Rights shares available for subscription, the over subscription was in respect of 263,318,920, representing an over subscription of 67.63%.

On 22 July 2021, a total of 389,342,813 Johan shares together with 389,342,813 Warrants were allotted and issued to entitled shareholders.

The Proposed Rights Issue with Warrants was completed on 28 July 2021 upon these 389,342,813 Johan shares and 389,342,813 Warrants B were quoted and listed on the Main Market of Bursa Securities.

The gross proceeds of approximately RM38.934 million raised from the Proposed Rights Issue with Warrants are to be utilized for estimated expenses of the corporate exercise of RM1.5 million and the balance of RM37.434 million to fund the Gloves business undertaken by Dynacare.

(IV) The Proposed Offer to Subscribe was for Johan to extend the offer to George Kent (Malaysia) Berhad ("GKM") to subscribe for 40% equity interest in Dynacare at the issue price of RM1.00 per share. This related party transaction was completed when the proposed subscription by GKM in 40% equity interest in Dynacare was approved by shareholders at the EGM of GKM held on 8 June 2021.

(V) The Proposed Right To Execute The Works was for Dynacare to award to GKM the right to build the Gloves Manufacturing Plant on the Subject Property for a contract sum of approximately RM624.1 million, plus or minus 10% (excluding sales and service tax). This related party transaction was completed when at the EGM held on 8 June 2021, shareholders' approval was obtained for GKM to undertake the right to execute the works from Dynacare for the construction of the Gloves Manufacturing Plant at the said contract sum.

OPERATIONS AND PERFORMANCE REVIEW

Hospitality & Cards Services Segment

In response to the Covid-19 pandemic in the country, the Malaysian Government had implemented Movement Control Order ("MCO") starting from 18 March 2020, which was extended and relaxed to different phases in 2020 and 2021. Such measures with periodic lockdowns and travel bans have created an uncertain business climate and confronted this business segment in Malaysia, namely the Orient Star Resort Hotel operation, ticketing and tours management services under Diners World Travel (Malaysia) Sdn Bhd with unprecedented challenges. Business for this segment was significantly affected. For the 18 months ended 31 July 2021, total revenue dropped to RM7.887 million, compared with RM13.264 million for the 12 months ended 31 January 2020. As a result, this segment recorded a loss of RM13.518 million for the period under review.

Chairman's Management Discussion & Analysis

cont'd

In Singapore, the Government, in response to the Covid-19 pandemic, announced on 3 April 2020, a stringent set of preventive measures collectively called Circuit Breaker ("CB"), which was extended to 1 June 2020. This was followed by the three-phase approach to resume activities safely with the gradual re-opening of economic activities in each phase. Singapore was in Phase 3 from 28 December 2020 until 7 May 2021. However due to the rise of the Delta variant, from 8 May 2021, it went through various Phase 2 and Phase 3 Heightened Alert before reverting to Phase 2 Heightened Alert measures from 22 July 2021 to 9 August 2021.

The Covid-19 pandemic and the CB measures which included closure of non-essential services businesses, prohibition of social gatherings and allowing only delivery services and take-aways for food & beverages (F&B) establishments had severely impacted the retail and F&B sectors in Singapore. Likewise, such measures had greatly affected your Group's segment businesses in Singapore, ie the card services of Diners Club (Singapore) Pte Ltd and air ticketing & tour management services of Diners World Travel (Singapore) Pte Ltd. For FY2020/21, this segment registered lower revenue of RM84.596 million as against RM86.361 million for the 12 months ended 31 January 2020. This resulted in a loss of RM48.735 million for FP 2020/21.

General Trading

Your Group in October 2020, revived the general trading business of its wholly-owned subsidiary, William Jacks & Company (Malaysia) Sdn Bhd ("WJM") with trades in brass products for engineering use and IT related software programs. WJM recorded total revenue of RM 39.913 million and achieved a profit before tax of RM663,000 for the period under review.

Healthcare

At the EGM held on 31 May 2021, shareholders had, overwhelmingly approved your Group's diversification into the manufacturing, sale and distribution of examination and surgical gloves which are widely used in the healthcare, medical, foods and beverages industries. Approval was also obtained for Dynacare, to purchase the Subject Property in Lumut Port Industrial Park, Perak Darul Ridzuan, in collaboration with GKM as a 40% equity partner in Dynacare and GKM awarded as the design and build contractor for the Glove Manufacturing Plant on the Subject Property at the contract price of RM624.1 million, plus or minus 10% (excluding sale and services tax). As proud adopters of industry-leading Environment, Social and Governance (or "ESG") standards, sustainability is intricately weaved into the fabric of our organisation, right from the design and construction of our Plant, up to its operation. Our Plant is intentionally built to be a resource-efficient and environmentally friendly facility. Solar renewable energy as well as natural lighting and ventilation reduce our need for electricity from the national grid. We employed automation in glove stripping, counting, stacking and packing systems. Our plant is fully equipped with advanced wastewater treatment and water recycling systems, thereby lowering our water consumption whilst reducing our ecological impact on the surrounding waterways.

Chairman's Management Discussion & Analysis
cont'd

In addition, our Plant also adopts a Quality Management System that meets ISO 13485:2016 standard certifications. With specialized and experienced teams, our quality assurance processes are rigorous, in conformance with the standards set by global accreditation bodies like US FDA, ISO, EN, CE and ASTM. With fully automated, high capacity production lines, we focus to be environmentally friendly through Energy Efficiency, Renewable Energy, Water Efficiency, Emission and Solid Waste Management, Sustainable Sourcing, and a fully automated Computerised Control and Monitoring System ("SCADA").

Dynacare's application as a Licenced Manufacturer of Nitrile Examination Gloves was approved by Malaysian Investment Development Authority ("MIDA") on 9 November 2021. The licence to manufacture rubber products and export rubber gloves from Malaysia Rubber Board was obtained on 1 October 2021. Quality certifications i.e. ISO13485: 2016 Medical Device Quality Management System and ISO9001: 2015 Quality Management System were both obtained on 1 September 2021. Target dates to obtain Product certifications are as follows, Medical Devise Authority Malaysia ("MDA") on 7 December 2021, European Medical Devise Register ("CE MDR") in February/March 2022 and US Food & Drug Administration ("FDA 510k") in June 2022.

Due to the changing market circumstances, Dynacare have decided to limit the construction of the first 6 production lines for gloves under Phase 1. Due to site closure, Enhanced Movement Control Order ("EMCO") and Full Movement Control Order ("FMCO") which limits the construction workforce at site for the project, the 1st production line was handed over on 10 November 2021 and commercial production of gloves is targeted by end November 2021.

Your Board is mindful of the lower average selling prices (ASPs) in recent months due to the increasing supply of gloves in the market. However there is a corresponding reduction in the prices of raw materials. Your Board has been monitoring the changing conditions very closely and have put in measures as conditions develop.

CORPORATE GOVERNANCE

Your Company is dedicated to safeguarding the interests of our stakeholders. Our Board of Directors continues to embody this principle and are tasked with ensuring that best corporate governance practices are upheld in Johan Holdings Berhad.

The Board works closely with our Management to ensure our core values of integrity, excellence, teamwork and customer focus remain firmly entrenched at all levels. These values are crucial for the sustenance of fair, transparent and ethical work practices.

Chairman's Management Discussion & Analysis

cont'd

On 29 May 2020, your Board adopted the Anti-Bribery/Corruption Policy & Procedure to ensure our full compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Section 17A to allow a defence for the organisation by proving it had in place adequate procedures designed to prevent persons associated with it from undertaking acts of corruption.

DIVIDEND

Your Board does not propose to declare any dividend for the financial period under review.

PROSPECTS AND OUTLOOK

The stronger financial position of your Group will now provide a sound platform for our future diversification and expansion. Your Group has a team of professionals looking at opportunities to expand the Gloves business, including other medical, healthcare and pharmaceutical products to complement and expand this business in a holistic manner. Your Group is also looking for acquisition opportunities in the area of technology to further broaden its earnings base. With a solid foundation, your Group will work towards adding value to the shareholders.

ACKNOWLEDGEMENT

On behalf of your Board of Directors, I wish to thank the management and staff at all levels for their commitment, dedication and collective efforts and contribution. I wish to thank our valued customers, suppliers, business partners and shareholders for their continued support.

TAN SRI DATO' TAN KAY HOCK
Chairman

Dated: 18 November 2021

SUSTAINABILITY STATEMENT

Johan's sustainability strategy has always been to consistently foster meaningful and long-lasting relationships with our stakeholders. As the Group heads towards a new direction, our aim is to further strengthen our sustainability activities. We will leverage Economic, Environmental, Social and Governance ("EESG") strategies to improve our performance. Through each of our expanding value chains, we will integrate innovative schemes that promote sustainable development.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda pushes for global efforts and attention to be focused on 17 pressing issues. Whilst the overall responsibility lies with national governments, the SDGs cannot be achieved without a concerted effort from businesses and other organisations.

As we build on new opportunities, we will continue to identify means of contributing to the SDGs. We will operate and provide products and services that support the 2030 Agenda.

ABOUT THIS STATEMENT

Scope and Boundary:
During the period under review, Johan disposed of two (2) of its Singaporean subsidiaries, i.e. Diners Club (Singapore) Pte Ltd and Diners Pay Pte Ltd. The Group has embarked on medical glove manufacturing through a new subsidiary, Dynacare Sdn Bhd ("Dynacare"). The expunged loss-making subsidiaries are no longer material to the Group and are therefore excluded from this statement. This statement covers only the activities of Lumut Park Resort Sdn Bhd ("LPR"), the Holding company operations and a brief introduction to Dynacare operations.

Reporting Period and Reporting Cycle:
As a result of the change of our financial year-end from 31 January to 31 July, the financial period ended ("FPE2021") of this report spans 18 months from 31 January 2020 to 31 July 2021. After that, the Group's financial year will revert to twelve (12) months ending 31 July, and the sustainability report for the subsequent year will have a cycle of one (1) year.

Reporting Guideline:
Bursa Malaysia Sustainability Reporting Guide (2nd Edition)

Connect with us:
We welcome your feedback. Email us at: jhb@johanholdings.com.my

Sustainability Statement
cont'd

SUSTAINABILITY GOVERNANCE

The Board of Directors
The Board is principally accountable for overseeing sustainability in the Group. To ensure that sustainability is embedded in the strategic direction of our business, the Chief Executive provides regular updates to the Board. In turn, the Board thoroughly reviews and reassesses the existing strategies to ensure that they are consistent with the current best practices.

The Management
Led by the Chief Executive, the Senior Key Management assumes the role of leadership and direction. They meet regularly to discuss all sustainability-related matters. Guided by the Senior Management, the business units are encouraged to be proactive in addressing materiality issues related to their departments.

Compliance And Ethics
During the period under review, the Group's major policies, such as the of Conduct and Ethics ("Code") and Whistleblowing Policy, were updated to adapt to the new business operations. Additionally, new policies and procedures were also drawn up in keeping with the current sustainability practices.

Ethics and Transparency
A Code of Conduct and Ethics was established and disseminated to the Group's directors and employees to serve as guidance and inculcate a standard of ethical behaviour. The Code covers important items, such as Conflicts of Interest, Related Party Transactions and Bribery, Corruption and Business Courtesies.

Grievance Mechanism
Our Whistleblowing Policy, posted on our website, encourages our stakeholders to report in good faith any suspected misconduct, discrimination, or any other ethics-related concerns regarding any aspect of our operations.

MATERIAL MATTERS

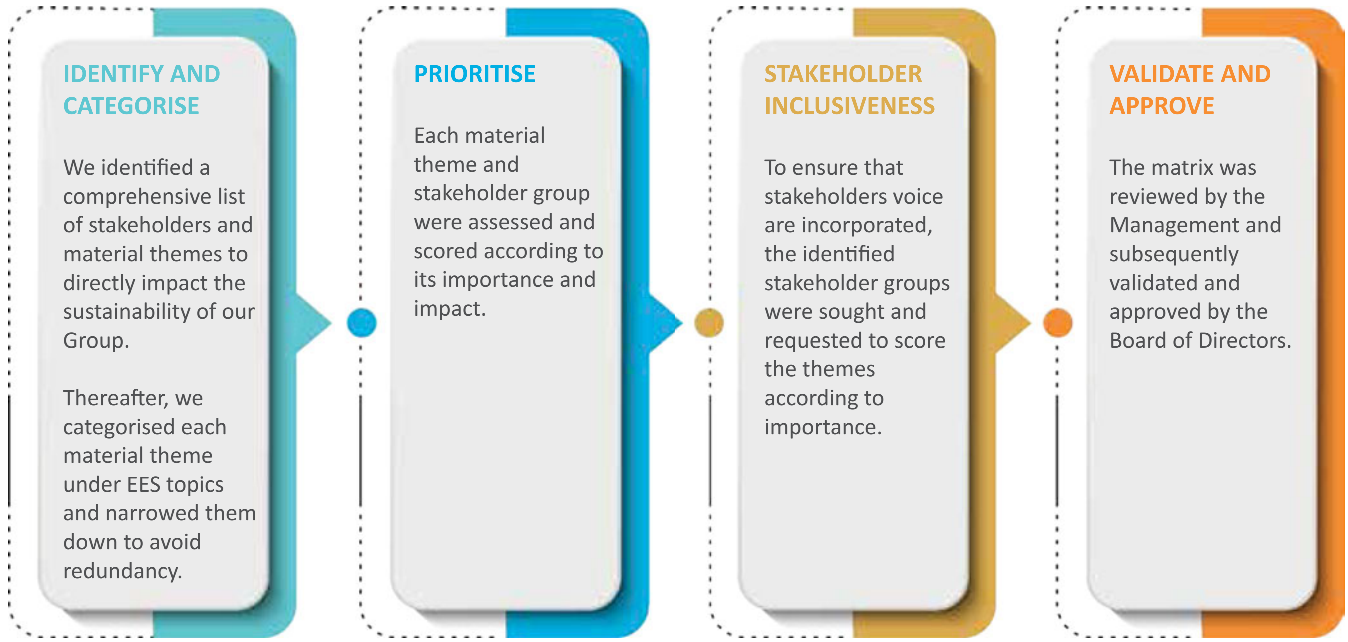
The application of sound principles and best practices underpin our approach for attaining sustainable development. In pursuit of a better and more sustainable future, the Group has always considered EESG sustainability aspects vital to our operations. In previous years, we have carried out materiality assessments to analyse what issues are the most material to Johan. We identified and ranked in terms of priority the critical EESG matters that could significantly affect our business operations and the decision making of our stakeholders.

As the Group sets its sights towards a new direction, we remain even more steadfast in our commitment to sustainability. We are exploring solutions that would provide effective and long-term environmental, societal and financial benefits.

Materiality Matrix and Process
We have identified the sustainability matters that most affected the Group and our stakeholders whilst also considering the new impacts brought about by the medical glove manufacturing subsidiary. We intended to conduct an in-depth materiality analysis of our operation. However, given that the subsidiary was only newly established, it not yet fully operational. We are still in the process of completing the materiality assessment. Hence, we cannot show one in this statement.

Sustainability Statement
cont'd

Our materiality assessment process remains the same and encompasses the following stages:



STAKEHOLDER ENGAGEMENTS

We communicate with our stakeholders throughout the year to find out their expectations and respond to their latest concerns. We believe that by recognising our stakeholders and identifying their issues, we can respond to their needs more effectively and foster better relationships.

In FPE2021, we have focused on the stakeholder issues associated with the disposal of the two (2) Singaporean subsidiaries and the setting up of the new medical glove factory.

Stakeholder Groups	Concerns	Response
Investors	Profitability and Growth	- Overall strategy briefings - Business opportunities for sustaining growth
	Communication	- Accurate, timely, consistent and fair disclosure of corporate information - Responsible and lawful disposal of assets - Attendance of shareholders to the Group's AGM to facilitate interaction with the management
Employees	Career Development	- Employee training - Performance and remuneration reviews - Responsible and lawful restructuring and settlement of employee contributions, benefits and entitlement
Supply Chain	Beneficial Relationship	- Local sourcing - Ethics and transparency - Sustainable sourcing

Sustainability Statement
cont'd

Stakeholder Groups	Concerns	Response
Government	Regulatory Compliance COVID-19 Measures	- Updating of license and permits - Compliance with all regulations - Compliance training - Compliance with COVID-19 government guidelines
Community	Community Relationship	- Philanthropic activities - Human rights
Customers	Data Privacy and Security Responsible Representation	- Measures for privacy protection and security - Compliance with marketing advertising standards

ECONOMIC IMPACT

The Group's business transition represents our strategic decision to build financial growth by developing sustainable medical glove products. Our new economic focus is on our capability to manufacture and deliver products to global markets profitably whilst taking into account the Economic, Environmental and Social dimensions of our actions. We have developed a vendor programme that prioritises local sourcing and hiring to benefit the economy of the communities where we operate.

EMPLOYEES

Johan believes in investing in the development of the skills and overall wellbeing of our employees. Thus, to remain competitive in the labour market and retain our employees for the long term, we deploy programmes that hone our people and equip them with the necessary knowledge.

The Group offers competitive remuneration to its employees through rewards packages. In addition to competitive salaries and government-mandated benefits, employees receive an array of allowances that cover hospitalisations, medical outpatient treatment, specialist treatment, dental treatment, yearly health screenings and group insurance coverage.

Employees are entitled to paternal and maternal leave, marriage leave and bereavement leave. Work-from-home arrangements can be made for employees who need to attend to urgent family matters or other special circumstances. A yearly appraisal review is conducted to gauge employee performance and salary level relative to job responsibilities to determine whether a salary adjustment is warranted.

Occupational Health and Safety

We provide a workplace that complies with the government's health and safety ("H&S") laws and regulations. We perform regular risk assessments to ensure that emergency response can be properly delivered and workplace injuries can be avoided.

At Lumut Park Resort Sdn Bhd ("LPR"), the occupational H&S team meets regularly to discuss areas for improvement. All contractors and employees have to comply with the H&S rules and regulations, and all contracted works are supervised by a hotel employee at all times. Personal protection equipment ("PPE") is provided as necessary, such as when handling chemicals. During occasional haze events or disease outbreaks, face masks are distributed to employees.

Dynacare is in the process of establishing an occupational H&S management and compliance system to ensure adherence to all pertinent H&S laws and regulations.

Sustainability Statement
cont'd

Diversity and Inclusion

The Group is founded on a corporate culture that thrives on the diversity in gender, age, religion, culture and values. We fully embrace diversity and believe that our similarities and differences pay a pivotal role in driving our Group's performance.

WORKFORCE BY EMPLOYMENT LEVEL FPE2021		
Executive and Senior Management	**Male**	**Female**
Management	15	11
Professionals	9	11
Administration	5	20
Operations	39	18

	GENDER DISTRIBUTION		AGE DIVERSITY			ETHNIC COMPOSITION			
PERIOD	**Male**	**Female**	**20–30 years old**	**31–40 years old**	**41 years old and above**	**Malay**	**Chinese**	**Indian**	**Others**
FPE2021	68	60	35	32	61	85	30	11	2
FYE2020	52	68	26	26	68	73	36	9	2
FYE2019	66	84	42	32	76	90	42	15	3

CUSTOMER

Johan Holdings strongly values our credibility and our clients' trust. As such, we conduct our business with only the highest standard practices, because building our clients' confidence in the safety of our products and services is an integral part of our business model.

The glove manufacturing operation is in the process of establishing quality management systems ("QMS") that adhere to international standards and practices, such as ISO 13485:2016, ISO 9001:2015 and Acceptable Quality Level Standards under the US Food and Drug Administration. Our Group abides by the Malaysia Personal Data Protection Acts ("PDPA"). We have implemented confidentiality and security measures to protect the privacy of our clients.

ENVIRONMENT

At Johan Holdings, our goal is to deliver a positive environmental impact and initiate programmes for environmental protection.

At LPR, we have replaced incandescent lighting with energy-efficient LED lights. Old air-conditioning units are also progressively being replaced with modern units that feature power-saving technology. Our head office operates in leased offices; thus, our carbon footprint is limited to the energy that we consume in the office and the commute of our employees. Employees are encouraged to implement carbon-efficient practices, such using public transportation, utilising the hibernation function on computers and printers and avoiding printing where possible. They are also reminded to switch off all electrical appliances when not in use.

Our glove manufacturing operation is currently laying down the foundation of our Environmental Management System ("EMS"), regulatory requirements and environmental best practices. We are committed to build an efficient and environmentally friendly manufacturing plant and supporting infrastructures for medical glove production.

Sustainability Statement
cont'd

SUPPLY CHAIN

We espouse only the highest standard of ethical behaviour and principles. Our policy mandates that all our business transactions must be conducted in an ethical, transparent and honest manner and in compliance with all applicable laws, regulations and best practices. The Group's suppliers and vendors must also adhere to basic human rights standards, labour practices and the Group's policies.

COMMUNITY

Johan Holdings considers it a corporate responsibility to foster harmonious relationships with the communities where we operate. The Group has taken various steps, such as community engagements, employee volunteering activities, and financial inclusivity, to produce positive impacts. Our community engagements and volunteering activities were temporarily on hold to keep COVID-19 at bay.



The yearly breakfast tradition with our community was replaced with house-to-house distribution of groceries and Infak meal boxes to celebrate the month of Ramadan.

Johan's resort operation commits to local hiring and sourcing, which strengthen our link with the community. By hiring employees from the communities, we are able to upskill the local workforce. Our purchasing activities are also performed locally.

Human Rights

The protection of human rights is embedded in our employment and recruitment practices. We follow a Code of Conduct that clearly states proper directives on diversity and inclusivity, fair working hours and wages, decent accommodation, as well as other human rights risks, such as slavery and human trafficking.

We fully subscribe to fair labour practices in our business operations. We recognise the rights of all individuals as set forth in national laws and regulations and international agreements. All of our implemented policies are aligned with the UN Guiding Principles on Business and Human Rights (Guiding Principles), the International Labour Organization ("ILO") core conventions, and the Universal Declaration of Human Rights ("UDHR").

Our glove factory premises include a centralised labour quarters for our foreign and outstation workers. These quarters adopt universal best practices. We have established a Whistleblowing Policy for employees and stakeholders to lodge reports in good faith without fear of reprisal.

Profile of Directors

TAN SRI DATO' TAN KAY HOCK ◁

Chairman & Chief Executive
Non-Independent Executive Director

Age	Gender	Nationality
74	Male	Malaysian

A Barrister-at-Law, Tan Sri Dato' Tan Kay Hock is a lawyer by training having been called to the Bar by the Honourable Society of Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. He is a non-practising lawyer. Since 1982, he is the non-Executive Chairman of George Kent (Malaysia) Berhad ("GKM"), listed on the Main Market of Bursa Malaysia Securities Berhad. GKM is an engineering company engaged in the water infrastructure, rail transportation and hospital construction industry.

Tan Sri Dato' Tan Kay Hock was appointed to the Board on 5 November 1980. He is the Chairman of the Risk Management Committee. He holds directorship in other listed issuer and public companies as follows:-

Listed issuers	:	George Kent (Malaysia) Berhad
Public Companies	:	-

PUAN SRI DATIN TAN SWEE BEE ◁

Group Managing Director
Non-Independent Executive Director

Age	Gender	Nationality
75	Female	Permanent Resident (Malaysia)

A Barrister-at-Law, Puan Sri Datin Tan Swee Bee is a lawyer by training having been called to the Bar by the Honourable Society of Lincoln's Inn, UK in 1971. In 1972, she was admitted as an advocate and solicitor to the Supreme Court of Malaysia. She is a non-practising lawyer. She was appointed Managing Director of Johan Group since 17 December 1984. Since 1989, she is a Non-Executive Director of George Kent (Malaysia) Berhad ("GKM"), listed on the Main Market of Bursa Malaysia Securities Berhad. GKM is an engineering company engaged in the water infrastructure, rail transportation and hospital construction industry.

Puan Sri Datin Tan Swee Bee was appointed to the Board on 29 January 1983. She is a member of Remuneration Committee and Risk Management Committee. She holds directorship in other listed issuer and public companies as follows:-

Listed issuers	:	George Kent (Malaysia) Berhad
Public Companies	:	-

Profile of Directors

cont'd

TAN SRI DATO' SERI DR TING CHEW PEH

Non-Independent Non-Executive Director

Age	Gender	Nationality
78	Male	Malaysian

Tan Sri Dato' Seri Dr Ting Chew Peh holds a Bachelor of Arts from University of Malaya in 1970, Master of Science from University of London in 1972 and Doctor of Philosophy from University of Warwick in 1976. He was formerly a Lecturer (1974-1980) and Associate Professor (1981-1987) for Faculty of Humanities and Social Science of National University of Malaya. He was also a Parliament Secretary (Ministry of Health) (1988-1989), Deputy Minister (Prime Minister's Department) (1989-1990) and Minister of Housing and Local Government (1990-1999). He was a Member of Parliament (1987-February 2008) and was the Chairman of Klang Port Authority (2000-2004).

Tan Sri Dato' Seri Dr Ting Chew Peh was appointed to the Board on 1 November 2003. He is the Chairman of the Remuneration Committee and also a member of the Audit Committee and Nominating Committee. He holds directorship in other listed issuer and public companies as follows:-

Listed issuers	:	1)	Hua Yang Berhad
		2)	Sycal Ventures Berhad
Public Companies	:	1)	UTAR Education Foundation
		2)	ACE Holdings Berhad

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF

Independent Non-Executive Director

Age	Gender	Nationality
80	Male	Malaysian

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff holds a Bachelor of Arts (Economics Honours) from the University of Malaya. He was Deputy Chairman of the Urban Development Authority (UDA) of Kuala Lumpur from 1978 to 1981, and was subsequently appointed UDA's Director-General, Chief Executive and Board Member in 1981.

From May 1986 to 1994, he held various senior management positions in Kumpulan Guthrie Berhad and was its Executive Director from May 1986 to December 1987. He was also Vice President and Director of HICOM Holdings Berhad from February 1995 to July 2000, and subsequently held the post of Group Director in the DRB-Hicom Group until March 2006. He was the Director/Chairman of Metrojaya Berhad from 1979 to 2015.

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff was appointed to the Board on 4 July 2005. He is the Chairman of the Audit Committee and the Nominating Committee and also a member of the Remuneration Committee. He holds directorship in other listed issuer and public companies as follows:-

Listed issuers	:	George Kent (Malaysia) Berhad
Public Companies	:	-

Profile of Directors
cont'd

OOI TENG CHEW
Independent Non-Executive Director

Age	Gender	Nationality
75	Male	Malaysian

Mr Ooi Teng Chew is a fellow member of Institute of Chartered Accountants in England and Wales and life member of Malaysian Institute of Certified Public Accountants.

Mr Ooi Teng Chew was appointed to the Board on 12 March 2009. He is a member of Audit Committee and Nominating Committee.

Mr Ooi Teng Chew does not hold any other directorship in other listed issuer and public companies.

ADDITIONAL INFORMATION:-

1) Except for Tan Sri Dato' Tan Kay Hock who is the spouse of Puan Sri Datin Tan Swee Bee, none of the other directors has any family relationship with any director and/or major shareholder of the Company.

2) None of the directors has any conflict of interest with the Company.

3) None of the directors has any convictions for offences (other than traffic offence, if any) within the past five (5) years and none of them was imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

Profile of Key Senior Management

SIA CHIN YAP
General Manager-Operations
Johan Holdings Berhad

Age	Gender	Nationality
45	Male	Malaysian

Mr. Sia Chin Yap first joined Johan Holdings Berhad in August 2004 as Assistant Manager-Internal Audit and was promoted to Manager-Internal Audit in August 2006, a post he held until September 2011. He re-joined Johan in July 2012 as Senior Manager-Internal Audit. In August 2021, he was appointed as General Manager-Operations to coordinate with all departments/operating units, ensure implementation of Standard Operating Procedures and Policies ("SOPPs"), optimizing allocation of resources, identifying and find solutions for process improvement, and to implement Board/Top Management's business strategy/decisions.

He is an Associate member of the Chartered Institute of Management Accountants (CIMA), UK.

LEE TECK SIONG
Senior Manager-Finance
Johan Holdings Berhad

Age	Gender	Nationality
50	Male	Malaysian

Mr. Lee Teck Siong first joined Johan Holdings Berhad in November 2007 as an Assistant Accountant in the Finance Division and assumed various managerial positions in some of the Group operating subsidiaries. He has more than 20 years of experience in accounting, financial and operational management for various industries namely manufacturing, trading and retails. He is responsible for the Group's financial reporting and assist to oversee operating units' operation.

He is a member of the Malaysian Institute of Accountants.

Profile of Key Senior Management
cont'd

TIO YIT CHING
Senior General Manager
Dynacare Sdn Bhd

Age	Gender	Nationality
49	Male	Malaysian

Mr Tio Yit Ching was appointed as the Senior General Manager of Dynacare Sdn Bhd in June 2021. He was formerly the General Manager, Operations of Johan Holdings Berhad from October 2010 to March 2018, where he was entrusted with the responsibility of overseeing the strategic planning and management of the ceramic tiles manufacturing operations of Prestige Ceramics Sdn Bhd (a wholly owned subsidiary of Johan). Thereafter, Mr Tio was transferred to the Metering Operations in George Kent (Malaysia) Berhad from April 2018 to January 2019 to oversee the water meter manufacturing operations. Prior to joining Dynacare, he was attached to the Planning & Strategy department at Prasarana Malaysia Berhad where he held the position of Executive Vice President.

Mr Tio brings over 24 years of experience in strategic planning, financial, tax and general management at senior level covering various industries including manufacturing and public transportation.

He is a Fellow member of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

LAU CHONG BENG, ERIC
Hotel Manager
The Orient Star Resort, Lumut

Age	Gender	Nationality
49	Male	Malaysian

Mr Eric Lau Chong Beng joined The Orient Star Resort, Lumut as the Hotel Manager on 1 January 2019. He is a STPM holder and has over 28 years of experience in the hotel industry.

ADDITIONAL INFORMATION:-

1) None of the Key Senior Management staff holds directorship in public companies and listed issuers.

2) None of the Key Senior Management staff has any family relationship with any director and/or major shareholder of the Company.

3) None of the Key Senior Management staff has any conflict of interest with the Company.

4) None of the Key Senior Management staff has any convictions for offences (other than traffic offence, if any) within the past five (5) years and none of them was imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

Five-Year Group Financial Highlights

	Year/Period Ended				
	31-Jul-21	**31-Jan-20**	**31-Jan-19**	**31-Jan-18**	**31-Jan-17**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
		Restated	**Restated**		
Income Statement					
Revenue from continuing operations	**49,112**	14,559	105,880	122,485	128,772
Profit/(Loss) Before Tax from continuing operations	**(38,480)**	13,070	(104,667)	25,747	(15,187)
Income Tax Credit/(Expense) from continuing operations	**(684)**	(5,537)	5,400	(3,782)	(1,554)
Profit/(Loss) for the year from continuing operations	**(39,164)**	7,533	(99,267)	21,965	(16,741)
Profit/(Loss) for the year from discontinued operations	**200,220**	(24,834)	(3,470)	(45,189)	(21,588)
Profit/(Loss) for the period/year	**161,056**	(17,301)	(102,737)	(23,224)	(38,329)
Statements of Financial Position					
Total non-current assets	**163,758**	204,239	322,201	325,089	349,132
Total current assets	**139,211**	768,312	644,297	704,558	715,828
Shareholders' fund	**239,839**	59,860	78,469	176,917	197,466
Non-controlling Interest	**6,184**	4,219	2,507	2,236	3,801
Shareholders' Equity	**246,023**	64,079	80,976	179,153	201,247
Total non-current liabilities	**23,535**	331,620	334,300	324,796	327,642
Total current liabilities	**33,411**	576,852	551,222	525,698	536,071
SHARE INFORMATION					
Per Ordinary Share					
Profit/(Loss), basic (sen)	**22.89**	(3.05)	(16.33)	(3.59)	(5.97)
Net assets (sen)	**21.06**	10.29	13.00	28.76	32.31
Share price as at 31 July / 31 January (RM)	**0.11**	0.07	0.09	0.32	0.18
FINANCIAL RATIOS					
Return on equity (%)	**67.15**	28.90	(127.45)	(12.65)	(18.85)
Net Debt-Equity ratio (Note 1)	**N/A**	0.93:1	0.91:1	0.81:1	0.80:1

Note 1: Net Debt comprise current & non-current loan and borrowings, trade and other payables, funding from non-recourse investors' certificates and senior certificates less cash and bank balances.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Johan Holdings Berhad ("the Company") is committed to ensuring high standards of corporate governance throughout the Company and its subsidiaries ("the Group") and endeavours to ensure consistency of policies and procedures across the Group, regardless of geographical region. The Malaysian Code on Corporate Governance ("MCCG") sets out the broad principles and best practices in structures and processes that companies should apply in making good corporate governance an integral part of their business dealings and culture.

This statement illustrates how the Group has applied the principles and practices of the MCCG in its financial period covering from 1 February 2020 to 31 July 2021 ("FPE 31 July 2021"). It is to be read together with the Corporate Governance Report found on the Company's website at www.johanholdings.com. Where there is a departure from a practice, explanations for the departure and alternative practice adopted to achieve the intended outcome(s) are disclosed.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Roles and Responsibilities of the Board

The Board is responsible for the oversight and overall management of the Company. It is accountable for the performance of the Company and the promotion of the legitimate interests of the Company, its shareholders and other stakeholders.

The Board delegated certain responsibilities and duties to the Board Committees, namely Audit Committee, Remuneration Committee and Nominating Committee. All the Board Committees discharge their duties and responsibilities within the terms of reference approved by the Board.

The Board reserves a formal schedule of matters for its decisions to ensure firm control over the Group's strategic direction. The authority matrix clearly delineates the relevant matters and applicable limits that require the Board's approval and which the Board may delegate to Management.

Role of the Chairman, Group Managing Director, Independent Directors and Senior Independent Director

The Chairman is also the Chief Executive Officer of the Company. The Chairman carries out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders. The Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. He is also responsible for long range strategic planning for the Group.

The Group Managing Director has overall responsibility in managing the Group's business and to ensure the effective implementation of the Group's Business Plan and policies established by the Board.

The Independent Directors are to provide unbiased and independent view, advice and judgement to fulfil a pivotal role in corporate accountability. Their presence provides a check and balance in the discharge of the Board function as all decisions arrived at the Board are made on consensus.

The Board has appointed Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders.

Corporate Governance Overview Statement
cont'd

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

I. Board Responsibilities *cont'd*

Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes, guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and have attended trainings and seminars conducted by the relevant regulatory bodies to keep abreast of updates to statutory and regulatory requirements and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The Company Secretary is responsible for advising the Directors on their obligations and duties to disclose their interest in securities, the disclosure of any conflict of interest in a transaction involving the Group, the prohibition on dealing in securities and restrictions on the disclosure of price-sensitive information. The Company Secretary also updates Board members on amendments to the Listing Requirements and the Companies Act, 2016 as and when they take place.

Access to Information and Advice

All Directors are provided with an agenda and a set of Board papers prior to each Board Meeting. Board papers are required to be circulated at least five (5) market days prior to the date of each Board Meeting to enable Directors to obtain further explanations, if necessary, in order to be properly briefed before each meeting. Board members are supplied with full, timely and accurate information necessary to enable them to discharge their responsibilities. Senior Management is also invited to attend Board Meetings when necessary to provide the Board with further explanations on the matters being tabled.

The Board convenes at least four (4) Board Meetings a year to review the Company's and Group's quarterly financial results and operational performance. Additional meetings are convened as and when necessary.

During the FPE 31 July 2021, the number of Board Meetings held and the attendance of each Director are listed as follows:

	No. of Board Meetings	
Directors	**Held**	**Attended**
Tan Sri Dato' Tan Kay Hock	17	17
Puan Sri Datin Tan Swee Bee	17	17
Tan Sri Dato' Seri Dr. Ting Chew Peh	17	17
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	17	17
Ooi Teng Chew	17	17

The deliberations and decisions at Board Meetings are well documented in minutes of meetings. The status of actions taken with reference to the previous minutes is updated in the matters arising for the Board's notation.

Corporate Governance Overview Statement
cont'd

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

I. Board Responsibilities *cont'd*

Access to Information and Advice *cont'd*

All Directors have access to the advice and services of the Company Secretary and are updated on new statutory or regulatory requirements concerning their duties and responsibilities. If required, the Directors may obtain independent professional advice at the Company's expense in the furtherance of their duties, after consultation with the Chairman and other Board members. Newly appointed Directors are briefed by the Board, Company Secretary and Management on the Group's nature of business and current issues.

Board Charter

The Board has adopted a Board Charter that provides guidance for Directors and Management on the responsibilities of the Board, its Committees and Management. The Board Charter is reviewed regularly to ensure it complies with the latest legislations and best practices. The Board Charter is available on the Company's website at www.johanholdings.com.

Code of Conduct and Ethics

The Board has adopted a Code of Ethics for Company Directors and a Code of Conduct and Ethics for all employees, including the Company Directors. Both codes are available on the Company's website at www.johanholdings.com.

Whistleblowing Policy

The Board has formalised a Whistleblowing Policy that enables employees and stakeholders to report genuine concerns about unethical behaviour, malpractices, illegal acts or failures to comply with regulatory requirements. The Whistleblowing Policy is available on the Company's website at www.johanholdings.com.

II. Board Composition

Composition and Independence of the Board

The Board currently comprises five (5) members as follows:-

(i) Tan Sri Dato' Tan Kay Hock
Chairman and Chief Executive

(ii) Puan Sri Datin Tan Swee Bee
Group Managing Director

(iii) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Independent Non-Executive Director

(iv) Tan Sri Dato' Seri Dr Ting Chew Peh
Non-Independent Non-Executive Director

(v) Mr Ooi Teng Chew
Independent Non-Executive Director

Corporate Governance Overview Statement
cont'd

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

II. Board Composition *cont'd*

Composition and Independence of the Board *cont'd*

The current Board composition fulfils the requirement under the Listing Requirements which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent.

Collectively, the Directors have a diverse wealth of experience as well as skills and knowledge in law, engineering, accounting and general management. Their profiles can be found on pages 17 to 19 of this Annual Report.

In accordance with the Constitution of the Company, at least one-third of the Directors including the Managing Director are required to retire by rotation at each Annual General Meeting but shall be eligible for re-election. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Annual Assessment of Independence

The Nominating Committee annually assesses the independence of Independent Directors. Based on the assessment carried out for the FPE 31 July 2021, the Nominating Committee is of the view that all the Independent Directors fulfil the criteria of independence as defined in the Listing Requirements and are able to continue to bring independent and objective judgement to Board deliberations.

Tenure of Independent Director

The Board takes cognisance of the MCCG best practice stipulating that the tenure of an Independent Director should not exceed a term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board if it is determined that his expertise and experience are relevant to the Company. The Board may wish to retain an Independent Director who has served more than nine (9) years. In such an event, the Nominating Committee and the Board must carry out an assessment to justify retaining him as an Independent Director, and the Board must make a recommendation to this effect whilst providing strong justification to shareholders for their approval at a general meeting through a two-tier voting process.

In ascertaining the independence of the Directors, the Board continues to believe that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concerns of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his calibre, qualification, experience and personal qualities, particularly his integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affairs in view of the continuous challenges faced by the Company.

The Board had recommended that Dato' Ahmad Khairummuzammil Bin Mohd Yusoff and Mr Ooi Teng Chew, both have served the Board for more than nine (9) years, to continue as Independent Directors of the Company based on the justification as set out in the Notice of Annual General Meeting.

Corporate Governance Overview Statement
cont'd

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

II. Board Composition *cont'd*

Tenure of Independent Director *cont'd*

Given that shareholders' voting rights are enshrined under the Company's Constitution, which states that every shareholder has one vote for every share he holds and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolution, which is also in line with the Companies Act 2016, the Board is therefore not recommending the two-tier voting process for the resolution to retain Dato' Ahmad Khairummuzammil Bin Mohd Yusoff and Mr Ooi Teng Chew, as Independent Directors of the Company at the forthcoming Annual General Meeting.

Recruitment and Appointment of Directors

The Nominating Committee is responsible to recommend to the Board the appointment of new Directors. The Board does not have specific targets for boardroom diversity. The criteria to be used by the Nominating Committee in the selection and appointment process are mainly to ensure the Board is comprised of Directors who have a good mix of skills and experience to discharge their responsibilities in an effective and competent manner, and are able to commit sufficient time to oversee the Company's matters.

The Board is also supportive of gender diversity in the boardroom, a principle espoused by the MCCG to promote the representation of women in boardrooms. The Board endeavours to ensure that gender, ethnicity and age diversity are taken into account in the selection of new directors. Presently, Puan Sri Datin Tan Swee Bee is the only female Director in the Board of five (5) Directors.

Nominating Committee

The Nominating Committee comprises the following members:-

(i) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff - Chairman
Independent Non-Executive Director

(ii) Tan Sri Dato' Seri Dr Ting Chew Peh
Non-Independent Non-Executive Director

(iii) Mr Ooi Teng Chew
Independent Non-Executive Director

Corporate Governance Overview Statement
cont'd

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

II. Board Composition *cont'd*

Nominating Committee *cont'd*

The Nominating Committee's Terms of Reference include the authority delegated by the Board to oversee the selection and assessment of Directors. The Nominating Committee shall:-

(i) recommend to the Board the appointment of new Directors;

(ii) assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing Director in terms of the appropriate size and skill balance between the Executive Director, Non-Executive Directors and Independent Directors, the mixture of skills and other core competencies required;

(iii) assess the independence of Independent Directors to consider if they can continue bringing independent and objective judgement to board deliberations; and

(iv) recommend to the Board if an Independent Director who has served on the Board for more than nine (9) years is justifiable to remain independent on the Board.

The Chairman of the Nominating Committee, Dato' Ahmad Khairummuzammil Bin Mohd Yusoff, is the Senior Independent Director identified by the Board.

Annual Assessment of Directors

The Nominating Committee reviews annually the required mix of skills and experience of Directors, including core competencies that Non-Executive Directors should bring to the Board. The Committee also assesses annually the effectiveness of the Board as a whole, the Committees of the Board and contributions of each Director. The summary of each Director's assessments and comments by the Directors is tabled to the Nominating Committee and reported to the Board.

The Nominating Committee had carried out the annual assessment for the FPE 31 July 2021 and was satisfied that the Board and Board Committees are effective as a whole, considering the required mix of skills, size and composition, experience, core competencies and other qualities. The Nominating Committee was also satisfied that each of its Directors has the character, experience, integrity, competence and time to effectively discharge their respective roles.

The Board has fixed a maximum limit of five (5) listed-company board representations which any Director may hold at any time. Directors shall inform the Chairman before accepting any new directorships in other public listed companies.

Directors' Training

The Board encourages its Directors to attend talks, seminars, workshops and in-house conferences to update and enhance their skills and knowledge and to keep abreast of regulatory and corporate governance developments.

Corporate Governance Overview Statement
cont'd

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

II. Board Composition *cont'd*

Directors' Training *cont'd*

During the FPE 31 July 2021, the Directors attended various courses, briefings and seminars as follows:

Name of Directors	Programme
1. Tan Sri Dato' Tan Kay Hock	Webinar "Corporate Governance, Evaluation and Reporting"
2. Puan Sri Datin Tan Swee Bee	Webinar "Corporate Governance, Evaluation and Reporting"
3. Tan Sri Dato' Seri Dr Ting Chew Peh	i) Webinar "The Healthy Board: Achieving Optimum Health at Board Level" ii) Webinar "The Rise of AI and It's Impact on Strategy and Business" iii) Webinar "The New Reality of Cyber Hygiene" iv) Webinar "ESG Reporting Health Check" v) Webinar "Building a Resilient Business Through Sustainability - Earth Day Panel Discussion" vi) Half-day Breakfast Talk "Why Sustainability Matters?"
4. Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	Webinar "Key Disclosure Obligations of A Listed Company – Financial Reporting"
5. Ooi Teng Chew	Webinar "Key Disclosure Obligations of A Listed Company – Financial Reporting"

III Remuneration

Directors' Remuneration

The Remuneration Committee comprises of two (2) Non-Executive Directors and one (1) Executive Director. The members comprises of:-

(i) Tan Sri Dato' Seri Dr Ting Chew Peh - Chairman
Non-Independent Non-Executive Director

(ii) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Independent Non-Executive Director

(iii) Puan Sri Datin Tan Swee Bee
Group Managing Director

Corporate Governance Overview Statement
cont'd

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

III Remuneration *cont'd*

Directors' Remuneration *cont'd*

The Remuneration Committee's primary responsibilities are to recommend to the Board the remuneration package and terms of employment for each Executive Director. The determination of fees payable to Non-Executive Directors will be a matter for the Board as a whole, and a Director shall not participate in the decision on their own remuneration packages. The Remuneration Committee is also responsible for developing the Group's remuneration policy and determining the remuneration packages for senior executives of the Group.

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Group's operations effectively. The Non-Executive Directors are paid annual basic fee, any increase of which are subject to approval by shareholders at the Annual General Meeting. The Chairman of the Audit Committee is paid an attendance allowance of RM1,500 per meeting and Audit Committee member is paid RM1,000 per meeting.

The aggregate remuneration of the Directors for the FPE 31 July 2021 is as follows:-

	Remuneration received from the Company				Remuneration received from Subsidiaries			
	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits-In-Kind (RM'000)	Company Total (RM'000)	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Subsidiaries Total (RM'000)	Group Total (RM'000)
Executive Directors								
Tan Sri Dato' Tan Kay Hock	-	516	40	556	-	254	254	810
Puan Sri Datin Tan Swee Bee	-	396	42	438	-	179	179	617
Non-Executive Directors								
Dato' Ahmad Khairummuzammil bin Mohd Yusoff	70	15	-	85	-	-	-	85
Tan Sri Dato' Seri Dr Ting Chew Peh	70	6	-	76	-	-	-	76
Ooi Teng Chew	70	6	-	76	-	-	-	76
	210	939	82	1,231	-	433	433	1,664

Corporate Governance Overview Statement

cont'd

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

III Remuneration *cont'd*

Directors' Remuneration *cont'd*

The number of Directors whose remuneration falls into bands of RM50,000 is as follows:-

	Company		Group	
Range of Remuneration	**Executive Directors**	**Non-Executive Directors**	**Executive Directors**	**Non-Executive Directors**
RM50,001 to RM100,000	-	3	-	3
RM400,001 to RM450,000	1	-	-	-
RM550,001 to RM600,000	1	-	-	-
RM600,001 to RM650,000	-	-	1	-
RM800,001 to RM850,000	-	-	1	-
	2	3	2	3

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board ensures that shareholders are provided with a balanced and clear assessment of the Group's financial position and performance through the issuance of Annual Audited Financial Statements and quarterly financial reports. The Audit Committee assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial reports and Annual Audited Financial Statements to ensure they are drawn up in accordance with the Companies Act, 2016 and all applicable accounting standards prior to recommending them for approval by the Board and issuance to shareholders.

The Audit Committee comprises three (3) members, all of whom are Non-Executive Directors, with the majority being Independent Directors. The Audit Committee is chaired by an Independent Non-Executive Director who is not the Chairman of the Board.

The Terms of Reference of the Audit Committee are available on the Company's website at www.johanholdings.com.

A former key audit partner needs to observe a cooling-off period of at least two (2) years before he can be considered for appointment as an Audit Committee member of the Company. This is to safeguard the independence of the audit by avoiding potential threats that may arise when a former key audit partner is in a position to exert influence over the audit and preparation of the Company's financial statements.

Procedures are in place for the Audit Committee to assess annually the suitability, objectivity and independence of the Company's External Auditors.

Corporate Governance Overview Statement
cont'd

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

I. Audit Committee *cont'd*

On 6 May 2021, Deloitte PLT had tendered their resignation as External Auditors of the Company and its eight (8) subsidiaries in Malaysia. The Audit Committee had reviewed Deloitte PLT's letter of resignation and noted that this is a voluntary resignation as both the Company and Deloitte PLT could not reach a consensus on the proposed increase of the audit fees for the financial statements covering 18 months from 1 February 2020 to 31 July 2021.

The Audit Committee, having considered and reviewed the proposals and suitability of a few External Auditors candidature, had recommended for the Board's approval on the proposed appointment of Baker Tilly Monteiro Heng PLT as the new External Auditors of the Company and the abovementioned subsidiaries. The Board, having considered and reviewed the Audit Committee's recommendation, had appointed Baker Tilly Monteiro Heng PLT as the new External Auditors of the Company and the abovementioned subsidiaries pursuant to Section 271(2)(b) and Section 267(3)(b) of the Companies Act, 2016.

Based on the evaluation conducted for the FPE 31 July 2021, the Audit Committee opines that Baker Tilly Monteiro Heng PLT had discharged their responsibilities independently, competently and effectively during the financial period under review. The Audit Committee has also obtained assurance from Baker Tilly Monteiro Heng PLT confirming that they are, and have been, independent throughout the audit engagement.

The Audit Committee had recommended to the Board for Baker Tilly Monteiro Heng PLT to be re-appointed as External Auditors of the Company for the financial year ending 31 July 2022 at the forthcoming Annual General Meeting. Having considered the outcome of the evaluations and the annual assessment of External Auditors that supported the Audit Committee's recommendation, the Board had approved the Audit Committee's recommendation for shareholders' approval to be sought at the forthcoming Annual General Meeting to re-appoint Baker Tilly Monteiro Heng PLT as External Auditors of the Company for the financial year ending 31 July 2022.

For details on the Audit Committee's composition, attendance record and summary of activities, please refer to the Audit Committee Report on pages 35 to 37 of this Annual Report.

II. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and reviewed regularly for effectiveness. The Board recognises that risks cannot be totally eliminated, and the system of internal controls instituted can only manage and mitigate risks whilst providing some assurance that the assets of the Company and the Group are safeguarded against material loss and unauthorised use, and that financial statements are not materially misstated.

The Board has set up a Risk Management Committee comprises the following members:-

(i) Tan Sri Dato' Tan Kay Hock – Chairman
Non-Independent Executive Director

(ii) Puan Sri Datin Tan Swee Bee
Group Managing Director

(iii) Lee Teck Siong
Senior Finance Manager

(iv) Choo Chin Yoon
Senior Manager – Group Accountant and Treasurer

Corporate Governance Overview Statement
cont'd

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

II. Risk Management and Internal Control Framework *cont'd*

The Risk Management Committee is responsible to oversee the overall risk management of the Group, particularly on the strategic areas of the business. The Risk Management Committee, supported by various sub-RMCs established at respective business units that are responsible for identifying, managing and mitigating risks through a systematic risk evaluation or profiling exercise. The Risk Profile of respective business units is reviewed and revised on a half yearly basis and submitted to the Risk Management Committee for review. Thereafter the Risk Scorecard and Risk Register would be presented to the Audit Committee for further deliberation on half yearly basis. The details of Risk Management Framework can be found in the Statement on Risk Management and Internal Control on pages 38 to 41 of this Annual Report.

The Group has an independent internal audit function, reporting directly to the Audit Committee. Internal audit findings of operating units of the Group and investigations carried out by internal audit department are tabled at the Audit Committee Meeting. A statement on the Internal Audit Function with the required disclosure is presented in the Audit Committee Report of this Annual Report.

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

I. Communication with Stakeholders

The Board acknowledges the need for shareholders and other stakeholders to be informed of all material business and developments concerning the Group. In addition to various announcements made during the year, the Board had ensured the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Group's performance and operations. Copies of all announcements are made available to shareholders and members of the public upon request.

The Board's Corporate Disclosure Policies and Procedures enable corporate information to be disclosed in an accurate, timely, consistent and fair manner. Corporate information disclosed in such a manner enables investors to make informed and orderly market decisions.

The Board is also fully guided by the Corporate Disclosure Guide issued by Bursa Securities. The Guide aims to provide shareholders and investors with comprehensive, accurate and quality information on a timely and even basis, and not merely meeting the minimum requirements under the Listing Requirements.

II. Conduct of General Meeting

The Annual General Meeting is the principal forum for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint not more than two (2) proxies, who need not be shareholders themselves, to attend and vote on their behalf.

Shareholders are given the opportunity to ask questions during the question-and-answer session. Board members, the General Manager-Finance/Senior Finance Manager, and the External Auditors of the Company are present at these sessions to answer questions raised by shareholders. The Board encourages participation at these meetings. All resolutions will be voted on by way of poll, pursuant to Paragraph 8.29A of the Listing Requirements. The Board took cognisance of the best practises of the MCCG and has given more than 28 days' notice for the forthcoming Annual General Meeting to allow shareholders additional time to go through this Annual Report and make the necessary attendance and voting arrangements.

Corporate information of the Group is also available via the Company's website, www.johanholdings.com.

Directors' Responsibility in Financial Reporting

The Board acknowledges their responsibility to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and the result of the Company and of the Group.

In preparing these financial statements, the Directors have:-

- adopted suitable accounting policies and applying them consistently;
- made judgement and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group, and to enable them to ensure that the financial statements are prepared in compliance with the Companies Act, 2016. In addition, the Directors are responsible for safeguarding the assets of the Company and the Group, and must take reasonable steps for the prevention and detection of fraud and other irregularities.

Audit Committee Report

A. MEMBERS

The Audit Committee (“AC”) comprises the following members, all of whom are Non-Executive Directors with a majority of Independent Directors:-

(i) Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff - Chairman
Independent Non-Executive Director

(ii) Tan Sri Dato’ Seri Dr. Ting Chew Peh
Non-Independent Non-Executive Director

(iii) Mr Ooi Teng Chew
Independent Non-Executive Director

The composition of the AC comply the requirements of Paragraph 15.09(1)(a) and (b) of the Listing Requirements.

B. MEETINGS AND ACTIVITIES

During the FPE 31 July 2021 eight (8) AC Meetings were held. Details of attendance of each AC member were as follows:-

	No. of Meetings	
Name AC members	**Held**	**Attended**
Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff *(Chairman)*	8	8
Tan Sri Dato’ Seri Dr Ting Chew Peh	8	8
Ooi Teng Chew	8	8

At each of these AC Meetings, the General Manager-Finance/Senior Finance Manager/Senior Manager - Group Accountant and Treasurer, the Senior Manager-Internal Audit and the representatives of the External Auditors were invited to review with the AC members the quarterly reports and annual financial statements as the case may be.

After each AC Meeting, the Chairman of the AC reports to the Board on the proceedings conducted thereat and to convey the recommendations by the AC on the quarterly reports and annual financial statements with or without amendments as the case may be to be approved and adopted by the Board for release to the Bursa Securities.

Audit Committee Report
cont'd

B. MEETINGS AND ACTIVITIES *cont'd*

Highlights of Activities

In line with the terms of reference of the AC, the following activities were carried out by the AC during the FPE 31 July 2021 in the discharge of its functions and duties:-

i) Reviewed the quarterly financial results of the Group including the draft announcements pertaining thereto, and made recommendations to the Board for approval. The reviews, served to ensure that the Company's financial reporting and disclosures present a true and fair view of the Company's financial positions and performance and are in compliance with the Listing Requirements and applicable accounting standards in Malaysia;

ii) Reviewed the results, reported issues arising from the annual statutory audit, Management's responses to the audit findings;

iii) Reviewed and made recommendations to the Board for approval, the annual Audited Financial Statements of the Company and the Group to ensure that it presented a true and fair view of the Company's financial positions and performance for the year and compliance with regulatory requirements;

iv) Reviewed with the External Auditors, their audit plan, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud risk assessment and proposed fees for the audit and non-audit services rendered by the External Auditors;

v) Met with the External Auditors twice without the presence of Management during the year under review;

vi) Reviewed and approved the internal audit plan to ensure that adequate scope and comprehensive coverage over the activities of Group and adequate resources within the internal audit team to carry out the audit works;

vii) Reviewed the internal audit reports issued by the internal audit department and monitored the implementation of management action plan on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are being properly addressed;

viii) Reviewed the risk profile of the respective business units to ensure the risk being properly managed and mitigated;

ix) Reviewed the related party transactions entered into by the Group to ensure that current procedures for monitoring of related parties transactions have been complied with.

Audit Committee Report
cont'd

C. INTERNAL AUDIT FUNCTION

Since December 1990, Johan had established an Internal Audit department to carry out internal audit function of the Group's key operations in Malaysia and overseas. The scope of internal audit works are conducted on a rotation basis and as and when directed by the management. The internal audit reports generated were reviewed and discussed at each of the AC Meetings to assist the AC to discharge its functions more effectively.

Mr Sia Chin Yap, the Senior Manager - Internal Audit, is responsible for providing independent audit and value-added assurance and consulting services to the Group. He has over 24 years of experience in internal audit. There are two (2) personnel with relevant qualifications in the Internal Audit Department. All of them are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The Internal Audit Charter defines the authority, duties and responsibilities of internal audit function which allowed internal audit personnel to have unrestricted access to all activities across the organisation. The internal audit function monitors the compliance with the Group's policies and procedures, applicable laws and regulations, and provides independent and objective assurance on the adequacy and effectiveness of the system of internal controls by reviewing such controls and procedures of the Company and its subsidiaries. Audit reports incorporating the audit findings, recommendations to improve on the control weaknesses, management's comments and action plan to rectify the significant weaknesses on the findings are presented to the AC in a timely manner for their consideration and approval.

The annual Internal Audit plan is approved by the AC at the beginning of each financial year. The AC also reviews the adequacy of the scope, function, competency and resources of the internal audit function.

Internal Audit Department adopts a risk-based approach to plan and conduct of their audit. The routine audits on the operating units within the Group are carried out with the emphasis on the principal risk areas. The internal audit team is independent and has no involvement in the operations of Group companies.

The total cost incurred for the internal audit function for the FPE 31 July 2021 was RM592,140 (financial year ended 31 January 2020 : RM601,999).

Statement On Risk Management And Internal Control

The MCCG requires the board of directors of a listed company to maintain a sound framework of risk management and internal controls to safeguard shareholders' investments and assets of the Group.

The Board of the Company is pleased to present its Statement on Risk Management and Internal Control for the FPE 31 July 2021 which has been prepared pursuant to paragraph 15.26(b) of the Listing Requirements and in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the MCCG.

The statement below outlines the nature and scope of risk management and internal control system of the Company during the FPE 31 July 2021.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility for the Group's risk management and internal control environment, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness in safeguarding shareholders' interests and the Group's assets. The Board believes that the risk management and internal control framework is designed to manage rather than eliminate the risk of failure in achieving its corporate goals and objectives, and therefore only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

RISK MANAGEMENT FRAMEWORK

The Board has established an ongoing process for identifying, measuring, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. In order to align with the dynamic changes in the business environment, the system of risk management and internal control instituted throughout the Group is reviewed and updated on a periodic basis to ensure its continued effectiveness, adequacy and integrity. This process has been in place throughout the year under review and carried out in the following perspective:-

- **Board of Directors**

  The Board is fully responsible in determining the Group's risk appetite and level of risk exposure. In its regular Board Meetings, significant risk and material issues are brought to the attention of Directors which require decision to be made. To safeguard shareholders' interest and the Group's assets, the Board ensure that business risks are identified, assessed and managed, in the Group's strategic planning and decision making process.

- **Audit Committee**

  The Audit Committee ("AC") is assisted by an in-house Internal Audit Department ("IAD") which performs regular independent reviews, monitor and ensure compliance with the Group's policies, procedures and systems of risk management & internal control. The AC, in every AC Meeting, review internal audit reports for the Group prepared by the IAD. It will consider major findings of the internal auditors and management response thereto. Monitoring on the corrective actions of any outstanding audit issues are ongoing to ensure that all the risks and control lapses have been addressed.

Statement On Risk Management And Internal Control

cont'd

RISK MANAGEMENT FRAMEWORK *cont'd*

- **Risk Management Committee**

  The Risk Management Committee ("RMC") was set up by the Board in September 2002. The RMC, assisted by the IAD, identifies, evaluates and manages significant risk faced by the Group.

  The Risk Management Policy of the Group is in place to ensure a systematic approach to identify key risks faced by the Group and to monitor them on a regular basis. Key risks to each business unit's objectives are identified and scored based on a matrix for likelihood of the risks occurring and the magnitude of the impact. The policy helps to determine the appropriate risk appetite or level of exposure for the Group. The risk appetite for the Johan Group may be controllable and uncontrollable and it depends on several factors such as knowledge of the matter, past experience and magnitude of potential gains/losses.

  A detailed risk register/scorecard of risks identified with appropriate controls has been created. The risk profiles of the respective business units are updated every six months to reflect the prevailing operating conditions.

  Risk Profiles are submitted by the RMC of operating subsidiaries on a half year basis to be reviewed by the Head Office RMC. The Risk Profiles are also presented to the AC periodically. Any major changes to risks or emerging significant risk of the business units in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the AC.

- **All operating business units**

  Standard operating policies and procedures (SOPP) were formalised to guide the operations of the Group's operating business units. It documents how transactions are captured and where internal controls are applied. In addition, as part of the performance monitoring process, management information in the form of annual budgets, revised forecasts, quarterly management accounts and monthly management reports are submitted to the Head Office Finance Department for review and onward presentation to the Board for review and approval.

INTERNAL CONTROL FRAMEWORK

The Board acknowledges that a sound system of internal control forms part of the good governance practice and risk management forms part of the internal control. The following key elements constitute a controlled environment which shall encompass the System of Internal Control of the Johan Group:-

- Organisational structures in place for each operating unit with clearly defined levels of authority.

- Operational management has clear responsibility for identifying risks affecting their business and for instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.

- The SOPP of each business units sets out clear definition of authorisation procedures and clear line of accountability, with strict authorisation, approval and control within the Group.

- The Group has in place a Management Information System in which management and financial reports are generated regularly to facilitate the Board and the Group's Management in performing financial and operating reviews of the various operating units.

Statement On Risk Management And Internal Control
cont'd

INTERNAL CONTROL FRAMEWORK *cont'd*

- The IAD, staffed by a team of professionally qualified personnel who is independent and has no involvement in the operations of Group companies, provides the AC with reasonable independent assurance on the effectiveness and integrity of the Group's system of internal control. For the FPE 31 July 2021, the major internal audit activities undertaken during the year are as follows:

  - Developed a risk-based annual audit plan;
  - Reviewed the adequacy and effectiveness of internal control processes;
  - Reviewed compliance with established policies and procedures and statutory requirements;
  - Performed financial and operational audits in major subsidiaries;
  - Carried out ad-hoc assignments requested by Senior Management; and
  - Followed-up on the implementation of Management Action Plan to ensure that necessary actions have been taken/are being taken to remedy any significant findings and weaknesses.

- The duty of reviewing and monitoring the effectiveness of the Group's system of internal control was vested to the AC which provides independent views. Periodic reports from the IAD to the AC recommend remedial action to be taken by the Management.

- The existence of the RMC to oversee the overall risk management holds responsibility to identify, assessing, managing and monitoring significant risk within the Group.

The Board, however, recognises that a sound system of internal control will reduce, but cannot eliminate the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

REVIEW OF EFFECTIVENESS

The Board is satisfied with the procedures outlined above and believes, with assurance from the Chairman & Chief Executive Officer and Senior Finance Manager that, the risk management and system of internal controls had continued to operate adequately and effectively in the financial year under review.

The Board also relies on the assessment by internal auditors to evaluate the state of internal controls and risk management at each operating unit. The Board is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its business objectives.

REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2021 Annual Report, and 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 in reviewing the adequacy and integrity of the system of internal control of the Group.

Statement On Risk Management And Internal Control

cont'd

CONCLUSION

The Board is of the view that the systems of risk management and internal control is in place for the year under review, and up to the date of approval of this Statement, is sound and adequate to safeguard the shareholders' investment, the interests of customers, regulators, employees and other stakeholders, and the Group's assets.

There was no significant weakness in the systems of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely effect on the financial results of the Group for the financial year under review and up to the date of issuance of the financial statements. The Group continues to take necessary measures to strengthen its internal control structure and management of risks, taking into consideration the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of risk management and internal control.

This statement is made in respect of the FPE 31 July 2021 and in accordance with a resolution of the Board of Directors' dated 18 November 2021.

Additional Information

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

(i) Disposal of Land by Prestige Ceramics Sdn Bhd

Utilisation of the RM63 million cash proceeds up to 31 July 2021 were as follows:-

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Repayment of term loan	14,750	14,750	-
Investment/business opportunities	26,000	6,000	20,000
General working capital of Johan Group	10,084	10,084	-
Expenses for the Disposal	12,166	12,166	-
Total	63,000	43,000	20,000

(ii) Private Placement for 155,737,100 new Ordinary Shares

Utilisation of cash proceeds of approximately RM9.811 million as at 31 July 2021 were as follows:-

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Expenses for the Private Placement	160	160	-
Business/investment opportunities	9,651	-	9,651
Total	9,811	160	9,651

(iii) Right Issue of 389,342,813 new Ordinary Shares with Warrants

Utilisation of the cash proceeds of approximately RM38.934 million were as follows:-

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Funding for Gloves Business	37,434	-	37,434
Expenses for the Corporate Exercises	1,500	1,139	361
Total	38,934	1,139	37,795

Additional Information

cont'd

AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial period from 1 February 2020 to 31 July 2021 to the Company's External Auditors are set out below:

	Group (RM'000)	Company (RM'000)
Audit fees	427	110
Non-audit fees		
– Statutory related:-		
■ Review of Statement of Risk Management and Internal Control	5	5
– Others		
■ Reporting accountant's report on proforma financial information	80	80
Total Non-audit fees	85	85

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and/or its subsidiary companies involving the interest of Directors, major shareholders and chief executive, either still subsisting at the end of the financial period ended 31 July 2021 or entered into since the end of the previous financial year:-

(i) At the EGM of the Company held on 31 May 2021, approval was obtained in respect of the offer by the Company to George Kent (Malaysia) Berhad ("GKM") to subscribe for 40% equity interest in Dynacare Sdn Bhd ("Dynacare") at the issue price of RM1.00 per ordinary share ("Offer to Subscribe"). The Company is currently holding 25,200,000 ordinary shares in Dynacare, representing 60% equity interest in Dynacare. GKM is currently holding 16,800,000 ordinary shares in Dynacare, representing 40% equity interest in Dynacare.

(ii) At the EGM of the Company held on 31 May 2021, approval from shareholders was obtained for Dynacare, a 60%-owned subsidiary of the Company, for the award of the right to GKM as the Design and Build contractor for an estimated period of 24 months to construct 42 double-former glove dipping lines for Dynacare's Gloves Manufacturing Plant for a total contract sum of approximately RM624.1 million, plus or minus 10% (excluding sales and service tax) ("Right To Execute The Works").

Both of the abovementioned Offer to Subscribe and Right to Execute The Works are related party transactions as Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are the interested major shareholders and interested Directors of both GKM and the Company. Another interested Director is Dato' Ahmand Khairummuzammil bin Mohd Yusof who is the Independent Non-Executive Director of both GKM and the Company. At the EGM of GKM held on 8 June 2021, approval from shareholders was obtained for both the Offer to Subscribe and Right to Execute The Works.

▷ Financial Statements ◁

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 February 2020 to 31 July 2021 ("financial period ended 31 July 2021").

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

CHANGE OF THE FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 January to 31 July and made up their financial statements for the 18 months period to 31 July 2021. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial period		
- Continuing operations	(39,164)	(8,545)
- Discontinued operations	200,220	-
	161,056	(8,545)
Attributable to:		
Owners of the Company	162,993	(8,545)
Non-controlling interests	(1,937)	-
	161,056	(8,545)

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 period ended 31 July 2021.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

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 the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

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 period 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 period.

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 period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than as disclosed in Note 38, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial period 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 period 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 period in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company:

(i) issued 155,737,100 new ordinary shares at a price of RM0.063 per ordinary share for a total cash consideration of RM9,811,437 via private placement; and

(ii) increased its issued and paid-up ordinary share capital from RM390,701,279 to RM413,672,505 by way of rights issue of 389,342,813 new ordinary shares. The shares are issued on the basis of one (1) rights share for every two existing shares at an issue price of RM0.10 each, together with 389,342,813 free detachable warrants on the basis of one warrant for every one rights share subscribed for.

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

No new issue of debentures was made by the Company.

WARRANTS

On 3 June 2021, the Company executed a deed poll pertaining to the creation and issuance of 389,342,813 units of free detachable warrants ("the Warrants").

The Company issued 389,342,813 units of the Warrants to the shareholders of the Company on the basis of one (1) warrant for every one (1) right shares subscribed for. The Warrants are listed on the Main Market of Bursa Malaysia Securities Berhad. The main features of the Warrants are disclosed in Note 16(c).

As at the end of the financial year, 389,342,813 units of the Warrants remained unexercised.

DIRECTORS' REPORT
cont'd

DIRECTORS

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

Tan Sri Dato' Tan Kay Hock*
Tan Sri Dato' Seri Dr Ting Chew Peh
Puan Sri Datin Tan Swee Bee*
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Ooi Teng Chew

* *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 period and during the period from the end of the financial period to the date of this report are:

Teh Yong Fah	
Ooi Chin Khoon	(Appointed on 3 August 2020 and resigned on 8 February 2021)
Phoon Hee Yau	(Appointed on 3 August 2020)
Choo Chin Yoon	(Appointed on 30 September 2020)
Ooi Chin Khoon	(Appointed on 9 June 2021)
Lee Teck Siong	(Appointed on 8 July 2021)
Tan Seng Kee	(Appointed on 8 July 2021)
Ng Chee Meng	(Resigned on 30 September 2020)
Chong Cheok Weng	(Resigned on 31 October 2020)
Leong Kwee Heng	(Resigned on 31 October 2020)
Yap Fook Loi	(Resigned on 11 January 2021)
Koh Chuan Tiok @ Koh Chuan Lim	(Resigned on 9 July 2021)
Peter Tam Kui Pui	(Resigned on 9 July 2021)

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 period in shares in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares			
	At 1.2.2020	**Additions**	**Disposal**	**At 31.7.2021**
Interests in the Company				
Direct interest:				
Ooi Teng Chew	200,000	300,000	-	500,000
Indirect interests:				
Tan Sri Dato' Tan Kay Hock *#	316,713,957	391,962,627	-	708,676,584
Puan Sri Datin Tan Swee Bee *#	316,713,957	391,962,627	-	708,676,584
Interests in the holding company				
- Sky Wealth Ventures Limited				
Direct interests:				
Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee (Joint holders)	2	-	-	2

	Number of warrants 2021/2024 ("Warrant B")			
	At 1.2.2020	**Additions**	**Disposal**	**At 31.7.2021**
Interests in the Company				
Direct interest:				
Ooi Teng Chew	-	300,000	-	300,000
Indirect interests:				
Tan Sri Dato' Tan Kay Hock *#	-	236,225,527	-	236,225,527
Puan Sri Datin Swee Bee *#	-	236,225,527	-	236,225,527

* *Deemed interested by virtue of the interest in the shares of the holding company*

\# *Shares held through Company in which the directors have substantial financial interest*

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *cont'd*

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

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 disclosed in Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial period, 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 period, the total amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Group and of the Company were RM5,000,000 and RM31,815 respectively.

ULTIMATE HOLDING COMPANY

The directors regard Sky Wealth Ventures Limited, a company incorporated in British Virgin Islands, as the ultimate holding company of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

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

DIRECTORS' REPORT
cont'd

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events during and subsequent to the end of the financial period are disclosed in Note 38 to the financial statements.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

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

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF
Director

PUAN SRI DATIN TAN SWEE BEE
Director

Date: 18 November 2021

STATEMENTS OF FINANCIAL POSITION
As at 31 July 2021

		Group			Company	
		31.7.2021	31.1.2020	1.2.2019	31.7.2021	31.1.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)	(Restated)		
ASSETS						
Non-current assets						
Property, plant and equipment	5	83,449	175,164	306,770	2,677	857
Investment properties	6	40,450	21,387	-	-	-
Inventories	7	30	30	6,144	-	-
Intangible assets	8	72	7,631	9,248	-	-
Investment in subsidiaries	9	-	-	-	152,425	146,425
Other investments	10	-	27	39	-	-
Other receivable	11	39,757	-	-	-	-
Total non-current assets		163,758	204,239	322,201	155,102	147,282
Current assets						
Inventories	7	32	905	777	-	-
Other investments	10	16,512	20,522	25,476	-	-
Trade and other receivables	11	4,891	554,401	549,024	19,681	23,788
Tax assets	12	280	1,658	395	-	-
Deposits, cash and bank balances	13	117,496	63,826	68,625	85,423	2,367
		139,211	641,312	644,297	105,104	26,155
Non-current assets classified as held for sale	14	-	127,000	-	-	-
Total current assets		139,211	768,312	644,297	105,104	26,155
TOTAL ASSETS		302,969	972,551	966,498	260,206	173,437

STATEMENTS OF FINANCIAL POSITION

As st 31 July 2021

cont'd

		Group			Company	
		31.7.2021	31.1.2020	1.2.2019	31.7.2021	31.1.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)	(Restated)		
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	15	413,672	380,889	380,889	413,672	380,889
Other reserves	16	33,404	108,398	108,020	15,963	-
Accumulated losses		(207,237)	(429,427)	(410,440)	(280,915)	(272,370)
		239,839	59,860	78,469	148,720	108,519
Non-controlling interests		6,184	4,219	2,507	-	-
TOTAL EQUITY		246,023	64,079	80,976	148,720	108,519
Non-current liabilities						
Lease liabilities/Finance lease liabilities	17	2,272	622	94	2,184	-
Investor certificates	18	-	296,031	300,740	-	-
Deferred tax liabilities	19	21,263	34,967	33,466	-	-
Total non-current liabilities		23,535	331,620	334,300	2,184	-
Current liabilities						
Loans and borrowings	20	-	56,258	135,352	-	-
Lease liabilities/Finance lease liabilities	17	598	1,760	237	407	593
Investor certificates	18	-	174,562	177,665	-	-
Trade and other payables	21	32,763	342,960	233,551	108,895	64,325
Contract liabilities	22	49	1,299	2,118	-	-
Tax liabilities		1	13	2,299	-	-
Total current liabilities		33,411	576,852	551,222	109,302	64,918
TOTAL LIABILITIES		56,946	908,472	885,522	111,486	64,918
TOTAL EQUITY AND LIABILITIES		302,969	972,551	966,498	260,206	173,437

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

STATEMENTS OF COMPREHENSIVE INCOME
For the Financial Period Ended 31 July 2021

	Note	Group		Company	
		1.2.2020 to 31.7.2021	1.2.2019 to 31.1.2020	1.2.2020 to 31.7.2021	1.2.2019 to 31.1.2020
		(18 months)	(12 months)	(18 months)	(12 months)
		RM'000	RM'000	RM'000	RM'000
			(Restated)		
Continuing operations					
Revenue	23	49,112	14,559	90	10,968
Cost of sales	24	(39,927)	(3,466)	-	-
Gross profit		9,185	11,093	90	10,968
Other income		14,959	31,649	708	765
Distribution expenses		(18)	(308)	-	-
Administrative expenses		(35,309)	(15,262)	(9,250)	(4,878)
Other expenses		(21,265)	(12,814)	-	-
		(56,592)	(28,384)	(9,250)	(4,878)
(Loss)/Profit from operations		(32,448)	14,358	(8,452)	6,855
Finance costs	25	(6,032)	(1,288)	(93)	(63)
(Loss)/Profit before tax	26	(38,480)	13,070	(8,545)	6,792
Tax expense	28	(684)	(5,537)	-	-
(Loss)/Profit for the financial period/year from continuing operations		(39,164)	7,533	(8,545)	6,792
Profit/(Loss) for the financial period/year from discontinued operations, net of tax	29	200,220	(24,834)	-	-
Profit/(Loss) for the financial period/year		161,056	(17,301)	(8,545)	6,792

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Period Ended 31 July 2021

cont'd

	Note	Group		Company	
		1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000
Other comprehensive (loss)/income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation (loss)/gain on property, plant and equipment, net of deferred tax liabilities		(857)	1,176	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		10,090	(772)	-	-
Reclassification adjustment of foreign exchange translation reserve upon disposal of subsidiaries		(41,091)	-	-	-
Other comprehensive (loss)/income for the financial period/year		(31,858)	404	-	-
Total comprehensive income/(loss) for the financial period/year		129,198	(16,897)	(8,545)	6,792
Profit/(Loss) attributable to:					
Owners of the Company					
- From continuing operations		(37,227)	5,847	(8,545)	6,792
- From discontinued operations		200,220	(24,834)	-	-
		162,993	(18,987)	(8,545)	6,792
Non-controlling interests		(1,937)	1,686	-	-
		161,056	(17,301)	(8,545)	6,792

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Period Ended 31 July 2021

cont'd

	Note	Group 1.2.2020 to 31.7.2021 (18 months) RM'000	Group 1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)	Company 1.2.2020 to 31.7.2021 (18 months) RM'000	Company 1.2.2019 to 31.1.2020 (12 months) RM'000
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- From continuing operations		(37,986)	5,757	(8,545)	6,792
- From discontinued operations		169,219	(24,366)	-	-
		131,233	(18,609)	(8,545)	6,792
Non-controlling interests		(2,035)	1,712	-	-
		129,198	(16,897)	(8,545)	6,792
Basic and diluted earnings/(loss) per share (sen)	30				
- From continuing operations		(5.22)	0.93		
- From discontinued operations		28.11	(3.98)		
		22.89	(3.05)		

STATEMENTS OF CHANGES IN EQUITY
For the Financial Period Ended 31 July 2021

Group	Note	Share capital RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company					→		
Restated balance at 1 February 2020		380,889	30,005	78,393	-	(429,427)	59,860	4,219	64,079
Total comprehensive income for the financial period									
Profit for the financial period		-	-	-	-	162,993	162,993	(1,937)	161,056
Other comprehensive loss for the financial period		-	(31,001)	(759)	-	-	(31,760)	(98)	(31,858)
Total comprehensive income		-	(31,001)	(759)	-	162,993	131,233	(2,035)	129,198
Transaction with owners									
Issuance of shares pursuant to:									
- private placement	15	9,811	-	-	-	-	9,811	-	9,811
- rights issue with warrants	15	22,972	-	-	15,963	-	38,935	-	38,935
Non-controlling interests arising from investment in a subsidiary		-	-	-	-	-	-	4,000	4,000
Realisation of revaluation reserve	16	-	-	(59,197)	-	59,197	-	-	-
Total transactions with owners		32,783	-	(59,197)	15,963	59,197	48,746	4,000	52,746
At 31 July 2021		413,672	(996)	18,437	15,963	(207,237)	239,839	6,184	246,023

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 July 2021

cont'd

Group	Note	Share capital	Exchange reserve	Revaluation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
		← Attributable to owners of the Company				→		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2019		380,889	30,777	78,406	(410,285)	79,787	1,189	80,976
- Effect of restatement	36	-	-	(1,163)	(155)	(1,318)	1,318	-
Restated balance at 1 February 2019		380,889	30,777	77,243	(410,440)	78,469	2,507	80,976
Total comprehensive loss for the financial year								
Loss for the financial year		-	-	-	(18,887)	(18,887)	1,593	(17,294)
Other comprehensive income for the financial year		-	(772)	1,176	-	404	-	404
Effect of restatement	36	-	-	(26)	(100)	(126)	119	(7)
Total comprehensive loss		-	(772)	1,150	(18,987)	(18,609)	1,712	(16,897)
Restated balance at 31 January 2020		380,889	30,005	78,393	(429,427)	59,860	4,219	64,079

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 July 2021

cont'd

Company	Note	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
		Attributable to owners of the Company			
At 1 February 2019		380,889	-	(279,162)	101,727
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income		-	-	6,792	6,792
At 31 January 2020		380,889	-	(272,370)	108,519
Total comprehensive loss for the financial period					
Loss for the financial period, representing total comprehensive loss		-	-	(8,545)	(8,545)
Transaction with owners					
Issuance of shares pursuant to:					
- private placement	15	9,811	-	-	9,811
- rights issue with warrants	15	22,972	15,963	-	38,935
		32,783	15,963	-	48,746
At 31 July 2021		413,672	15,963	(280,915)	148,720

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

STATEMENTS OF CASH FLOWS
For the Financial Period Ended 31 July 2021

		Group		Company	
	Note	31.7.2021 RM'000	31.1.2020 RM'000 (Restated)	31.7.2021 RM'000	31.1.2020 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax					
- Continuing operations		(38,480)	13,070	(8,545)	6,792
- Discontinued operations		199,039	(30,222)	-	-
		160,559	(17,152)	(8,545)	6,792
Adjustments for:					
Amortisation of intangible assets		1,276	994	-	-
Bad debts written off		379	-	-	-
COVID-19 related rent concessions income		(240)	-	(137)	-
Depreciation of property, plant and equipment		8,401	7,414	977	688
Interest expense		46,609	36,284	93	63
Interest income		(1,218)	(321)	(510)	(577)
Dividend income from:					
- investment securities		-	(27)	-	-
- investment in subsidiaries		-	-	-	(10,908)
Fair value gain on investment properties		(63)	(15,273)	-	-
Fair value loss on investment securities		12,533	4,954	-	-
Impairment loss on trade and other receivables		2,249	593	954	10
Gain on disposal of property, plant and equipment		(41)	(391)	(41)	(31)
Gain on disposal of subsidiaries		(243,852)	-	-	-
Property, plant and equipment written off, net of accumulated impairment loss		-	3,362	-	-
Reversal of provision for customer reward points		(285)	(730)	-	-
Reversal of impairment loss on trade receivables		(1,925)	(746)	-	-
Unrealised loss/(gain) on foreign exchange		11,039	(1,212)	(20)	-
		(165,138)	34,901	1,316	(10,755)
Operating (loss)/profit before changes in working capital, carried forward		(4,579)	17,749	(7,229)	(3,963)

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 July 2021

cont'd

		Group		Company	
		31.7.2021	31.1.2020	31.7.2021	31.1.2020
	Note	RM'000	RM'000	RM'000	RM'000
			(Restated)		
Cash flows from operating activities *cont'd*					
Operating (loss)/profit before changes in working capital, brought forward		(4,579)	17,749	(7,229)	(3,963)
Changes in working capital:					
Inventories		173	(137)	-	-
Trade and other receivables		(5,915)	(11,075)	(5)	11
Trade and other payables		115,213	113,042	26,808	(80)
Contract liabilities		(136)	(259)	-	-
		109,335	101,571	26,803	(69)
Net cash generated from/(used in) operations		104,756	119,320	19,574	(4,032)
Real property gain tax		(9,895)	-	-	-
Tax refunded/(paid)		2,395	(2,288)	-	-
Net cash from/(used in) operating activities		97,256	117,032	19,574	(4,032)
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	9(a)	>	-	*	-
Additional investment in a subsidiary	9(b)	-	-	(6,000)	-
Repayments from/(Advances to) subsidiaries		-	-	3,175	(8,877)
Dividend income received from:					
- investment securities		-	27	-	-
- investment in subsidiaries		-	-	-	10,908
Interest received		1,218	321	510	577
Purchase of property, plant and equipment	5(a)	(255)	(642)	(37)	-
Purchase of other intangible assets		(433)	(1,033)	-	-
Proceeds from disposal of non-current asset held for sale		63,000	-	-	-
Proceeds from disposal of property, plant and equipment		87	933	87	31
Proceeds from disposal of investment securities		-	12	-	-
Net cash outflows on disposal of subsidiaries	9(c)	(20,754)	-	-	-
Change in pledged deposits		9	2,081	-	-
Net cash from/(used in) investing activities		42,872	1,699	(2,265)	2,639

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 July 2021

cont'd

	Note	Group 31.7.2021 RM'000	Group 31.1.2020 RM'000 (Restated)	Company 31.7.2021 RM'000	Company 31.1.2020 RM'000
Cash flows from financing activities	(a)				
Advances from subsidiaries		-	-	17,767	2,412
Interest paid		(41,366)	(36,284)	(93)	(63)
Proceeds from issuance of shares arising from:					
- private placement		9,811	-	9,811	-
- rights issue with warrants		38,935	-	38,935	-
Payments of lease liabilities		(1,178)	(1,852)	(673)	(653)
Repayments of margin trading facility		-	(10,070)	-	-
Repayments of term loan		(14,853)	-	-	-
Repayments to investor certificates		(56,967)	(917)	-	-
Subscription of shares by non-controlling interest in a subsidiary		4,000	-	-	-
Net cash (used in)/from financing activities		(61,618)	(49,123)	65,747	1,696
Net increase in cash and cash equivalents		78,510	69,608	83,056	303
Cash and cash equivalents at the beginning of the financial period/year		40,174	(25,940)	2,367	2,064
Effects of exchange rate changes on cash and cash equivalents		(1,338)	(3,494)	-	-
Cash and cash equivalents at the end of the financial period/year	13	117,346	40,174	85,423	2,367

* *This represents acquisition of a subsidiary, Dynacare Sdn. Bhd. amounting to RM1 during the financial period ended 31 July 2021.*

> *This represents net cash inflow on acquisition of Dynacare Sdn. Bhd. amounting to RM1 during the financial period ended 31 July 2021.*

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 July 2021

cont'd

(a) Reconciliation of liabilities arising from financing activities:

	Note	1.2.2020 RM'000	Cash flows RM'000	Non-cash Acquisition RM'000	Non-cash Foreign exchange movement RM'000	Non-cash Others RM'000	31.7.2021 RM'000
Group							
Lease liabilities	17	2,382	(1,178)	2,806	(28)	(1,112)	2,870
Investor certificates	18	470,593	(56,967)	-	-	(413,626)	-
Term loan	20	14,853	(14,853)	-	-	-	-
Revolving credits	20	17,912	-	-	387	(18,299)	-
		505,740	(72,998)	2,806	359	(433,037)	2,870
Company							
Lease liabilities	17	593	(673)	2,808	-	(137)	2,591
Amounts owing to subsidiaries	21	63,990	17,767	-	-	-	81,757
		64,583	17,094	2,808	-	(137)	84,348

	Note	1.2.2019 RM'000	Cash flows RM'000	Non-cash Foreign exchange movement RM'000	31.1.2020 RM'000
Group					
Lease liabilities	17	4,246	(1,852)	(12)	2,382
Investor certificates	18	478,405	(917)	(6,895)	470,593
Margin trading facility	20	10,070	(10,070)	-	-
Term loan	20	14,853	-	-	14,853
Revolving credits	20	18,104	-	(192)	17,912
		525,678	(12,839)	(7,099)	505,740
Company					
Lease liabilities	17	1,246	(653)	-	593
Amounts owing to subsidiaries	21	61,578	2,412	-	63,990
		62,824	1,759	-	64,583

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 July 2021

cont'd

(b) Total cash outflows for leases as a lessee:

		Group		Company	
		31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Included in net cash from/(used in) operating activities:					
Interest paid in relation to lease liabilities	25	315	216	91	61
Payments relating to short-term leases and low-value assets	26	106	461	45	48
Included in net cash (used in)/from financing activities:					
Payments of lease liabilities		1,178	1,852	673	653
Total cash outflows for leases		1,599	2,529	809	762

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Johan Holdings Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at 11th Floor, Wisma E&C, 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial period.

The ultimate holding company of the Company is Sky Wealth Ventures Limited, a company incorporated in British Virgin Islands.

During the financial period, the Group and the Company changed their financial year end from 31 January to 31 July and made up their financial statements for the 18 months period to 31 July 2021. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 November 2021.

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"), 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 period:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 *Leases* issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION *cont'd*

2.2 Adoption of amendments/improvements to MFRSs *cont'd*

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, except for those as discussed below.

Amendment to MFRS 16 Leases

The Group and the Company have early adopted the amendment to MFRS 16 that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus Disease ("COVID-19") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 31 July 2021.

The Group and the Company elected the practical expedient not to assess whether a rent concession received from landlord is a lease modification. The effect of adoption of the above amendment is disclosed in Note 26 to the financial statements as rent concession income.

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
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 April 2021/ 1 January 2022^

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*

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: *cont'd*

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs *cont'd*		
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
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 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
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 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*

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

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. The initial application of the applicable new MFRS and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION *cont'd*

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, and has been rounded to the nearest thousand, unless otherwise stated.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period/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 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.

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

3.1 Basis of consolidation *cont'd*

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

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.

The accounting policy for goodwill is set out in Note 3.8(a).

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

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

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

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.

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*

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, a joint venture 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) Non-controlling interests

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

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

(c) 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.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.13(b).

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

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

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).

(b) Translation of foreign operations

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

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.4 Financial instruments

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

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

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

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

(a) Subsequent measurement

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

(i) Financial assets

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.4 Financial instruments *cont'd*

(a) Subsequent measurement *cont'd*

(i) Financial assets *cont'd*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into 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 losses is in accordance with Note 3.13(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through profit or loss ("FVPL")**

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.4 Financial instruments *cont'd*

(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, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(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 is 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.

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

3.4 Financial instruments *cont'd*

(d) Derecognition *cont'd*

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

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

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

(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.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (other than land and buildings) 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 3.13(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. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.19.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.5 Property, plant and equipment *cont'd*

(a) Recognition and measurement *cont'd*

Long-term leasehold land and buildings and long-term leasehold hotel properties are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings 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 long-term leasehold land and buildings and long-term leasehold hotel properties 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.

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.

(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 profit or loss as incurred.

(c) Depreciation

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

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal annual depreciation rates used for this purpose are:

Equipment, furniture and fittings	5% - 33.3%
Motor vehicles	10% - 20%

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.5 Property, plant and equipment *cont'd*

(d) Derecognition

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

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group 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 5 and lease liabilities in Note 17.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

<u>Right-of-use asset</u>

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.6 Leases *cont'd*

(b) Lessee accounting *cont'd*

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;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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.

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

The Group 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.

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

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

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

3.7 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at 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. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs.

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 profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b).

(b) Computer software

Computer software that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b).

(c) Amortisation

The amortisation methods used and the estimated useful lives are as follows:

	Method	**Useful lives (years)**
Computer software	Straight-line	7

The residual values, useful lives and amortisation methods are reviewed at the end of each reporting period.

3.9 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost 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.

Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost include cost of land and attributable development expenditure.

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

3.10 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

3.11 Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-presented as if the operation has been discontinued from the start of the comparative period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.12 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.13 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost 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, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

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.

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

3.13 Impairment of assets *cont'd*

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

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.

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 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 expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.13 Impairment of assets *cont'd*

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, investment properties measured at fair value and non-current assets or disposal groups classified as held for sale) 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 goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

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.

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

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.

Impairment losses in respect of goodwill are not reversed. For other assets, 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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.14 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.

3.15 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.

3.16 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Company has received the consideration or have billed the customers.

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 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).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

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

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

(a) Charge and credit card operations

Revenue from charge and credit card commission are recognised at the point of transaction at service establishments. Annual subscription fees are recognised on a time-apportionment basis over the membership period. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate. Revenue from inactive accounts are recognised when recovered.

(b) Ticketing and travel revenue

Revenue from air ticket sales is recognised based on fee earned and upon issue and delivery of air tickets. Revenue from travel services is recognised upon departure or arrival dates of the tours and services rendered.

(c) Sales of goods

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.18 Revenue and other income *cont'd*

(d) Revenue from resort operations

Hotel room revenue is recognised when service is 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.

Revenue from the sale of goods or services is recognised 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.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Rental income

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

3.19 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.20 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 period/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.

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 3.7, 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.

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

3.20 Income tax *cont'd*

(b) Deferred tax *cont'd*

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.

(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.

3.21 Earnings per share

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

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

3.22 Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

3.23 Fair value measurements

Fair value of an asset or a liability 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.

3.24 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.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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) Investment in subsidiaries

As disclosed in Note 9(c)(i), on 24 December 2020, the Group had entered into a Share Sale Agreement ("SSA") with Ezy Net Pte. Ltd., Candypay Holdings Pte. Ltd. and Genesis Business Holdings Pte. Ltd. to dispose of its subsidiaries, namely Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd. for a total consideration of SGD103,586,103 (equivalent to approximately RM315.93 million).

Significant judgement is required to determine the financial effect of the disposal of these subsidiaries on the consolidated financial statements.

The Group recorded a gain of RM243.852 million from the disposal of these subsidiaries, the details are disclosed in Note 9(c)(ii).

(b) Valuation of property, plant and equipment

Long-term leasehold land, long-term leasehold land and buildings and long-term leasehold hotel properties are carried at revalued amount. Revaluation of these assets is based on valuation performed by independent professional property valuers. 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 difference. 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 revalued properties.

The carrying amounts of the property, plant and equipment are disclosed in Note 5.

(c) 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 difference. 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 6.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. PROPERTY, PLANT AND EQUIPMENT

Group 31.7.2021	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in progress RM'000	Right-of-use assets RM'000	Total RM'000
Cost					
At 1 February 2020	16,456	144	-	184,663	201,263
Additions	152	-	103	2,806	3,061
Adjustment on revaluation	-	-	-	(4,405)	(4,405)
Derecognition*	-	-	-	(1,014)	(1,014)
Disposals	-	-	-	(164)	(164)
Disposal of subsidiaries (Note 9(c))	(2,743)	-	-	(100,266)	(103,009)
Reclassification	-	740	-	(740)	-
Exchange differences	263	-	-	2,125	2,388
At 31 July 2021	14,128	884	103	83,005	98,120
Accumulated depreciation					
At 1 February 2020	14,114	144	-	11,841	26,099
Depreciation charge for the financial period (Note 26)	1,168	-	-	7,233	8,401
Derecognition*	-	-	-	(1,014)	(1,014)
Disposals	-	-	-	(118)	(118)
Disposal of subsidiaries (Note 9(c))	(2,191)	-	-	(13,526)	(15,717)
Elimination of accumulated depreciation on revaluation	-	-	-	(3,278)	(3,278)
Reclassification	-	599	-	(599)	-
Exchange differences	74	-	-	224	298
At 31 July 2021	13,165	743	-	763	14,671
Carrying amount					
At cost	963	141	103	2,722	3,929
At valuation	-	-	-	79,520	79,520
At 31 July 2021	963	141	103	82,242	83,449

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group 31.1.2020	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold land and buildings RM'000	Long-term leasehold hotel properties RM'000	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
Cost/Valuation									
At 1 February 2019	127,030	19,247	35,080	97,428	39,285	19,286	1,140	-	338,496
Additions	-	-	-	-	-	642	-	3,915	4,557
Adjustment on revaluation	-	-	-	-	-	-	-	(2,178)	(2,178)
Disposals	-	(530)	-	-	-	(412)	(91)	-	(1,033)
Reclassification	-	-	(35,080)	(97,428)	(39,285)	(3,035)	(905)	175,733	-
Written off	(30)	(18,717)	-	-	-	-	-	-	(18,747)
Transfer from intangible assets (Note 8)	-	-	-	-	-	-	-	8,244	8,244
Transfer to non-current assets held for sale (Note 14)	(127,000)	-	-	-	-	-	-	-	(127,000)
Exchange differences	-	-	-	-	-	(25)	-	(1,051)	(1,076)
At 31 January 2020	-	-	-	-	-	16,456	144	184,663	201,263
Accumulated depreciation									
At 1 February 2019	-	-	-	-	-	15,693	707	-	16,400
Depreciation charge for the financial year (Note 26)	-	59	-	-	-	785	-	6,570	7,414
Disposals	-	-	-	-	-	(400)	(91)	-	(491)
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	-	-	(3,587)	(3,587)
Reclassification	-	-	-	-	-	(1,882)	(472)	2,354	-
Transfer from intangible assets (Notes 8)	-	-	-	-	-	-	-	6,618	6,618
Written off	-	(59)	-	-	-	-	-	-	(59)
Exchange differences	-	-	-	-	-	(82)	-	(114)	(196)
At 31 January 2020	-	-	-	-	-	14,114	144	11,841	26,099

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group *cont'd* 31.1.2020	Freehold land RM'000	Freehold buildings RM'000	Long-term leasehold land RM'000	Long-term leasehold land and buildings RM'000	Long-term leasehold hotel properties RM'000	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated impairment loss									
At 1 February 2019	-	15,326	-	-	-	-	-	-	15,326
Written off	-	(15,326)	-	-	-	-	-	-	(15,326)
At 31 January 2020	-	-	-	-	-	-	-	-	-
Carrying amount									
At cost	-	-	-	-	-	2,342	-	3,816	6,158
At valuation	-	-	-	-	-	-	-	169,006	169,006
At 31 January 2020	-	-	-	-	-	2,342	-	172,822	175,164

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	Furniture and fittings RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
Cost				
At 1 February 2019	2,224	91	1,920	4,235
Disposals	-	(91)	-	(91)
At 31 January 2020	2,224	-	1,920	4,144
Additions	37	-	2,806	2,843
Derecognition*	-	-	(1,014)	(1,014)
Disposals	-	-	(164)	(164)
Reclassification	-	740	(740)	-
At 31 July 2021	2,261	740	2,808	5,809
Accumulated depreciation				
At 1 February 2019	2,127	91	472	2,690
Depreciation charge for the financial year (Note 26)	33	-	655	688
Disposals	-	(91)	-	(91)
At 31 January 2020	2,160	-	1,127	3,287
Depreciation charge for the financial period (Note 26)	61	-	916	977
Derecognition*	-	-	(1,014)	(1,014)
Disposals	-	-	(118)	(118)
Reclassification	-	599	(599)	-
At 31 July 2021	2,221	599	312	3,132
Carrying amount				
At 31 January 2020	64	-	793	857
At 31 July 2021	40	141	2,496	2,677

* Derecognition of the right-of-use assets during the financial period was a result of termination of certain leases.

(a) During the financial period, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM3,061,000 (31.1.2020: RM4,557,000) and RM2,843,000 (31.1.2020: NIL) respectively which are satisfied by the following:

	Group		Company	
	31.7.2021 RM'000	31.1.2020 RM'000	31.7.2021 RM'000	31.1.2020 RM'000
Cash payments	255	642	37	-
Finance by way of lease agreement	2,806	3,915	2,806	-
	3,061	4,557	2,843	-

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(b) Right-of-use assets

The Group and the Company lease several assets including leasehold land and buildings, leasehold hotel properties, furniture and fittings, office equipment, motor vehicles and computer software.

Information about leases for which the Group and the Company are lessees is presented below:

	Long-term leasehold land RM'000	Long-term leasehold land and buildings RM'000	Long-term leasehold hotel properties RM'000	Buildings RM'000	Furniture, equipment and motor vehicles RM'000	Computer software RM'000	Total RM'000
Group							
Carrying amount	At valuation			At cost			
At 1 February 2019	-	-	-	-	-	-	-
Additions	-	-	-	3,415	500	-	3,915
Adjustment on revaluation	(907)	1,538	778	-	-	-	1,409
Depreciation	(478)	(1,698)	(1,263)	(1,596)	(606)	(929)	(6,570)
Reclassification	35,080	97,583	39,285	-	1,431	-	173,379
Transfer from intangible assets (Note 8)	-	-	-	-	-	1,626	1,626
Exchange differences	-	(912)	-	(9)	(10)	(6)	(937)
At 31 January 2020	33,695	96,511	38,800	1,810	1,315	691	172,822
Additions	-	-	-	2,806	-	-	2,806
Adjustment on revaluation	(1,053)	427	(501)	-	-	-	(1,127)
Disposals	-	-	-	-	(46)	-	(46)
Disposal of subsidiaries (Note 9(c))	-	(84,739)	-	(838)	(749)	(414)	(86,740)
Depreciation	(717)	(2,735)	(2,009)	(1,078)	(402)	(292)	(7,233)
Reclassification	-	-	-	-	(141)	-	(141)
Exchange differences	-	1,841	-	22	23	15	1,901
At 31 July 2021	31,925	11,305	36,290	2,722	-	-	82,242

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(b) Right-of-use assets *cont'd*

Information about leases for which the Group and the Company are lessees is presented below: *cont'd*

	Building RM'000	Motor vehicles RM'000	Total RM'000
Company			
Carrying amount			
At 1 February 2019	1,015	433	1,448
Depreciation	(553)	(102)	(655)
At 31 January 2020	462	331	793
Additions	2,806	-	2,806
Disposals	-	(46)	(46)
Depreciation	(772)	(144)	(916)
Reclassification	-	(141)	(141)
At 31 July 2021	2,496	-	2,496

The Group and the Company lease land and buildings for their office space and operation site. The leases for office space and operation site generally have remaining useful life of 23 years to 73 years.

The Group and the Company also leases buildings with lease terms of 6 years.

(c) In the previous financial year, the carrying amount of long-term leasehold land and buildings pledged as security for a term loan as disclosed in Note 20 are as follows:

	Group 31.1.2020 RM'000
Long-term leasehold land and buildings	96,511
Long-term leasehold hotel properties	38,800
	135,311

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(d) Fair value information

The fair value of long-term leasehold land and buildings of the Group are categorised as follows:

	Group Level 3 RM'000
31.7.2021	
Long-term leasehold land	31,925
Long-term leasehold land and buildings	11,305
Long-term leasehold hotel properties	36,290
	79,520
31.1.2020	
Long-term leasehold land	33,695
Long-term leasehold land and buildings	96,511
Long-term leasehold hotel properties	38,800
	169,006

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Long-term leasehold land	Sales comparison approach	Sale price of comparable land	The higher the price persquare feet, the higher the fair value
Long-term leasehold land and buildings	Sales comparison approach	Sale price of comparable land and buildings	The higher the price persquare feet, the higher the fair value
Long-term leasehold hotel properties	Sales comparison and cost approach	Sale price of comparable land and the depreciated reproduction or replacement cost of the building and other improvements	The higher the price per square feet, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(d) Fair value information *cont'd*

Valuation processes applied by the Group

The fair value of long-term leasehold land, long-term leasehold land and buildings and long-term leasehold hotel properties is determined by external independent valuers. The valuation company provides the fair value of long-term leasehold land and buildings on a yearly basis. Changes in Level 3 fair values are analysed by the management every year after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial period.

Highest and best use

In estimating the fair value of the long-term leasehold land and buildings, the highest and best use of the leasehold land and buildings is their current use.

(e) Had the revalued long-term leasehold land and buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the long-term leasehold land and buildings that would have been included in the financial statements of the Group are as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Long-term leasehold land	16,636	17,354
Long-term leasehold land and buildings	1,744	42,548
Long-term leasehold hotel properties	11,384	12,133
	29,764	72,035

6. INVESTMENT PROPERTIES

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At fair value:		
At beginning of the financial period/year	21,387	-
Additions	19,000	-
Transfer from inventories	-	6,114
Net gain arising from fair value adjustment	63	15,273
At end of the financial period/year	40,450	21,387

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. INVESTMENT PROPERTIES *cont'd*

(a) In the previous financial year, investment properties with fair value of RM21,387,000 has been pledged as security to secure a term loan of the Group as disclosed in Note 20. During the financial period, the investment properties has been discharged from the term loan facility.

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

	31.7.2021 RM'000	**31.1.2020 RM'000**
Rental income	15	-
Direct operating expenses:		
- income generating investment properties	5	-
- non-income generating investment properties	99	87

(c) Fair value information

The fair value of investment properties of the Group is categorised as follows:

	Level 3 RM'000
31.7.2021	
Freehold land and buildings	13,600
Leasehold land and buildings	26,850
	40,450

	Level 3 RM'000
31.1.2020	
Leasehold land	21,387

There are no Level 1 investment properties or transfers between Level 1 and Level 2 during the financial period/ year ended 31 July 2021 and 31 January 2020.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. INVESTMENT PROPERTIES *cont'd*

(c) Fair value information *cont'd*

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Freehold land and buildings	Sales comparison approach	Sale price of comparable land and buildings	The higher the price per square feet, the higher the fair value
Leasehold land and buildings	Sales comparison approach	Sale price of comparable land and buildings	The higher the price per square feet, the higher the fair value

Valuation processes applied by the Group

The fair value of investment properties is determined by external independent valuers. The valuation company provides the fair value of investment properties on a yearly basis. Changes in Level 3 fair values are analysed by the management every year after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial period.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. INVENTORIES

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Non-current:		
Property held for development		
- Leasehold land	15	15
- Development costs	15	15
	30	30
Current:		
Work-in-progress	-	1
Finished goods	32	904
	32	905
	62	935

The cost of inventories of the Group recognised as an expense in cost of sales during the financial period was RM418,000 (31.1.2020: RM504,000).

8. OTHER INTANGIBLE ASSETS

		Group	
	Goodwill	**Computer software**	**Total**
	RM'000	**RM'000**	**RM'000**
Cost			
At 1 February 2019	4,494	15,059	19,553
Additions	-	1,033	1,033
Transfer to property, plant and equipment (Note 5)	-	(8,244)	(8,244)
Exchange differences	-	(166)	(166)
At 31 January 2020	4,494	7,682	12,176
Additions	-	433	433
Disposal of subsidiaries (Note 9(c))	(4,494)	(6,973)	(11,467)
Exchange differences	-	138	138
At 31 July 2021	-	1,280	1,280

NOTES TO THE FINANCIAL STATEMENTS
cont'd

8. OTHER INTANGIBLE ASSETS *cont'd*

	Group		
	Goodwill	Computer software	Total
	RM'000	RM'000	RM'000
Accumulated amortisation			
At 1 February 2019	-	10,305	10,305
Amortisation charge for the financial year (Note 26)	-	994	994
Transfer to property, plant and equipment (Note 5)	-	(6,618)	(6,618)
Exchange differences	-	(136)	(136)
At 31 January 2020	-	4,545	4,545
Amortisation charge for the financial period (Note 26)	-	1,276	1,276
Disposal of subsidiaries (Note 9(c))	-	(4,690)	(4,690)
Exchange differences	-	77	77
At 31 July 2021	-	1,208	1,208
Carrying amount			
At 31 January 2020	4,494	3,137	7,631
At 31 July 2021	-	72	72

Impairment of goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the cash generating unit ("CGU"), which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill was allocated to the CGU of Diners Club (Singapore) Private Limited, which is under the hospitality and card services segment.

In the previous financial year, the recoverable amount was determined based on current replacement cost method. The critical inputs to the current replacement cost model include credit card acquisition cost, merchant acquisition cost, number of cardholders and merchants and attrition rates. The replacement cost model assumes 5 years period to replicate the DCS's current operation with cardholders attrition rate of 30%.

Sensitivity to change in assumptions

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGUs to exceed its recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES

	Company	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At cost		
Unquoted shares, at cost		
At beginning of the financial period/year	384,057	384,057
Additions	6,000	-
At end of the financial period/year	390,057	384,057
Accumulated impairment loss		
At beginning/end of the financial period/year	(237,632)	(237,632)
	152,425	146,425

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest 31.7.2021	Effective equity interest 31.1.2020	Principal activities
Johan Management Services Sdn. Bhd.*	Malaysia	100%	100%	Provision of secretarial and management services and insurance agent
Johan Land Sdn. Bhd.*	Malaysia	100%	100%	Property development and investment holding
Johan Properties Sdn. Bhd.*	Malaysia	100%	100%	Provision holding and investment
Johan Equities Sdn. Bhd.	Malaysia	100%	100%	Investment trading
Johan Pasifik Sdn. Bhd.*	Malaysia	100%	100%	Investment holding
Prestige Ceramics Sdn. Bhd.	Malaysia	100%	100%	Inactive
William Jacks & Company (Malaysia) Sdn. Bhd.*	Malaysia	100%	100%	Investment holding, provision of data processing services and trading of engineering and building material
Nature's Farm (Health Foods) Sdn. Bhd.*	Malaysia	100%	100%	Trading in health foods and supplements

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		31.7.2021	31.1.2020	
Johan Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding and management services
JCC Equities Sdn. Bhd.*	Malaysia	100%	100%	Provision of secretarial and management services
Johan Nominees (Tempatan) Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Dynacare Sdn. Bhd.	Malaysia	60%	-	Manufacturing and dealing of rubber gloves and medical personal protection equipment
Johan Industries (Malaysia) Sdn. Bhd.[#]	Malaysia	-	100%	Inactive
AIH Holdings Ltd.*	Hong Kong	100%	100%	Investment holding and management services
Johan International Limited*	Hong Kong	100%	100%	Investment holding
Subsidiaries of William Jacks & Company (Malaysia) Sdn. Bhd.				
Jacks Edar Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Wismer Automation Sdn. Bhd.[#]	Malaysia	-	96.68%	Inactive
Subsidiary of Nature's Farm (Health Foods) Sdn. Bhd.				
Vitamin World Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Subsidiaries of Johan Capital Sdn. Bhd.				
Johan Leasing Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Strategic Usage Sdn. Bhd.[+]	Malaysia	100%	-	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		31.7.2021	**31.1.2020**	
Subsidiaries of Johan Capital Sdn. Bhd. *cont'd*				
J Capital Investments Pte. Ltd. (Formerly known as Diners World Travel Pte. Ltd.)*+	Singapore	100%	-	Ticketing and tour management solution provider
Johan Air Services Sdn. Bhd.#	Malaysia	-	100%	Inactive
Subsidiary of Johan Land Sdn. Bhd.				
Mustika Resort Sdn. Bhd.*	Malaysia	85%	85%	Inactive
Subsidiary of Johan Pasifik Sdn. Bhd.				
Lumut Marine Resort Bhd.	Malaysia	70%	70%	Inactive
Subsidiary of Strategic Usage Sdn. Bhd.				
Diners Club (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ceased its card activities as processor for Diners Club issued by overseas franchisees and currently, it continues to collect outstanding principal and earns interest income from outstanding cardholders
Subsidiaries of Diners Club (Malaysia) Sdn. Bhd.				
Diners World Travel (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ticketing and tour management solution provider
Lumut Park Resort Sdn. Bhd.	Malaysia	80%	80%	Property development and operation of hotel and resort related business
Subsidiary of AIH Holdings Ltd.				
Abacus Pacific N.V.>	The Netherlands	100%	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest 31.7.2021	Effective equity interest 31.1.2020	Principal activities
Subsidiary of Abacus Pacific N.V.				
Johan Investment Private Limited*	Singapore	100%	100%	Investment holding
Subsidiary of Johan Investment Private Limited				
Diners Club (Singapore) Private Limited*^	Singapore	-	100%	Provision of charge card and credit card services under Diners Club franchise
Subsidiaries of Diners Club (Singapore) Private Limited				
Strategic Usage Sdn. Bhd.+	Malaysia	-	100%	Investment holding
DinersPay Pte. Ltd.*^	Singapore	-	100%	Merchandiser and payment processing service
J Capital InvestmentsPte. Ltd. (Formerly known as Diners World Travel Pte. Ltd.)*+	Singapore	-	100%	Ticketing and tour management solution provider
DFS Assets Purchase Pte. Ltd.*^@	Singapore	-	-	Provision of financing arrangement between Diners Club (Singapore) Private Limited and institutional lenders

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

\# The subsidiary had been struck-off from the Companies Commission of Malaysia during the current financial period.

\+ transfer of the entire equity interest to Johan Capital Sdn. Bhd. after the disposal of Diners Club (Singapore) Private Limited was completed on 9 July 2021.

> Consolidated using unaudited management financial statements as no statutory requirement for the financial statements to be audited at the end of the financial period.

^ Disposed of during the current financial period.

@ In the previous financial year, Diners Club (Singapore) Private Limited ("DCS") had entered into an Asset Securitisation Programme on 5 September 2019 with DFS Assets Purchase Pte. Ltd. Although the Group does not hold shares in this special purpose entity ("SPE"), it is considered as deemed subsidiary as the activities of the SPE are being conducted on behalf of Group according to its specific business requirement and that the Group retains the majority of the residual or ownership risk related to this Company on its assets. The Group's consolidated financial statements include the results, assets and liabilities of this SPE. Upon completion of the disposal of DCS on 9 July 2021, DFS Assets Purchase Pte. Ltd. ceased to be the deemed subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Acquisition of Dynacare Sdn. Bhd.

On 30 July 2020, the Company had acquired 1 ordinary share in Dynacare Sdn. Bhd., representing 50% of the issued and paid up share capital of Dynacare Sdn. Bhd. for a total cash consideration of RM1. The principal activities of the subsidiary are manufacturing and dealing of rubber gloves and medical personal protection equipment.

(i) Fair value of the identifiable asset acquired recognised represents bank balance in the subsidiary amounted to RM2.

(ii) Effects of acquisition on cash flows:

	RM'000
Fair value of consideration transferred	*
Less: Cash and cash equivalents of the subsidiary acquired	^
Net cash inflow on acquisition	>

* This represents fair value of consideration transferred amounting to RM1 during the financial period ended 31 July 2021.

^ This represents cash and cash equivalents of the subsidiary acquired amounting to RM2 on 30 July 2020.

> This represents net cash inflow on acquisition of Dynacare Sdn. Bhd. amounting to RM1 during the financial period ended 31 July 2021.

(iii) Effects of acquisition in statements of comprehensive income:

	RM'000
Loss for the financial period	(809)

(b) Subscription for additional interest in Dynacare Sdn. Bhd.

On 30 July 2020, the Company subscribed for additional 50 shares of Dynacare Sdn. Bhd. for a total consideration of RM50.

On 15 February 2021, the Company subscribed for additional 2,999,900 shares of Dynacare Sdn. Bhd. for a total consideration of RM2,999,990. In addition, George Kent (Malaysia) Berhad transferred 49 ordinary shares of Dynacare Sdn. Bhd. to the Company for a total consideration of RM49.

On 12 July 2021, the Company further subscribed for additional 3,000,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM3,000,000.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(c) Disposal of subsidiaries

(i) On 24 December 2020, Johan Investment Pte. Ltd., and indirect wholly owned subsidiary of the Company had entered into a Share Sale Agreement ("SSA") with Ezy Net Pte. Ltd., Candypay Holdings Pte. Ltd. and Genesis Business Holdings Pte. Ltd. to dispose its subsidiaries, namely Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd. for a total consideration of SGD103,586,103 (equivalent to approximately RM315.93 million).

The Group recorded a gain of RM243.852 million from the disposal of these subsidiaries as detailed in Note 9(c)(ii).

On 9 July 2021, the Company's indirect wholly owned subsidiary, Johan Investment Private Limited had completed the disposal of its 100% equity investments in Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd.

(ii) Summary of the effects of disposal of Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd.:

	RM'000	RM'000
Assets:		
Property, plant and equipment (Note 5)	87,292	
Other intangible assets (Note 8)	2,283	
Inventories	700	
Trade and other receivables	804,808	
Cash and bank balances	9,427	
Goodwill (Note 8)	4,494	909,004
Liabilities:		
Deferred tax liabilities (Note 19)	(4,403)	
Loans and borrowings	(160,391)	
Lease liabilities	(872)	
Trade and other payables	(698,152)	
Contract liabilities (Note 22)	(853)	
Tax liabilities	(13)	(864,684)
Net assets disposed		44,320

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(c) Disposal of subsidiaries *cont'd*

(ii) Summary of the effects of disposal of Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd.: *cont'd*

	RM'000
Fair value of consideration received	315,927
Less: Expenses in relation to the disposal	(11,327)
	304,600
Less: Net assets disposed	(44,320)
Less: Total identifiable net assets of excluded assets	(57,519)
Cumulative exchange gain in respect of the net assets of the disposed subsidiaries reclassified from equity to profit or loss upon disposal	41,091
Gain on disposal of subsidiaries	243,852

(iii) Effects of disposal on cash flows:

	RM'000	RM'000
Fair value of consideration received	315,927	
Less: Non-cash consideration	(315,927)	
Cash consideration received		-
Less: Cash and cash equivalents of subsidiaries disposed of		9,427
Less: Expenses in relation to the disposal		11,327
Net cash outflows on disposal		20,754

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Non-controlling interests in subsidiaries

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

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000	Total RM'000
31.7.2021					
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	3,677	(850)	761	2,596	6,184
Loss allocated to NCI	(323)	(195)	(1,296)	(123)	(1,937)
Total comprehensive loss allocated to NCI	(323)	(97)	(1,372)	(243)	(2,035)
31.1.2020					
NCI Percentage of ownership interest and voting interest	-	30%	20%	15%	
Carrying amount of NCI	-	(753)	2,133	2,839	4,219
(Loss)/Profit allocated to NCI	-	(83)	1,766	3	1,686
Total comprehensive (loss)/income allocated to NCI	-	(73)	1,884	(99)	1,712

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Non-controlling interests in subsidiaries *cont'd*

The summarised financial information (before intra-group elimination) of the Group's material subsidiaries that have NCI are as follows:

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000	Total RM'000
Summarised statement of financial position					
As at 31 July 2021					
Non-current assets	153	11,305	58,188	31,925	101,571
Current assets	9,144	43	11,354	-	20,541
Non-current liabilities	-	(1,004)	(11,583)	(1,987)	(14,574)
Current liabilities	(105)	(9,642)	(46,204)	(10,699)	(66,650)
Net assets	9,192	702	11,755	19,239	40,888
Summarised statement of comprehensive income					
Financial period ended 31 July 2021					
Revenue	-	-	3,313	-	3,313
Loss for the financial period	(809)	(647)	(6,481)	(818)	(8,755)
Total comprehensive loss	(809)	(323)	(6,862)	(1,618)	(9,612)
Summarised cash flow information					
Financial period ended 31 July 2021					
Net cash flows used in operating activities	(4,746)	(90)	(1,692)	(118)	(6,646)
Net cash flows used in investing activities	(156)	-	(64)	-	(220)
Net cash flows from financing activities	10,099	111	1,697	118	12,025
Net increase/(decrease) in cash and cash equivalents	5,197	21	(59)	-	5,159

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Non-controlling interests in subsidiaries *cont'd*

The summarised financial information (before intra-group elimination) of the Group's material subsidiaries that have NCI are as follows: *cont'd*

	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000	Total RM'000
Summarised statement of financial position				
As at 31 January 2020				
Non-current assets	11,430	60,780	33,695	105,905
Current assets	84	11,475	-	11,559
Non-current liabilities	(902)	(9,479)	(2,256)	(12,637)
Current liabilities	(9,587)	(44,158)	(10,582)	(64,327)
Net assets	1,025	18,618	20,857	40,500
Summarised statement of comprehensive income				
Financial year ended 31 January 2020				
Revenue	-	3,729	-	3,729
Loss for the financial year	(287)	8,683	(681)	7,715
Total comprehensive income	(253)	9,274	(1,370)	7,651
Summarised cash flow information				
Financial year ended 31 January 2020				
Net cash flows used in operating activities	(91)	(834)	(219)	(1,144)
Net cash flows used in investing activities	-	(281)	-	(281)
Net cash flows from financing activities	83	237	219	539
Net decrease in cash and cash equivalents	(8)	(878)	-	(886)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

10. OTHER INVESTMENTS

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Non-current:		
Financial assets at fair value through profit or loss		
At fair value:		
Quoted securities outside Malaysia	-	27
Current:		
Financial assets at fair value through profit or loss		
At fair value:		
Quoted securities in Malaysia	16,512	20,522
Total other investments (non-current and current)	16,512	20,549

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
		31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current:					
Non-trade					
External parties	(a)	39,757	-	-	-
Current:					
Trade					
Amount owing by a related party		30	27	-	-
External parties		67,213	746,080	-	-
		67,243	746,107	-	-
Less: Impairment losses for trade receivables		(67,131)	(208,261)	-	-
	(b)	112	537,846	-	-

11. TRADE AND OTHER RECEIVABLES *cont'd*

		Group		Company	
		31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-trade					
Amounts owing by subsidiaries	(c)	-	-	30,330	33,485
Amount owing by a related party	(d)	7	7	7	7
Other receivables		397	10,102	4	3
Deposits		4,307	172	173	172
Prepayments		79	6,285	-	-
		4,790	16,566	30,514	33,667
Less: Impairment losses for:					
- amounts owing by subsidiaries	(c)	-	-	(10,833)	(9,879)
- other receivables	(e)	(11)	(11)	-	-
		4,779	16,555	19,681	23,788
Total trade and other receivables (current)		4,891	554,401	19,681	23,788
Total trade and other receivables (non-current and current)		44,648	554,401	19,681	23,788

(a) This is in respect of amount receivable from disposal of the freehold land. The long-term receivable is measured at amortised cost at imputed interest rate of 5.51% per annum.

(b) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (31.1.2020: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

11. TRADE AND OTHER RECEIVABLES *cont'd*

(b) 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	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At beginning of the financial period/year	208,261	217,344
Charge for financial year		
- Individually assessed	2,249	593
Reversal of impairment loss	(1,925)	(746)
Written off	(29,623)	(7,385)
Disposal of subsidiaries (Note 9(c))	(114,965)	-
Exchange differences	3,134	(1,545)
At end of the financial period/year	67,131	208,261

The information about the credit exposures are disclosed in Note 33(b)(i).

(c) Amounts owing by subsidiaries represent advances to subsidiaries which are unsecured, subject to interest at 2.95% (31.1.2020: 2.95%) and repayable upon demand in cash and cash equivalents.

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	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At beginning of the financial period/year	9,879	9,869
Charge for financial year		
- Individually assessed	1,118	10
Reversal of impairment loss	(164)	-
At end of the financial period/year	10,833	9,879

(d) Amount owing by a related party represent the company in which certain directors of the Company have interests, which are unsecured and non-interest bearing.

11. TRADE AND OTHER RECEIVABLES *cont'd*

(e) 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	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At beginning/end of the financial period/year	11	11

12. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

13. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	117,346	47,434	85,423	2,367
Deposits placed with licensed banks (Note (a))	-	16,250	-	-
Time deposits (Note (b))	150	142	-	-
Deposits, cash and bank balances as reported in the statements of financial position	117,496	63,826	85,423	2,367
Less: bank overdrafts	-	(23,493)	-	-
Less: pledged deposits	-	(17)	-	-
Less: Time deposits	(150)	(142)	-	-
Cash and cash equivalents as reported in the statements of cash flows	117,346	40,174	85,423	2,367

(a) In the previous financial year, the deposits placed with licensed banks are placements with periods of less than 3 months and bore interest at rates ranging from 2.95% to 3.35% and mature within 3 months.

Included in deposits placed with licensed banks and cash and bank balances of the Group are amounts held in the designated trust accounts of the special purpose entities amounted to RM15,476,000 pursuant to the terms of the respective trade receivables securitisation programmes.

(b) Time deposits are deposits placed with licensed banks for periods of more than 3 months and earn interest at rates ranging from 1.85% to 3.35% (31.1.2020: 3.35%) per annum.

Included in the time deposits placed with licensed banks of the Group, RM110,000 (31.1.2020: RM110,000) is pledged as security for bank guarantees.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At beginning of the financial period/year	127,000	-
Reclassified from property, plant and equipment (Note 5)	-	127,000
Disposal	(127,000)	-
At end of the financial period/year	-	127,000

On 27 November 2019, the Group had entered into a conditional sales and purchase agreement ("SPA") with Aspect Potential Sdn. Bhd. for the disposal of a freehold land, belonging to Prestige Ceramics Sdn. Bhd., a wholly-owned subsidiary of the Company, for a total consideration of RM127,000,000. On 16 July 2020, the Group had completed the disposal of freehold land.

15. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		← Amounts →	
	31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
Issued and fully paid up (no par value):				
At beginning of the financial period/year	622,948	622,948	380,889	380,889
Issuance of shares pursuant to:				
- private placement	155,737	-	9,811	-
- rights issue	389,343	-	22,972	-
At end of the financial period/year	1,168,028	622,948	413,672	380,889

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares are entitled to receive dividends as and when 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. SHARE CAPITAL *cont'd*

During the financial period, the Company:

(i) issued 155,737,100 new ordinary shares at a price of RM0.063 per ordinary shares for a total cash consideration of RM9,811,437 via private placement; and

(ii) increased its issued and paid-up ordinary share capital from RM390,701,279 to RM413,672,505 by way of rights issue of 389,342,813 new ordinary shares. The shares are issued on the basis of one (1) rights share for every two existing shares at an issue price of RM0.10 each, together with 389,342,813 free detachable warrants on the basis of one warrant for every one rights share subscribed for.

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

16. OTHER RESERVES

		Group			Company	
		31.7.2021	31.1.2020	1.2.2019	31.7.2021	31.1.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)	(Restated)		
Exchange reserve	(a)	(996)	30,005	30,777	-	-
Revaluation reserve	(b)	18,437	78,393	77,243	-	-
Warrant reserve	(c)	15,963	-	-	15,963	-
		33,404	108,398	108,020	15,963	-

(a) Exchange reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. OTHER RESERVES *cont'd*

(b) Revaluation reserve

	Group		
	31.7.2021	31.1.2020	1.2.2019
	RM'000	RM'000	RM'000
		(Restated)	(Restated)
At beginning of the financial period/year	78,393	77,243	74,940
Arising from revaluation of property, plant and equipment	(1,030)	1,384	1,971
Deferred tax relating to revaluation reserve (Note 19)	271	(234)	332
Realisation of revaluation reserve	(59,197)	-	-
At end of the financial period/year	18,437	78,393	77,243

The revaluation reserve relates to revaluation of long-term leasehold land and buildings, net of tax.

(c) Warrant reserve

The warrants are free and shall be issued at no cost to the entitled shareholders and/or their renounce(s) who successfully subscribed for the rights share. The exercise price of the warrants is RM0.25, and the warrants are constituted by the Deed Poll.

The salient features of the warrants are as follows:

(i) Each warrant carries the entitlement, at any time during the exercise period, to subscribe for one (1) new Johan share at the exercise price, subject to the adjustments in accordance with the provisions of the Deed Poll;

(ii) The warrants may be exercised at any time within a period of 3 years commencing on and including the date of issuance of the warrants and ending at 5.00 p.m. in Kuala Lumpur, on the date preceding the 3rd anniversary of the date of issuance, or if such day is not a day on which Bursa Securities is open for trading in securities in Malaysia ("market day"), then it shall be the market day immediately preceding the said non-market day. Any warrant not exercised during the exercise period will thereafter lapse and cease to be valid;

(iii) The warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders are issued with new shares upon exercise of the warrants in accordance with the Deed Poll;

(iv) All the Johan shares to be issued upon the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing Johan shares, save and except that the new Johan shares issued arising from the exercise of the warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment and issuance of such new Johan shares; and

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. OTHER RESERVES *cont'd*

(c) Warrant reserve *cont'd*

(v) For the purposes of trading on Bursa Securities, one (1) board lot of warrants shall comprise 100 units of warrants carrying the rights to subscribe for 100 new Johan shares at any time during the exercise period, or in such denomination as determined by Bursa Securities.

The warrants are quoted on the Main Market of Bursa Securities on 28 July 2021.

The warrants remained unexercised at end of the financial period are 389,342,813.

The fair value of warrants is measured using the binominal option pricing model with the following inputs:

Fair value of warrants and assumptions

Fair value at grant date (RM)	0.041
Warrant life (years)	3
Risk-free rate (%)	2.23
Expected dividends (%)	-
Expected volatility (%)	72.42

17. LEASE LIABILITIES

	Group		Company	
	31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Non-current:				
Unsecured:				
Lease liabilities	2,272	622	2,184	-
Current:				
Unsecured:				
Lease liabilities	598	1,665	407	498
Secured:				
Lease liabilities	-	95	-	95
	598	1,760	407	593
Total lease liabilities	2,870	2,382	2,591	593

NOTES TO THE FINANCIAL STATEMENTS
cont'd

17. LEASE LIABILITIES *cont'd*

In the previous financial year, motor vehicles of the Group and of the Company as disclosed in Note 5 are pledged for leases.

The incremental borrowing rate applied to lease liabilities is 2.72% to 3.45% (31.1.2020: 4.70% to 6.50%) per annum.

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

	Group		Company	
	31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Minimum lease payments				
Not later than 1 year	688	1,849	489	608
Later than 1 year and not later than 5 years	1,695	666	1,607	-
Later than 5 years	745	-	745	-
	3,128	2,515	2,841	608
Less: Future finance charges	(258)	(133)	(250)	(15)
Present value of minimum lease payments	2,870	2,382	2,591	593
Present value of minimum lease payments				
Not later than 1 year	598	1,760	407	593
Later than 1 year and not later than 5 years	1,543	290	1,455	-
Later than 5 years	729	332	729	-
	2,870	2,382	2,591	593
Less: Amount due within 12 months	(598)	(1,760)	(407)	(593)
Amount due after 12 months	2,272	622	2,184	-

18. INVESTOR CERTIFICATES

In the previous financial year, the investor certificates related to the funding of securitised trade receivables of Diners Club (Singapore) Private Limited. The interest rates payable on the investor certificates ranged from 4.12% to 15.46% per annum.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

19. DEFERRED TAX LIABILITIES

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
At beginning of the financial period/year	34,967	33,466
Recognised in profit or loss (Note 28)	(9,376)	1,410
Disposal of subsidiaries (Note 9(c))	(4,403)	-
Deferred tax relating to revaluation reserve (Note 16(b))	(271)	234
Exchange differences	346	(143)
At end of the financial period/year	21,263	34,967

(a) Presented after appropriate offsetting as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Deferred tax assets	1,210	5,876
Deferred tax liabilities	(22,473)	(40,843)
	(21,263)	(34,967)

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Deferred tax assets		
Unabsorbed capital allowances	970	774
Unutilised tax losses	-	4,037
Provisions	233	829
Others	7	236
	1,210	5,876

NOTES TO THE FINANCIAL STATEMENTS
cont'd

19. DEFERRED TAX LIABILITIES *cont'd*

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows: *cont'd*

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Deferred tax liabilities		
Accrued interest income	(5,940)	(7,833)
Differences between the carrying amount of property, plant and equipment and their tax bases	(5,147)	(9,246)
Revaluation gain on investment properties	(1,531)	-
Revaluation surplus arising from revaluation of property, plant and equipment	(9,855)	(23,764)
	(22,473)	(40,843)
	(21,263)	(34,967)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

(c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Unabsorbed capital allowances	19,571	19,431
Unutilised tax losses	144,999	139,780
Unabsorbed investment tax allowances	17,504	17,504
	182,074	176,715
Potential deferred tax assets not recognised at 24% (31.1.2020: 24%)	43,698	42,412

	Company	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Unutilised tax losses	20,214	20,228
Potential deferred tax assets not recognised at 24% (31.1.2020: 24%)	4,851	4,855

19. DEFERRED TAX LIABILITIES *cont'd*

(c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows: *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 Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses available for offset against future taxable profits of the Group and the Company will expire in the following financial years:

	Group	Company
	31.7.2021	31.7.2021
	RM'000	RM'000
2026	132,859	19,432
2027	8,686	782
2028	909	-
2029	2,545	-
	144,999	20,214

20. LOANS AND BORROWINGS

	Group	
	31.7.2021	31.1.2020
	RM'000	RM'000
Current:		
Secured:		
Bank overdrafts	-	23,493
Revolving credits	-	17,912
Term loan	-	14,853
	-	56,258

(a) In the previous financial year, the loans and borrowings of the Group were secured by the following:

(i) A facilities agreement stamped for RM33,500,000 as principal instrument;
(ii) A first party fixed legal charge created over the Group's long-term leasehold land and buildings and investment properties as disclosed in Note 5(c) and Note 6(a); and
(iii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

20. LOANS AND BORROWINGS *cont'd*

(b) In the previous financial year, the interest rates of the loans and borrowings at the reporting date are as follows:

	Group 31.1.2020 %
Bank overdrafts	6.25 - 6.50
Revolving credits	5.80 - 6.10
Term loan	8.25

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	31.7.2021 RM'000	31.1.2020 RM'000 (Restated)	31.7.2021 RM'000	31.1.2020 RM'000
Current:					
Trade					
Third parties	(a)	466	291,827	-	-
Non-trade					
Amounts owing to subsidiaries	(b)	-	-	81,757	63,990
Other payables		30,573	40,433	26,313	-
Deposits		27	-	-	-
Accruals		1,697	10,700	825	335
		32,297	51,133	108,895	64,325
Total trade and other payables		32,763	342,960	108,895	64,325

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 120 days (31.1.2020: 30 to 120 days).

(b) The amounts owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash and cash equivalents.

For explanations on the Group's and the Company's liquidity risk management processes, are disclosed in Note 33(b)(ii).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

22. CONTRACT LIABILITIES

	Group	
	31.7.2021	31.1.2020
	RM'000	RM'000
		(Restated)
Contract liabilities relating to rendering of services	49	185
Contract liabilities relating to customer reward points	-	1,114
	49	1,299

(a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	31.7.2021	31.1.2020
	RM'000	RM'000
Group		
Revenue recognised that was included in contract liability at the beginning of the financial period/year	445	1,035
Increases due to advances received from customers, but revenue not recognised	(24)	(164)
Disposal of subsidiaries (Note 9(c))	853	-
Exchange differences	(24)	15

23. REVENUE

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Continuing operations				
Revenue from contract customers:				
At a point in time:				
Air ticketing and travel	741	7,388	-	-
Food and beverages	1,163	1,385	-	-
Sale of goods	39,913	60	-	-
Others	41	54	-	-
	41,858	8,887	-	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. REVENUE *cont'd*

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000
Continuing operations *cont'd*				
Revenue from contract customers: *cont'd*				
Over time:				
Management fees	-	139	90	60
Management services	250	85	-	-
Resort operations	2,110	2,291	-	-
	2,360	2,515	90	60
Revenue from other sources:				
Charge and credit cards operations - interest and others	3,832	1,978	-	-
Dividend income from:				
- investment in subsidiaries	-	-	-	10,908
- other investments	1,062	1,179	-	-
	4,894	3,157	-	10,908
	49,112	14,559	90	10,968
Discontinued operations				
Revenue from contract customers:				
At a point in time:				
Charge and credit cards operations - commission and fees (Note 29)	13,195	18,369	-	-
Over time:				
Charge and credit cards operations - renewal fees (Note 29)	11,551	6,279	-	-
Revenue from other source:				
Charge and credit cards operations - interest and others (Note 29)	59,331	57,816	-	-
	84,077	82,464	-	-
Total revenue	133,189	97,023	90	10,968

NOTES TO THE FINANCIAL STATEMENTS
cont'd

24. COST OF SALES

	Group	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000
Continuing operations		
Air ticketing and travel	317	2,962
Resort operations	418	504
Purchase of goods	39,192	-
	39,927	3,466

25. FINANCE COSTS

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000 (Restated)	RM'000	RM'000
Continuing operations				
Lease liabilities	128	84	91	61
Term loan	659	1,202	-	-
Unwinding of discount on receivable	5,243	-	-	-
Others	2	2	2	2
	6,032	1,288	93	63
Discontinued operations				
Lease liabilities	187	132	-	-
Non-recourse investors' certificates and senior certificates	30,700	28,024	-	-
Bank overdrafts and revolving credits	9,690	6,840	-	-
	40,577	34,996	-	-
	46,609	36,284	93	63

NOTES TO THE FINANCIAL STATEMENTS
cont'd

26. (LOSS)/PROFIT BEFORE TAX

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

		Group		Company	
		1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000
Continuing operations					
Amortisation of intangible assets	8	274	239	-	-
Asset securitisation programme expenses		-	6	-	-
Auditors' remuneration					
- statutory audit					
- current year		440	394	110	70
- over provision in prior years		(13)	-	-	-
- non-statutory audit		85	56	85	-
Bad debts written off		379	-	-	-
Bad debts recovered		(1,410)	(625)	-	-
COVID-19 related rent concessions income		(240)	-	(137)	-
Depreciation of property, plant and equipment	5	5,091	3,368	977	688
Dividend income from:					
- investment in subsidiaries		-	-	-	(10,908)
- other investments		-	(27)	-	-
Employee benefits expense	27	12,338	11,541	3,669	3,113
Expenses relating to short-term leases		102	319	45	48
Expenses relating to lease of low value assets		4	-	-	-
Fair value gain on investment properties	6	(63)	(15,273)	-	-
Fair value loss on other investments		12,533	4,954	-	-
Gain on disposal of property, plant and equipment		(41)	(41)	(41)	(31)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

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

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

		Group		Company	
		1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000
Continuing operations *cont'd*					
Impairment loss on:					
- amounts owing by subsidiaries		-	-	954	10
- trade receivables		2,249	95	-	-
Income from lawsuit settlement		-	(12,602)	-	-
Interest income		(1,218)	(321)	(510)	(577)
Rental income		(16)	-	-	-
Property, plant and equipment written off, net of accumulated impairment loss		-	3,362	-	-
Reversal of impairment loss on trade receivables		(126)	(746)	-	-
Realised loss/(gain) on foreign exchange		532	(854)	3	4
Unrealised loss/(gain) on foreign exchange		11,039	(1,212)	(20)	-

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000 (Restated)	RM'000	RM'000
Wages and salaries	10,961	10,786	2,921	2,446
Defined contribution plan	757	591	337	279
Social security contribution	82	49	25	20
Other staff related expenses	538	115	386	368
	12,338	11,541	3,669	3,113

NOTES TO THE FINANCIAL STATEMENTS
cont'd

27. EMPLOYEE BENEFITS EXPENSE *cont'd*

Included in employee benefits expenses are:

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000
Directors of the Company				
Executive:				
Salaries, bonus and emoluments	1,345	1,041	912	706
Benefits-in-kind	82	114	82	114
	1,427	1,155	994	820
Non-executive:				
Fees	210	150	210	150
Allowances	27	19	27	19
	237	169	237	169
	1,664	1,324	1,231	989
Directors of subsidiaries				
Executive:				
Salaries, bonus and emoluments	-	2,054	-	-
Defined contribution plan	-	48	-	-
	-	2,102	-	-
	1,664	3,426	1,231	989

NOTES TO THE FINANCIAL STATEMENTS

cont'd

28. TAX (CREDIT)/EXPENSE

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000 (Restated)	RM'000	RM'000
Statements of comprehensive income				
Continuing operations				
Current income tax:				
Current income tax charge	190	2,355	-	-
Over provision in prior financial years	(25)	(38)	-	-
Real property gain tax	9,895	-	-	-
	10,060	2,317	-	-
Deferred tax (Note 19):				
Origination and reversal of temporary differences	(11,342)	3,023	-	-
Under provision in prior financial years	1,966	197	-	-
	(9,376)	3,220	-	-
Tax expense from continuing operations	684	5,537	-	-
Discontinued operations				
Current income tax:				
Current income tax charge	-	454	-	-
Over provision in prior financial years	(1,181)	(4,032)	-	-
	(1,181)	(3,578)	-	-
Deferred tax (Note 19):				
Under provision in prior financial years	-	(1,810)	-	-
Tax credit from discontinued operations	(1,181)	(5,388)	-	-
Total tax (credit)/expense recognised in profit or loss	(497)	149	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.1.2020: 24%) of the estimated assessable profit for the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

28. TAX (CREDIT)/EXPENSE *cont'd*

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

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000
(Loss)/Profit before tax				
- continuing operations	(38,480)	13,070	(8,545)	6,792
- discontinued operations	199,039	(30,222)	-	-
	160,559	(17,152)	(8,545)	6,792
Tax at Malaysian statutory income tax rate of 24%	38,534	(4,116)	(2,051)	1,630
Different tax rates in other countries	1,192	1,962	-	-
Income not subject to tax	(60,440)	(448)	(189)	(2,771)
Expenses not deductible for tax purposes	20,395	6,888	2,244	1,141
Utilisation of previously unrecognised deferred tax assets	(38)	-	(4)	-
Deferred tax assets not recognised during the financial period/year	1,324	1,546	-	-
(Over)/Under provision in prior financial years				
- income tax	(1,206)	(4,070)	-	-
- deferred tax	1,966	(1,613)	-	-
Real property gain tax	9,895	-	-	-
Realisation of deferred tax liabilities on revaluation reserve	(12,119)	-	-	-
Tax (credit)/expense	(497)	149	-	-

29. DISCONTINUED OPERATIONS

As disclosed in Note 9(c) above, the Group had completed the disposal of its provision of charge card and credit card services under Diners Club franchise, merchandiser and payment processing service business in Singapore on 9 July 2021. The segment was not a discontinued operation or classified as held for sale as at 31 January 2020 and the comparative statements of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

29. DISCONTINUED OPERATIONS *cont'd*

(i) Analysis of the result of discontinued operations and the result recognised on the remeasurement of disposal group is as follows:

	Group	
	1.2.2020 to 31.7.2021 (18 months) RM'000	**1.2.2019 to 31.1.2020 (12 months) RM'000 (Restated)**
Revenue	84,077	82,464
Gain on disposal of subsidiaries	243,852	-
Other income	3,984	6,476
Distribution expenses	(11,395)	(21,873)
Administrative expenses	(80,902)	(62,293)
Finance costs	(40,577)	(34,996)
Profit/(Loss) before tax of discontinued operations	199,039	(30,222)
Tax credit (Note 28)	1,181	5,388
Profit/(Loss) for the financial period/year from discontinued operations, net of tax	200,220	(24,834)

(ii) The following items have been (credited)/charged in arriving at profit/(loss) before tax:

	Group	
	1.2.2020 to 31.7.2021 (18 months) RM'000	**1.2.2019 to 31.1.2020 (12 months) RM'000**
Amortisation of intangible assets	1,002	755
Asset securitisation programme expenses	3,642	2,591
Auditors' remuneration	244	244
Bad debts recovered	(5,320)	(4,335)
Decrease in provision for customer reward points	(285)	(730)
Depreciation of property, plant and equipment (Note 5)	3,310	4,046
Employee benefit expense	31,567	28,012
Expenses relating to short-term leases	-	142
Gain on disposal of property, plant and equipment	-	(350)
Impairment loss on trade receivables	-	498
Reversal of impairment loss on trade receivables	(1,799)	-
Realised gain on foreign exchange	(59)	(124)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. DISCONTINUED OPERATIONS *cont'd*

(iii) Cash flows generated from/(used in) discontinued operations:

	Group	
	1.2.2020 to 31.7.2021 (18 months)	**1.2.2019 to 31.1.2020 (12 months)**
	RM'000	**RM'000**
Net cash (used in)/from operating activities	(26,316)	123,075
Net cash from/(used in) investing activities	19,288	(1,222)
Net cash used in financing activities	(143,538)	(35,522)

30. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per share amounts are based on profit/(loss) for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year, calculated as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
		(Restated)
Profit/(Loss) attributable to the owners of the Company		
- continuing operations	(37,227)	5,847
- discontinued operations	200,220	(24,834)
	162,993	(18,987)
Weighted average number of ordinary shares for basic earnings/(loss) per share (unit'000)	712,206	622,948
Basic earnings/(loss) per share (sen)		
- continuing operations	(5.22)	0.93
- discontinued operations	28.11	(3.98)
	22.89	(3.05)

Diluted earnings per ordinary share

The diluted earnings/(loss) per ordinary share of the Group for the financial year ended 31 July 2021 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

31. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
In respect of capital expenditure for property, plant and equipment:		
- Approved and contracted	23,701	226

32. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:
(i) Company's holding company;
(ii) Subsidiaries;
(iii) Entities in which directors have substantial financial interests; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	31.7.2021	**31.1.2020**
	RM'000	**RM'000**
Transactions with corporations in which certain directors of the Company are deemed related through their directorship and/or financial interest in George Kent (Malaysia) Berhad are as follows:		
- Expenses relating to short-term leases	-	(440)
- Recovery of secretarial and share registration fees	(133)	(169)
- Sales of air tickets	(20)	(642)
- Sales of property, plant and equipment	(87)	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

32. RELATED PARTIES *cont'd*

(b) Significant related party transactions *cont'd*

	Company	
	31.7.2021	31.1.2020
	RM'000	RM'000
Transactions with subsidiaries are as follows:		
- Interest income	(384)	(570)
- Management fees receivable	(90)	(60)
- Secretarial fee payable	108	72
Transactions with corporations in which certain directors of the Company are deemed related through their directorship and/or financial interest in George Kent (Malaysia) Berhad are as follows:		
- Sales of property, plant and equipment	(87)	-

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)	1.2.2020 to 31.7.2021 (18 months)	1.2.2019 to 31.1.2020 (12 months)
	RM'000	RM'000	RM'000	RM'000
Short-term employees benefits	2,513	3,910	1,804	1,399
Defined contribution plan	102	112	69	49
	2,615	4,022	1,873	1,448

33. 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 profit or loss ("FVPL")

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 July 2021			
Financial assets			
Group			
Trade and other receivables, excluding prepayments	44,569	44,569	-
Deposits, cash and bank balances	117,496	117,496	-
Other investments	16,512	-	16,512
	178,577	162,065	16,512
Company			
Trade and other receivables	19,681	19,681	-
Deposits, cash and bank balances	85,423	85,423	-
	105,104	105,104	-
Financial liabilities			
Group			
Trade and other payables	32,763	32,763	-
Lease liabilities	2,870	2,870	-
	35,633	35,633	-
Company			
Trade and other payables	108,895	108,895	-
Lease liabilities	2,591	2,591	-
	111,486	111,486	-

33. FINANCIAL INSTRUMENTS *cont'd*

(a) Categories of financial instruments *cont'd*

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: *cont'd*

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 January 2020			
Financial assets			
Group			
Trade and other receivables, excluding prepayments	548,116	548,116	-
Deposits, cash and bank balances	63,826	63,826	-
Other investments	20,549	-	20,549
	632,491	611,942	20,549
Company			
Trade and other receivables	23,788	23,788	-
Deposits, cash and bank balances	2,367	2,367	-
	26,155	26,155	-
Financial liabilities			
Group			
Trade and other payables	342,960	342,960	-
Investor certificates	470,593	470,593	-
Lease liabilities	2,382	2,382	-
Loans and borrowings	56,258	56,258	-
	872,193	872,193	-
Company			
Trade and other payables	64,325	64,325	-
Lease liabilities	593	593	-
	64,918	64,918	-

33. 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 and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(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 its operating activities (primarily trade receivables). 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. In addition, receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant.

The credit risk of the Group's and of the Company's other financial assets, which comprise deposit, cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	31.7.2021		31.1.2020	
	RM'000	%	RM'000	%
By country:				
Malaysia	112	100%	3,299	1%
Singapore	-	0%	534,547	99%
	112	100%	537,846	100%
By segment:				
Credit and charge cards business and hospitality	112	100%	537,846	100%

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected losses provision for all trade receivables. To measure the impairment losses, 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

33. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are as follows:

	Gross carrying amount at default RM'000
Group	
At 31 July 2021	
Current	14
1-30 days past due	5
31-90 days past due	32
91-360 days past due	53
>360 days past due	67,139
	67,243
Impairment losses	(67,131)
	112
At 31 January 2020	
Current	397,332
1-30 days past due	30,953
31-90 days past due	8,604
91-360 days past due	7,991
>360 days past due	301,227
	746,107
Impairment losses	(208,261)
	537,846

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities and cash and cash equivalents), 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.

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, impairment 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 Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.13(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

(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 mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, investor certificates and loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. 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 of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual undiscounted cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
31.7.2021					
Financial liabilities:					
Trade and other payables	32,763	32,763	-	-	32,763
Lease liabilities	2,870	688	1,695	745	3,128
	35,633	33,451	1,695	745	35,891
31.1.2020					
Financial liabilities:					
Trade and other payables	342,960	342,960	-	-	342,960
Investor certificates	470,593	191,652	391,765	-	583,417
Lease liabilities	2,382	1,849	666	-	2,515
Loans and borrowings	56,258	60,047	-	-	60,047
	872,193	596,508	392,431	-	988,939
Company					
31.7.2021					
Financial liabilities:					
Trade and other payables	108,895	108,895	-	-	108,895
Lease liabilities	2,591	489	1,607	745	2,841
	111,486	109,384	1,607	745	111,736
31.1.2020					
Financial liabilities:					
Trade and other payables	64,325	64,325	-	-	64,325
Lease liabilities	593	608	-	-	608
	64,918	64,933	-	-	64,933

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign exchange 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 and the Company are exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate and the Group's net investments in foreign subsidiaries. The currency giving rise to this risk are primarily Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD") and United States Dollar ("USD"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	HKD RM'000	SGD RM'000	USD RM'000	Total RM'000
Functional currency of the Group				
At 31 July 2021				
Ringgit Malaysia	-	277	5	282
United States Dollars	(17)	855	-	838
	(17)	1,132	5	1,120
At 31 January 2020				
Ringgit Malaysia	-	306	5	311
United States Dollars	(12)	11,234	-	11,222
	(12)	11,540	5	11,533

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign exchange risk *cont'd*

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to reasonably possible change in the HKD, SGD and USD exchange rates against the respective functional currency of the Group, with all other variables held constant:

	Change in rate	Effect on profit/(loss) after tax for the financial period/year 31.7.2021 RM'000	31.1.2020 RM'000
Group			
- HKD	+ 5%	(1)	-
	- 5%	1	-
- SGD	+ 5%	43	439
	- 5%	(43)	(439)
- USD	+ 5%	-	-
	- 5%	-	-

(iv) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments, as a result of changes in market price (other than interest or exchange rates). The Group's investments in quoted equity instruments are subject to market price risk.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably change in the share price, with all other variables held constant on the Group's total equity and profit/(loss) for the financial period/year.

	Change in % of share price	Effect on profit/(loss) for the financial period/year RM'000	Effect on equity RM'000
Group:			
31 July 2021	+ 5%	627	627
	- 5%	(627)	(627)
31 January 2020	+ 5%	781	781
	- 5%	(781)	(781)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. FINANCIAL INSTRUMENTS *cont'd*

(c) Fair value measurement

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables, and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The fair value of the short-term fund is determined by reference to redemption price at the end of the reporting period.

The carrying amounts of long-term floating rate term loans is 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 (31.1.2020: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the financial instruments:

	Carrying amount	Fair value of financial instruments carried at fair value			
		Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM
Group					
31 July 2021					
Financial assets					
Fair value through profit or loss					
- other investments	16,512	16,512	-	-	16,512
31 January 2020					
Financial assets					
Fair value through profit or loss					
- other investments	20,549	20,549	-	-	20,549

NOTES TO THE FINANCIAL STATEMENTS
cont'd

34. SEGMENT INFORMATION

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

The four reportable operating segments are as follows:

(i) General trading;
(ii) Property;
(iii) Hospitality and card services; and
(iv) Investment holding and secretarial services

Other non-reportable segment comprises dormant companies.

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Segment profit

Segment performance is used to measure performance as Group's CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group's CODM.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

34. SEGMENT INFORMATION *cont'd*

	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Others RM'000	Discontinued operations RM'000	Adjustments and eliminations RM'000	Total RM'000
31.7.2021									
Revenue									
Revenue from external customers	(a)	39,913	-	7,887	1,312	-	84,077	(84,077)	49,112
Inter-segment revenue	(b)	-	-	-	326	-	-	(326)	-
Total revenue		39,913	-	7,887	1,638	-	84,077	(84,403)	49,112
Results									
Included in the measure of segment profit/(loss) are:	(b)								
Interest income		25	9	222	947	15	11,587	(11,587)	1,218
Depreciation and amortisation		-	-	(4,385)	(977)	(3)	(4,312)	4,312	(5,365)
Finance costs		-	(659)	(2,969)	(28,789)	-	(40,577)	66,962	(6,032)
Fair value loss on other investments		-	-	(8,523)	(4,010)	-	-	-	(12,533)
Unrealised loss on foreign exchange		-	-	-	(11,039)	-	-	-	(11,039)
Gain on disposal of property, plant and equipment		-	-	-	41	-	-	-	41
Bad debts recovered		-	-	1,213	197	-	5,320	(5,320)	1,410
Bad debts written off		-	-	(174)	(205)	-	-	-	(379)
Impairment loss on trade and other receivables		-	-	(2,249)	(953)	-	-	953	(2,249)
Decrease in provision for customer reward points		-	-	-	-	-	285	(285)	-
Reversal of impairment loss on trade receivables		-	-	-	126	-	1,799	(1,799)	126
Fair value gain on investment properties		-	-	-	63	-	-	-	63
Segment (loss)/profit		663	(945)	955	(54,917)	(813)	199,039	(182,462)	(38,480)
Tax credit/(expense)		-	(2,224)	47	1,496	(3)	1,181	(1,181)	(684)
(Loss)/Profit for the financial period		663	(3,169)	1,002	(53,421)	(816)	200,220	(183,643)	(39,164)
Assets:									
Additions to non-current assets	(c)	-	-	496	2,845	153	-	-	3,494
Segment assets	(d)	1,868	31,526	139,121	1,459,687	9,297	-	(1,338,530)	302,969
Liabilities:									
Segment liabilities	(e)	11,011	51,210	116,019	729,114	955	-	(851,363)	56,946

34. SEGMENT INFORMATION *cont'd*

	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Others RM'000	Discontinued operations RM'000	Adjustments and eliminations RM'000	Total RM'000
31.1.2020									
Revenue									
Revenue from external customers	(a)	60	-	13,264	1,235	-	82,464	(82,464)	14,559
Inter-segment revenue	(b)	-	-	-	218	-	-	(218)	-
Total revenue		60	-	13,264	1,453	-	82,464	(82,682)	14,559
Results									
Included in the measure of segment (loss)/profit are:	(b)								
Interest income		-	5	70	900	-	14,335	(14,989)	321
Dividend income		-	27	-	-	-	-	-	27
Depreciation and amortisation		-	-	(2,860)	(747)	-	(4,801)	4,801	(3,607)
Finance costs		-	(1,217)	-	(15,156)	-	(34,996)	50,081	(1,288)
Fair value loss on other investments		-	-	-	(4,954)	-	-	-	(4,954)
Unrealised gain on foreign exchange		-	-	-	2,380	-	-	(1,168)	1,212
Gain on disposal of property, plant and equipment		-	-	10	31	-	350	(350)	41
Bad debts recovered		-	-	213	412	-	4,335	(4,335)	625
Impairment loss on trade and other receivables		(74)	-	(21)	-	-	(498)	498	(95)
Income from lawsuit settlement		-	-	-	12,602	-	-	-	12,602
Decrease in provision for customer reward points		-	-	-	-	-	730	(730)	-
Reversal of impairment loss on trade receivables		-	-	746	-	-	-	-	746
Fair value gain on investment properties		-	-	-	15,273	-	-	-	15,273
Segment (loss)/profit		(28)	13,908	14,318	(3,950)	(191)	(30,222)	19,235	13,070
Tax (expense)/credit		-	-	(3,218)	(2,319)	-	5,388	(5,388)	(5,537)
(Loss)/Profit for the financial year		(28)	13,908	11,100	(6,269)	(191)	(24,834)	13,847	7,533
Assets:									
Additions to non-current assets	(c)	-	-	4,575	1,015	-	-	-	5,590
Segment assets	(d)	55	21,533	104,791	177,855	-	647,034	21,283	972,551
Liabilities:									
Segment liabilities	(e)	72	18,079	13,217	32,114	3	847,757	(2,770)	908,472

NOTES TO THE FINANCIAL STATEMENTS
cont'd

34. SEGMENT INFORMATION *cont'd*

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

(a) Revenue

	1.2.2020 to 31.7.2021 (18 months) RM'000	1.2.2019 to 31.1.2020 (12 months) RM'000
Total revenue for reportable segments	133,189	97,023
Less: Discontinued operations (Note 29)	(84,077)	(82,464)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	49,112	14,559

(b) Inter-segment revenue, income and expenses are eliminated on consolidation.

(c) Additions to non-current assets consist of:

	31.7.2021 RM'000	31.1.2020 RM'000
Intangible assets	433	1,033
Property, plant and equipment	3,061	4,557
	3,494	5,590

(d) Inter-segment assets are deducted from segment assets to arrive at total assets reported in the statements of financial position.

(e) Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the statements of financial position.

34. SEGMENT INFORMATION *cont'd*

Geographical information

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue RM'000	Non-current assets RM'000
31 July 2021		
Malaysia	48,593	163,520
Singapore	519	238
	49,112	163,758
31 January 2020		
Malaysia	10,662	112,360
Singapore	3,897	91,879
	14,559	204,239

Non-current assets information presented above consists of the following items as presented in the consolidated statement of financial position:

	31.7.2021 RM'000	31.1.2020 RM'000
Property, plant and equipment	83,449	175,164
Investment properties	40,450	21,387
Inventories	30	30
Intangible assets	72	7,631
Other investments	-	27
Other receivable	39,757	-
	163,758	204,239

NOTES TO THE FINANCIAL STATEMENTS

cont'd

35. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 31 July 2021 and financial year ended 31 January 2020.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, lease liabilities and trade and other payables, less short-term fund, deposits, cash and bank balances whereas total capital comprises the equity attributable to the owners of the Group and the Company.

	Group		Company	
	31.7.2021	**31.1.2020**	**31.7.2021**	**31.1.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings	-	56,258	-	-
Lease liabilities	2,870	2,382	2,591	593
Trade and other payables	32,763	342,960	108,895	64,325
Investor certificates	-	470,593	-	-
Deposits, cash and bank balances	(117,496)	(63,826)	(85,423)	(2,367)
Net (cash)/debt	(81,863)	808,367	26,063	62,551
Equity attributable to the owners of the Company				
Total capital	239,839	59,860	148,720	108,519
Capital and net debt	157,976	868,227	174,783	171,070
Gearing ratio	*	93%	15%	37%

* Not meaningful as the Group is in net cash position.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

36. RETROSPECTIVE ADJUSTMENTS

During the financial year, the directors noted that the revaluation reserve attributable to non-controlling interests and right-of-use assets was erroneously recognised in the previous financial year. Accordingly, the financial statements of the Group for the financial year ended 31 January 2020 have been restated to correct the error. The following retrospective adjustments have been made:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group			
31.1.2020			
Statements of financial position			
Non-current assets			
Property, plant and equipment	171,348	3,816	175,164
Right-of-use assets	3,836	(3,836)	-
Equity attributable to owners of the Company			
Other reserves	109,587	(1,189)	108,398
Accumulated losses	(429,172)	(255)	(429,427)
Non-controlling interests	2,782	1,437	4,219
Non-current liabilities			
Lease liabilities	637	(15)	622
Current liabilities			
Lease liabilities	1,758	2	1,760
1.2.2019			
Statements of financial position			
Equity attributable to owners			
Other reserves	109,183	(1,163)	108,020
Accumulated losses	(410,285)	(155)	(410,440)
Non-controlling interests	1,189	1,318	2,507

37. COMPARATIVE FIGURES

(a) During the financial period, the Group and the Company changed their financial year end from 31 January to 31 July and made up their financial statements for the 18 months period to 31 July 2021. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

37. COMPARATIVE FIGURES *cont'd*

(b) The following comparative figures have been reclassified to conform with the current year presentation:

	As previously classified RM'000	Reclassifications RM'000	As reclassified RM'000
Group			
31.1.2020			
Statements of financial position			
Current liabilities			
Trade and other payables	343,145	(185)	342,960
Deferred revenue	1,114	(1,114)	-
Contract liabilities	-	1,299	1,299
Statements of comprehensive income			
Revenue	97,023	(82,464)	14,559
Other income	38,068	(6,419)	31,649
Distribution expenses	(22,181)	21,873	(308)
Administrative expenses	(76,923)	61,661	(15,262)
Other expenses	(9,454)	(3,360)	(12,814)
Finance costs	(36,266)	34,978	(1,288)
Tax expese	(149)	(5,388)	(5,537)
Loss for the financial year from discontinued operations, net of tax	(3,946)	(20,888)	(24,834)
Statements of cash flows			
Net cash from operating activities	116,887	145	117,032
Net cash (used in)/from investing activities	(382)	2,081	1,699
Net cash used in financing activities	(46,897)	(2,226)	(49,123)

38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

(a) On 9 July 2021, the Company's indirect wholly owned subsidiary, Johan Investment Private Limited disposed of its 100% equity investments in Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd. for a total consideration of SGD103,586,103 (equivalent to approximately RM315.93 million).

38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD *cont'd*

(b) COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The COVID-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary imposed in various countries.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial period ended 31 July 2021, other than the temporary decrease in sales in hospitality and card services segment as a result of the restrictions and precautionary measures imposed in Malaysia and Singapore.

Given the fluid situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 July 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

STATEMENT BY DIRECTORS

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

We, **DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF** and **PUAN SRI DATIN TAN SWEE BEE**, being two of the directors of Johan Holdings Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements 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 31 July 2021 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 directors:

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF
Director

PUAN SRI DATIN TAN SWEE BEE
Director

Kuala Lumpur

Date: 18 November 2021

STATUTORY DECLARATION

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

I, **LEE TECK SIONG**, being the officer primarily responsible for the financial management of Johan Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEE TECK SIONG
MIA Membership No.: 47078

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 November 2021.

Before me,

ABDUL SHUKOR MD NOOR (NO. W725)
COMMISSIONER FOR OATHS
43, Leboh Ampang
50100 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the members of Johan Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Johan Holdings Berhad, which comprise the statements of financial position as at 31 July 2021 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 52 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the members of Johan Holdings Berhad
(Incorporated in Malaysia)
cont'd

Key Audit Matters *cont'd*

Group

Investment in subsidiaries (Notes 4(a) and 9 to the financial statements)

As disclosed in Nove 9(c)(i) to the financial statements, on 24 December 2020, Johan Investment Pte. Ltd., an indirect wholly owned subsidiary of the Company had entered into a Share Sale Agreement ("SSA") with Ezy Net Pte. Ltd., Candypay Holding Pte. Ltd. and Genesis Business Holdings Pte. Ltd. to dispose its subsidiaries, namely Diners Club (Singapore) Pte. Ltd and DinersPay Pte. Ltd. for a total consideration of SGD103,586,103 (equivalent to approximately RM315.93 million).

The Group recorded a gain of RM243.85 million from the disposal of these subsidiaries as detailed in Note 9(c)(ii).

On 9 July 2021, the Company's indirect wholly owned subsidiary, Johan Investment Private Limited had completed the disposal of its 100% equity investment in Diners Club (Singapore) Pte. Ltd. and DinersPay Pte. Ltd.

We Have identified the disposal of the subsidiaries as a key audit matter because of its financial significance to the consolidated financial statements.

Our audit response:

Our audit procedures included, among others:
- reading the SSA for its salient points;
- checking the calculation of the gain on disposal and related disclosure within discontinued operation; and
- discussing with management on their disclosure to accounting records and other supporting documentation.

Investment properties and property, plant and equipment (Notes 4(b), 4(c), 5 and 6 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. Included in property, plan and equipment are right-of-use assets (comprising long-term leasehold land, long-term leasehold land and buildings and long-term leasehold hotel properties) carried at valuation subsequent to their initial recognition. The Group estimated the fair value of the investment properties and valuation of right-of-use assets based on information provided and the market valuation performed by an external independent valuer. We focused on this area because the estimation of fair value of investment properties and valuation of right-of-use assets requires significant judgement in key assumptions used.

Our audit 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 on their valuation approach and the significant judgements they made; and
- understanding the relevance of the key input data used by the external valuers.

INDEPENDENT AUDITORS' REPORT

To the members of Johan Holdings Berhad
(Incorporated in Malaysia)
cont'd

Key Audit Matters *cont'd*

Company

We have determined that there are no key audit matters to be communicated in our report which arise from the audit of the financial statements of the Company.

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 Johan Holdings Berhad
(Incorporated in Malaysia)
cont'd

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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.

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

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

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

INDEPENDENT AUDITORS' REPORT
To the members of Johan Holdings Berhad
(Incorporated in Malaysia)
cont'd

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

1. The financial statements of the Company for the financial year ended 31 January 2020 was audited by another firm of chartered accountants whose report dated 29 May 2020 expressed an unmodified opinion on those financial statements.

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2022 J
Chartered Accountant

Kuala Lumpur

Date: 18 November 2021

Analysis of Shareholdings
As at 29 October 2021

SHARE CAPITAL INFORMATION

Total Number of Issued Shares	:	1,168,028,440
Class of Securities	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

No. of Holders	%	Size of Holdings	Total Holdings	%
101	1.35	Less than 100 shares	3,102	0.00
1,937	25.90	100 to 1,000 shares	1,736,503	0.15
3,247	43.42	1,001 to 10,000 shares	14,522,430	1.24
1,641	21.95	10,001 to 100,000 shares	65,374,588	5.60
548	7.33	100,001 to less than 5% of issued shares	553,609,583	47.40
4	0.05	5% and above of issued shares	532,782,234	45.61
7,478	**100.00**	**Total**	**1,168,028,440**	**100.00**

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS
(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
1	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR MUSTIKA MANIS SDN BHD*	250,408,140	21.44
2	KURNIA MENANG SDN BHD	111,414,919	9.54
3	MUSTIKA MANIS SDN BHD	100,000,000	8.56
4	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR STAR WEALTH INVESTMENT LIMITED*	70,959,175	6.08
5	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR KIN FAI INTERNATIONAL LIMITED*	56,134,500	4.81
6	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR SUNCROWN HOLDINGS LIMITED*	46,012,500	3.94
7	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CREDIT SUISSE (SWITZERLAND) LTD*	45,750,000	3.92
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *DEUTSCHE BANK AG SINGAPORE FOR ALBULA INVESTMENT FUND LIMITED*	45,000,750	3.85
9	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR KWOK HENG HOLDINGS LIMITED*	37,791,000	3.24

Analysis of Shareholdings

As at 29 October 2021

cont'd

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS *cont'd*

(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
10	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR STAR WEALTH INVESTMENT LIMITED*	35,956,350	3.08
11	LOTUS GLOBAL INVESTMENTS LTD	30,577,700	2.62
12	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *EXEMPT AN FOR NOMURA PB NOMINEES LTD*	12,000,000	1.03
13	RCI VENTURES SDN BHD	8,325,000	0.71
14	RHB NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)*	7,046,400	0.60
15	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR LGT BANK AG (FOREIGN)*	5,700,000	0.49
16	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	4,251,300	0.36
17	DING CHOO KING	3,300,000	0.28
18	LOH NYOU CHOO	3,000,000	0.26
19	HO CHU CHAI	2,900,000	0.25
20	ACO-BINA SDN BHD	2,700,000	0.23
21	YICK HOE FERROUS STEEL SDN. BHD.	2,500,000	0.21
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD *HUON CHEK NGIE*	2,500,000	0.21
23	FFG ENGINEERING SDN BHD	2,500,000	0.21
24	LEONG NANG SENG	2,500,000	0.21
25	CHOON SIEW WAH	2,398,500	0.21
26	SITI MUNAJAT BINTI MD GHAZALI	2,250,000	0.19
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM*	2,250,000	0.19
28	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR LOO SAY GUAN (LOO0121C)*	2,222,000	0.19
29	SALMA BINTI SEMAN	2,220,100	0.19
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG (E-TMR)*	2,103,700	0.18
		902,672,034	**77.28**

Analysis of Shareholdings

As at 29 October 2021

cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 29 OCTOBER 2021

(as per Register of Substantial Shareholders)

	No. of Ordinary Shares			
Name of Substantial Shareholder	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Tan Kay Hock	-	-	708,676,584*	60.67
Puan Sri Datin Tan Swee Bee	-	-	708,676,584*	60.67
Sky Wealth Ventures Limited	-	-	597,261,665*	51.13
Mustika Manis Sdn Bhd	350,408,140	30.00	-	-
Star Wealth Investment Limited	106,915,525	9.15	-	-
Kurnia Menang Sdn Bhd	111,414,919	9.54	-	-

Notes:-

* *Deemed interested by virtue of Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee's joint equity interest of 100% in Sky Wealth Ventures Limited which in turn holds 100% equity interest in Mustika Manis Sdn Bhd, Kin Fai International Limited, Kwok Heng Holdings Limited, Suncrown Holdings Limited and Star Wealth Investment Limited. In addition, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee each hold 50% direct equity interest in Kurnia Menang Sdn Bhd.*

DIRECTORS' INTEREST IN SHARES AS AT 29 OCTOBER 2021

(as per the Register of Directors' Shareholdings)

Johan Holdings Berhad	No. of Ordinary Shares			
Name of Director	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Tan Kay Hock	-	-	708,676,584*	60.67
Puan Sri Datin Tan Swee Bee	-	-	708,676,584*	60.67
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	-	-
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Ooi Teng Chew	500,000	0.04	-	-

Notes:-

* *Deemed interested by virtue of Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee's joint equity interest of 100% in Sky Wealth Ventures Limited which in turn holds 100% equity interest in Mustika Manis Sdn Bhd, Kin Fai International Limited, Kwok Heng Holdings Limited, Suncrown Holdings Limited and Star Wealth Investment Limited. In addition, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee each hold 50% direct equity interest in Kurnia Menang Sdn Bhd.*

Holding Company

- Sky Wealth Ventures Limited	No. of Ordinary Shares			
Name of Director	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee (Joint holder)	2	100	-	-

Analysis of Warrant B Holdings
As at 29 October 2021

Total of Outstanding Warrants B	:	389,342,813
Exercise Price per Warrant B	:	RM0.25
Exercise Period of Warrants B	:	22 July 2021 to 19 July 2024
Voting Rights at Meeting of Warrant B Holders	:	One Vote per Warrant B

DISTRIBUTION OF WARRANT B HOLDINGS

No. of Holders	%	Size of Holdings	Total Holdings	%
4	0.50	Less than 100 Warrants B	193	0.00
90	11.31	100 to 1,000 Warrants B	67,599	0.02
263	33.04	1,001 to 10,000 Warrants B	1,339,117	0.34
281	35.30	10,001 to 100,000 Warrants B	11,790,817	3.03
155	19.47	100,001 to less than 5% of Warrants B	198,551,550	51.00
3	0.38	5% and above of Warrants B	177,593,537	45.61
796	**100.00**	**Total**	**389,342,813**	**100.00**

LIST OF THIRTY LARGEST WARRANT B HOLDERS
(as shown in the Record of Depositors)

No.	Name of Warrant Holders	No. of Warrants B Held	%
1	MUSTIKA MANIS SDN BHD	116,802,173	30.00
2	KURNIA MENANG SDN BHD	37,138,306	9.54
3	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR STAR WEALTH INVESTMENT LIMITED*	23,653,058	6.08
4	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR KIN FAI INTERNATIONAL LIMITED*	18,711,500	4.81
5	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR SUNCROWN HOLDINGS LIMITED*	15,337,500	3.94
6	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CREDIT SUISSE (SWITZERLAND) LTD*	15,250,000	3.92
7	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *DEUTSCHE BANK AG SINGAPORE FOR ALBULA INVESTMENT FUND LIMITED*	15,000,250	3.85
8	LOTUS GLOBAL INVESTMENTS LTD	13,375,900	3.44
9	CITIGROUP NOMINEES (ASING) SDN BHD *BANK OF SINGAPORE LIMITED FOR KWOK HENG HOLDINGS LIMITED*	12,597,000	3.24

Analysis of Warrant B Holdings

As at 29 October 2021

cont'd

LIST OF THIRTY LARGEST WARRANT B HOLDERS *cont'd*

(as shown in the Record of Depositors)

No.	Name of Warrant Holders	No. of Warrants B Held	%
10	UOBM NOMINEES (ASING) SDN BHD *UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR STAR WEALTH INVESTMENT LIMITED*	11,985,450	3.08
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING*	7,000,000	1.80
12	JENNY CHEAH SEK LI	6,000,000	1.54
13	NG BENG HONG	5,530,000	1.42
14	CHIN KIAM HSUNG	5,000,000	1.28
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *EXEMPT AN FOR NOMURA PB NOMINEES LTD*	4,000,000	1.03
16	BEH CHAN CHEN	4,000,000	1.03
17	RCI VENTURES SDN BHD	2,775,000	0.71
18	JENNY TAY	2,656,500	0.68
19	TYE YONG POU	2,500,000	0.64
20	ANG SOO BOON	2,491,000	0.64
21	ANG SAW PENG	2,439,600	0.63
22	TAN YEE MING	2,400,000	0.62
23	CHIN KIAN FONG	2,100,000	0.54
24	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	1,417,100	0.36
25	TEO AH SENG	1,126,800	0.29
26	CHIN KIAM HSUNG	1,100,000	0.28
27	CHIN FOO LONG	1,000,000	0.26
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD *BEH HUI KHIM*	1,000,000	0.26
29	YAP POT LIEONG	1,000,000	0.26
30	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	1,000,000	0.26
		336,387,137	**86.43**

Analysis of Warrant B Holdings

As at 29 October 2021

cont'd

DIRECTORS' INTEREST IN WARRANTS B AS AT 29 OCTOBER 2021

(as per the Register of Directors' Warrant Holdings)

	No. of Warrants B			
Name of Director	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Tan Kay Hock	-	-	236,225,527*	60.67
Puan Sri Datin Tan Swee Bee	-	-	236,225,527*	60.67
Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	-	-
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Ooi Teng Chew	300,000	0.08	-	-

Notes:-

* *Deemed interested by virtue of Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee's joint equity interest of 100% in Sky Wealth Ventures Limited which in turn holds 100% equity interest in Mustika Manis Sdn Bhd, Kin Fai International Limited, Kwok Heng Holdings Limited, Suncrown Holdings Limited and Star Wealth Investment Limited. In addition, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee each hold 50% direct equity interest in Kurnia Menang Sdn Bhd.*

List of Properties Held
As at 31 July 2021

Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
MALAYSIA							
Lot 1104 Jalan Titi Panjang 32200 Lumut, Perak	Marine Club	12,142	Leasehold - Expiring 29.4.2093	11,305	25	2021	1996
Lot 1025 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	13,167	Leasehold - Expiring 14.1.2092	36,290	29	2021	1992
Lot No. 15096 & Lot No. 15098 Pulau Pangkor Mukim Lumut Daerah Manjung	Leasehold land	58.73 acres	Leasehold - Expiring 4.5.2094	31,925	-	2021	1995

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-Sixth Annual General Meeting ("96th AGM") of the Company will be conducted as a fully virtual meeting through Online Meeting Platform via our Share Registrar's website at www.johanmanagement.com.my in Malaysia on Thursday, 20 January 2022 at 11.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period from 1 February 2020 to 31 July 2021 and the Directors' and Auditors' Reports thereon. ***(Please refer to Note A)***

2. To re-elect the following Directors who retire by rotation pursuant to Clause 90 of the Constitution of the Company and being eligible, offer themselves for re-election:-

   (a) Puan Sri Datin Tan Swee Bee ***Ordinary Resolution 1***

   (b) Tan Sri Dato' Seri Dr Ting Chew Peh ***Ordinary Resolution 2***

3. To approve the payment of additional Directors' fees and benefits of RM68,000 to Non-Executive Directors for the financial period ended 31 July 2021. ***Ordinary Resolution 3***

4. To approve the payment of Directors' fees and benefits of up to an amount of RM169,000 to Non-Executive Directors for the financial year ending 31 July 2022. ***Ordinary Resolution 4***

5. To re-appoint Baker Tilly Monteiro Heng PLT, as External Auditors of the Company for the financial year ending 31 July 2022 and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

SPECIAL BUSINESS

To consider and if thought fit, pass with or without modifications the following resolutions:-

6. **Retention of Independent Non-Executive Director** ***Ordinary Resolution 6***

   "THAT approval be and is hereby given to Dato' Ahmad Khairummuzammil Bin Mohd Yusoff, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as Independent Non-Executive Director."

7. **Retention of Independent Non-Executive Director** ***Ordinary Resolution 7***

   "THAT approval be and is hereby given to Mr Ooi Teng Chew, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as Independent Non-Executive Director."

Notice of Annual General Meeting
cont'd

8. **Authority to Allot and Issue Shares in General Pursuant to Sections 75 and 76 of the Companies Act, 2016** ***Ordinary Resolution 8***

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon the terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

9. To transact any other business of which due notice shall have been given.

By order of the Board.

TEH YONG FAH
Group Secretary
SSM PC No.: 201908003410
MACS 00400

KUALA LUMPUR
30 November 2021

Notes:-

A. This Agenda item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act, 2016 and the Constitution of the Company require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.

1. According to the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 and all meeting participants of a fully virtual meeting are required to participate in the meeting online. Members/proxies are strongly advised to participate and vote remotely at this AGM through live streaming and the remote participation and voting facilities ("RPV Facilities") provided by Propoll Solutions Sdn Bhd, the poll administrator of this AGM, via our Share Registrar's website at www.johanmanagement.com.my. ***Please read and follow the procedures in the Administrative Guide for this AGM in order to participate and/or vote remotely.***

2. Members may submit questions to the Board prior to the AGM using the Question-and-Answer platform at www.johanmanagement.com.my, no later than 11.00 a.m. on Monday, 17 January 2022. Members may also submit questions to the Board using the Question-and-Answer platform via the RPV Facilities during the AGM.

Notice of Annual General Meeting
cont'd

3. *A member of the Company entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing proxy(ies) shall be in writing under the hand of the appointor or his attorney, or if such an appointor is a corporation, under its Common Seal or the hands of its attorney. A proxy need not be a member of the Company.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

5. *The instrument appointing proxy(ies) and the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur or e-mailed to the Company at johanms1@outlook.com not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjourned meeting (as the case may be).*

6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 11 January 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

Explanatory Notes:-

1. ***Ordinary Resolution 3 - Approval of payment of additional Directors' fees and benefits to Non-Executive Directors for the financial period ended 31 July 2021***

   At the Ninety-Fifth AGM of the Company, Directors' fee and benefits of up to an amount of RM169,000 for the financial year ended 31 January 2021 was approved. Subsequent to the change of financial year end of the Company from 31 January to 31 July, additional Directors' fee and benefits of RM68,000 for the 18 months period from 1 February 2020 to 31 July 2021 is sought for the shareholders' approval at this AGM.

2. ***Ordinary Resolution 6 - Retention of Independent Non-Executive Director***

   Dato' Ahmad Khairummuzammil Bin Mohd Yusoff has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years. In line with the Malaysian Code on Corporate Governance, upon assessment and recommendation of the Nominating Committee, the rest of the Board members were of the unanimous opinion that Dato' Ahmad Khairummuzammil Bin Mohd Yusoff should continue to act as an Independent Non-Executive Director of the Company based on the following justification:-

   (a) He fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements,

   (b) He has over time, developed a deep understanding of the Group's business operations and therefore can contribute to the effectiveness of the Board as a whole,

   (c) He does not have any conflict of interest as throughout his tenure of office as an Independent Director of the Company, he has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries,

   (d) He remains to be objective and independent in expressing his views and has actively participated in the deliberations and decision making process of the Board and Board Committees of which he is a member. His length of service on the Board and Board Committees does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.

   (e) He had exercised due care during his tenure as an Independent Non-Executive Director, Chairman of the Audit Committee and Nominating Committee and as a member of the Remuneration Committee, and he had carried out his professional duties in the best interest of the Company and its shareholders.

Notice of Annual General Meeting
cont'd

3. ***Ordinary Resolution 7 - Retention of Independent Non-Executive Director***

Mr Ooi Teng Chew has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years. In line with the Malaysian Code on Corporate Governance, upon assessment and recommendation of the Nominating Committee, the rest of the Board members were of the unanimous opinion that Mr Ooi Teng Chew should continue to act as an Independent Non-Executive Director of the Company based on the following justification:-

(a) He fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements,

(b) He has over time, developed a deep understanding of the Group's business operations and therefore can contribute to the effectiveness of the Board as a whole,

(c) He does not have any conflict of interest as throughout his tenure of office as an Independent Director of the Company, he has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries,

(d) He remains to be objective and independent in expressing his views and has actively participated in the deliberations and decision making process of the Board and Board Committees of which he is a member. His length of service on the Board and Board Committees does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.

(e) He had exercised due care during his tenure as an Independent Non-Executive Director and as a member of the Audit Committee and Nominating Committee and had carried out his professional duties in the best interest of the Company and its shareholders.

4. ***Ordinary Resolution 8 - Authority to Allot and Issue Shares in General Pursuant to Sections 75 and 76 of the Companies Act, 2016***

The proposed Ordinary Resolution if passed will empower the Directors to issue shares of the Company up to 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delays and costs in convening a general meeting to specifically approve such an issue of shares. This authority unless revoked or varied by the Company in general meeting will expire at the next AGM of the Company.

The Company has not issued any new shares under this general authority which was approved at the last AGM held on 30 July 2020 and which will lapse at the conclusion at this AGM. A renewal of this general authority is being sought at this AGM under the proposed Ordinary Resolution 8. The renewed mandate is to provide flexibility to the Company for any possible future fund raising activities including but not limited to placement of shares for purposes of funding future investments, working capital and/or acquisition.

Johan Holdings Berhad

Registration No. 192001000038 (314-K)

FORM OF PROXY

(Please read the notes on the next page before completing this form)

No. of Shares held	
CDS Account No.	

I/We*,______________________________(Company/NRIC/Passport No. __________________)

of ____

being a member/members of **JOHAN HOLDINGS BERHAD** hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or*

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Ninety-Sixth Annual General Meeting of the Company, to be conducted as a fully virtual meeting through Online Meeting Platform via our Share Registrar's website at www.johanmanagement.com.my in Malaysia on Thursday, 20 January 2022 at 11.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as hereunder indicated.

	ORDINARY RESOLUTIONS	For	Against
1	Re-election of Puan Sri Datin Tan Swee Bee as a Director		
2	Re-election of Tan Sri Dato' Seri Dr Ting Chew Peh as a Director		
3	Approval of payment of additional Directors' fees and benefits to Non-Executive Directors for the financial period ended 31 July 2021		
4	Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 July 2022		
5	Re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 July 2022 and to authorise the Board of Directors to fix their remuneration		
6	Retention of Independent Non-Executive Director - Dato' Ahmad Khairummuzammil Bin Mohd Yusoff		
7	Retention of Independent Non-Executive Director - Mr Ooi Teng Chew		
8	Authorisation for Directors to allot shares		

(Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy(ies) to vote. If this proxy form is returned without any indication as to how your proxy(ies) shall vote, your proxy(ies) will vote or abstain as he(they) thinks fit.)

Dated this __________ day of ________________________

____

Signature / Common Seal

** Strike out whichever is not relevant.*

Notes:-

1. *According to the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 and all meeting participants of a fully virtual meeting are required to participate in the meeting online. Members/ proxies are strongly advised to participate and vote remotely at this AGM through live streaming and the remote participation and voting facilities ("RPV Facilities") provided by Propoll Solutions Sdn Bhd, the poll administrator of this AGM, via our Share Registrar's website at www.johanmanagement.com.my.* ***Please read and follow the procedures in the Administrative Guide for this AGM in order to participate and/or vote remotely.***
2. *Members may submit questions to the Board prior to the AGM using the Question-and-Answer platform at www.johanmanagement.com.my, no later than 11.00 a.m. on Monday, 17 January 2022. Members may also submit questions to the Board using the Question-and-Answer platform via the RPV Facilities during the AGM.*
3. *A member of the Company entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing proxy(ies) shall be in writing under the hand of the appointor or his attorney, or if such an appointor is a corporation, under its Common Seal or the hands of its attorney. A proxy need not be a member of the Company.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

First Fold Here

AFFIX
STAMP

The Company Secretary
JOHAN HOLDINGS BERHAD
11th Floor, Wisma E&C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur

Then Fold Here

5. *The instrument appointing proxy(ies) and the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur or e-mailed to the Company at johanms1@outlook.com not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjourned meeting (as the case may be).*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 11 January 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*