



Johan Holdings Berhad



ANNUAL REPORT
for the financial year ended 31 July 2022

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CORPORATE PROFILE

The Johan Group today is a Malaysian grown group with diversified operations. Johan Group's current principal activities include the manufacture, sale and distribution of gloves, general trading, property investment, resorts and hotel operation.

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

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 21-02, Level 21
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 21-02, Level 21
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

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

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

AUDIT COMMITTEE

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

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Teh Yong Fah
SSM PC No.: 201908003410
MACS 00400

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)

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 financial year ended 31 July 2022 ("FY 2021/22").

ECONOMIC AND OPERATING ENVIRONMENT OVERVIEW

Malaysia's economy regained its momentum in 2021, with a 3.1% growth from the previous year negative growth of 5.5%. The performance was driven by the Services and Manufacturing sectors, which constituted 81.3% of the total GDP. In terms of demand, private consumption expenditure remained the largest component with a share of 58.8% in 2021. In Q2 2022, the Malaysian economy registered a strong growth of 8.9% (1Q 2022: 5.0%). Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. The higher growth was also reflective of normalizing economic activity as the country moved towards endemicity and reopened international borders. The ringgit depreciated by 4.6% against the US dollar in Q2 2022, broadly in line with the movement of regional currencies. This largely reflected the continued strengthening of the US dollar following aggressive US monetary policy tightening, increased investors' risk aversion due to the weakened global growth outlook, and the war in Ukraine.

The start of the global Covid-19 pandemic at end of 2019 resulted in the imposition of various measures including lockdowns, travel restrictions, remote working arrangements, safe distancing, and other restrictions in the beginning of 2020. These restrictions, had severely impacted business operations and structural changes to the economy. Many countries including Malaysia have transitioned into the endemic phase of the Covid-19 pandemic.

REVIEW OF GROUP FINANCIAL RESULTS

Your Board had on 8 March 2021 announced its approval for the financial year of Johan Holdings Berhad to be changed from 31 March to 31 July. This resulted in your Group with an 18 months period for FPE 31 July 2021. Therefore, the results for the 12 months ended 31 July 2022 (FY 2021/22), under review, are not comparable with the results for the previous 18 months period ended 31 July 2021.

For FY 2021/22, your Group operated under immense difficulties caused by the restrictions imposed as a result of the Covid-19 pandemic. Your Group only began to emerge from the gradual lifting of these restrictions from the beginning of 2022. Nevertheless, for FY 2021/22, it recorded Group Revenue of RM22.036 million, contributed by General Trading (RM16.772 million), Hospitality & Card Services (RM3.787 million), Investment Holding & Secretarial Services (RM0.972 million), and Healthcare (RM0.505 million). Your Group recorded a loss before tax of RM16.910 million, mainly attributed to loss of RM12.890 million by Dynacare Sdn Bhd ("Dynacare"), loss of RM1.072 million from the Orient Star Resort Hotel ("OSRL") and loss of RM2.448 million from Investment Holding, mainly due to fair value loss of RM3.892 million.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

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OPERATIONS AND PERFORMANCE REVIEW

Healthcare

In 2019, the Malaysian Rubber Glove Manufacturers Association (“MARGMA”) predicted that the global demand for rubber gloves would rise at a modest rate of 12%, reaching a total of 300 billion pieces by the end of 2020. As the Covid-19 virus outbreak spread worldwide, the demand for gloves leapt to about 360 billion pieces last year, pushing the annual growth rate to about 20%. Of the total output, Malaysia supplied about two-thirds or 240 billion gloves. The estimated worldwide demand for 2020 stood at a massive 420 billion. According to Persistence Market Research 2020, this upsurge in demand resulted in a tenfold increase in the average selling price (“ASP”) of nitrile gloves, the most sought after variant of disposable medical gloves. Before the pandemic, a pack of 100 nitrile gloves was sold for about USD2.30. However, during the pandemic, the price of the same pack of 100 pieces rose to as high as USD20. MARGMA's projections for 2021 indicated a growth rate for medical gloves of 15-20%, with global demand set to hit 410 billion gloves by year end, due to the still climbing number of community spread cases and discovery of new and more infectious strains of the virus as examination gloves are needed to inject vaccines. The glove sector's stellar performance then resulted in a bevy of new producers from other varied sectors entering the market.



In September 2020, your Board had already identified the gloves business as a new business segment to diversify into and expand your Group's revenue and income stream. As reported in the Annual Report last year, at the Extraordinary General Meeting held on 31 May 2021, shareholders had overwhelmingly approved, inter alia, your Group's diversification into the gloves business, construction of a Glove Manufacturing Plant in Lumut Port Industrial Park in Perak, and to undertake a Rights Issue with free Warrants which raised total proceeds of RM38,934,281 to fund the gloves business.

During the financial year under review, ASPs of gloves have fallen from the high levels recorded a year ago. Dynacare commissioned two (2) double former Dipping Lines during the financial year, with the 2nd Dipping Line handed over for commercial production on 18 March 2022. As a start-up from the ground, Dynacare generated a nominal revenue of RM505,000 for the year under review. As expected, it incurred operating losses due to the startup and other operating costs before reaching economy of scale.



CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

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Hospitality



The hospitality industry was severely impacted in the past two years due to the Covid-19 pandemic. On 11 October 2021, Malaysia lifted the ban on interstate and overseas travel in the transition to endemic phase, allowing for about 90% of its adult population that have been fully vaccinated to travel domestically across the country and to travel abroad without the need for a special pass. Inbound international travel remains largely restricted to emergency business and official visits. However, a mandatory 14-day quarantine remained in force for anyone entering Malaysia.

It was only on 1 August 2022 that all travellers were permitted to enter Malaysia, regardless of their vaccination status, with no requirement for a pre-departure or on-arrival Covid-19 test and no on-arrival quarantine requirement.

With domestic travel ban lifted during FY 2021/22, OSRL recorded improved occupancy rate with higher revenue of RM3.933 million with Gross profit of RM3.520 million. Operating expenses totalled RM3.185 million which included maintenance and repair works, enhancement of rooms conditions necessary to attract room sales. This resulted in EBITDA of RM0.335 million being recorded. However, after depreciation and amortization of RM1.407 million, the OSRL recorded a loss before tax of RM1.072 million.



General Trading

William Jacks & Company (Malaysia) Sendirian Berhad (“WJM”), is in the business of general trading in materials for industrial, building materials and equipment in the construction industry.

WJM recorded a total revenue of RM16.772 million and achieved a profit before tax of RM78,000. Its profitability was affected by unfavourable forex movement during the year under review resulting in a loss in exchange of RM117,390 being recorded.

Enhancing Sustainability

We recognise that prioritising sustainability is imperative in driving long-term business growth as well as creating shared value for our stakeholders. Despite the challenging business environment, we remained focus on achieving our Economic, Environment and Social (“EES”) responsibilities by embedding sustainable practices in our day-to-day operations and business policies. Further information on our sustainability efforts are set out in the Sustainability Statement section of our Annual Report.

Dividend

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

Directorate

Two Non-Executive Directors of your Company, namely Tan Sri Dato’ Seri Dr. Ting Chew Peh and Mr. Ooi Teng Chew, with tenure of service of more than 19 years and 13 years respectively, have notified your Board of their election to retire as Director at the forthcoming 97th Annual General Meeting (“97th AGM”) of your Company. Accordingly, both Directors shall hold office until the conclusion of the 97th AGM. I would like to take this opportunity to thank them for their valuable advice and contribution throughout their tenure of service to your Group and to wish them all the very best in their future endeavours.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

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PROSPECTS AND OUTLOOK

Healthcare

The glove industry is currently undergoing a phase of inventory adjustment with falling average selling prices due to oversupply and stockpiles since the latter part of 2021. The pricing and margin compression will continue into the current financial year 2023 due to weaker demand from customers because of overstocking and subsequent inventory adjustment. Higher energy and labour costs due to the increase in natural gas tariffs and Malaysia's minimum wage implementation in 2022 had continued to contribute to the company's escalating production cost.

As I mentioned in last year's Annual Report, your Board shall for the time being limit the construction of the gloves factory to only six (6) double-former Dipping Lines with substantially reduced investment cost. Further, the management will manage the production level based on the demand and sales going forward.

The Europe Medical Devices Regulation ("MDR") conformité européenne ("CE") Marking certification required for the sale of gloves for medical industry to the European market was obtained on 9 September 2022. For the US market, the US FDA 510K certification is now expected to be obtained by 4th quarter of 2022. With both certifications in hand, we expect to gain further traction in sales volume and be able to secure higher ASPs going forward.

Nevertheless we continue to stay vigilant and in line with our efforts to stay prudent, we have implemented various cost savings measures.

The Sales and Marketing team have participated in international exhibitions to promote Dynacare's ESGloves house-brand of nitrile gloves and to reach out to potential customers in selected markets, i.e. the Florida International Medical EXPO at Miami Beach Convention Centre, USA (27-29 July 2022), Medical Fair Asia 2022 at Marina Bay Sands, Singapore (31 August to 2 September 2022), 10th International Rubber Glove Conference and Exhibition 2022 at Kuala Lumpur Convention Centre (6-8 September 2022) and Medical Japan 2022 Tokyo (12-14 October 2022).



On 6 September 2022, after the 10th International Rubber Glove Conference and Exhibition held in conjunction with the 3rd International Rubber Industry Convention and Expo and the Rubber Conference 2022, MARGMA reported that glove supply-demand equilibrium is expected within 6 to 9 months. Furthermore, the local glove business will do marginally better than in 2019 as ASP are expected to reach pre-Covid-19 pandemic levels of about US\$20 to US\$25 per 1,000 pcs.



CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Hospitality

The OSRL hotel will continue to improve room condition and facilities during the current financial year to support and justify the gradual increase in room rates to further improve revenue. Our KL based sales personnel have been aggressively sourcing businesses with new government departments in Putrajaya and Wilayah Persekutuan, while sales personnel based in Lumut concentrated for business within Perak and northern region states. The hotel participated in the Matta Fair in Kuala Lumpur from 2-4 October 2022 and in November 2022, the sales team visited Kedah and Penang to reach out to the government and corporate sectors.

With the continued recovery of the tourism industry, the Resort is optimistic of its performance going forward.

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: 11 November 2022

SUSTAINABILITY STATEMENT

Johan believes that sustainability is fundamental to building a strong and inclusive economy. This is why we take a holistic Economic, Environmental, Social and Governance (“EESG”) approach to ensure that sustainability is embedded in every activity of the organisation. Our sustainability strategy is designed to foster meaningful and long-lasting relationships with our stakeholders.

Our goal is to activate sufficient EESG strategies to improve our performance even further. We will integrate innovative schemes into our expanding value chains to realise sustainable development.

ABOUT THIS STATEMENT

The year under review has been a period of transformation for Johan. Nonetheless, we remain resolute in our commitment to sustainability even as we chart a course towards a new direction. We are evaluating potential solutions that will effectively produce long-term environmental, societal and financial benefits.

Though the Group’s revenue predominantly comes from our trading business, which was revitalised in FY2019/20, our sustainability impacts are mainly exerted by our new venture in the healthcare sector. Thus, the current report describes the measures we have carried out to address the sustainability issues that are material to our healthcare segment. We also state the positive contributions of these actions to the sector’s growth.

Scope and Boundary:

This statement applies to the entire operations of Johan and the entities where the Group holds a controlling interest or management control.

Reporting Period:

This report covers our EESG activities from 1 August 2021 to 31 July 2022 (FY2021/22); historical information from previous years was included to provide a basis for comparison.

Reporting Cycle:

Annually; coinciding with our financial year.

Reporting Guidelines:

- Bursa Malaysia Sustainability Reporting Guide (2nd Edition)
- Malaysia Code on Corporate Governance 2021 (“MCCG”)
- United Nations Sustainable Development Goals (“UNSDGs”)

Connect with us:

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

SUSTAINABILITY STATEMENT

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United Nations Sustainable Development Goals



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

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

SUSTAINABILITY GOVERNANCE

Our governance structure was established such that accountability, transparency and ethical behaviour are present at every level of our organisation. We have re-evaluated our sustainability governance structures and processes in the year under review. We have made adjustments to ensure that we can reach our new direction in the most effective and efficient manner.

The Board

The Board of Directors (“BOD”) is responsible for steering the sustainability direction of the entire Group. The BOD, under the leadership and direction of the Chairman and Chief Executive, exercises direct oversight over all EESG sustainability issues and ensures that all implemented plans, strategies and policies adhere to the current best practices.

The Management

Led by the Chief Executive, the Senior Key Management assumes the role of leadership and direction; they ensure that sustainability efforts are incorporated across the Group. The Management meets regularly to discuss all sustainability-related commitments, including setting important initiatives and growth plans. The heads of the respective operating subsidiaries are encouraged to be proactive in addressing sustainability commitments and monitoring its performance.

Compliance Ethics and Transparency

We expect all our employees and business partners to exhibit only the highest standards of professional conduct in accordance with our Key Policies. These policies undergo regular reviews to make sure that they are relevant to the current risks and opportunities, sustainability trends, and regulatory and societal changes. Our policies are published on our website and disseminated to employees and business partners.

Our employees and business partners must practise integrity and respect in all activities, as prescribed by our Code of Conduct and Ethics. The Code outlines our ethical and behavioural policies. As stated in our Anti-Bribery and Anti-Corruption (“ABAC”) Policy, we condemn all acts of bribery and corruption in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

SUSTAINABILITY STATEMENT

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In addition to our Sustainability and other Key Policies, the Whistleblowing Policy provides a platform where our stakeholders can anonymously raise concerns about possible breaches of policies and other questionable practices without fear of reprisal or retaliation. Since the Group was established, our stakeholders have reported no incident of bribery and corruption, sexual harassment, discrimination and other ethical misconduct. We have maintained a zero-non-compliance record and have never been imposed with fines or penalties in our operational activities relating to employees, children and community rights, the environment, and health and safety. This holds true for the year under review.

Sustainability Risk Management

The BOD established a Risk Management Committee (“RMC”), which is supported by the sub-RMCs established at the respective business units. The RMC is tasked with enforcing a robust and sound risk management framework to make sure that the best practices in risk management are applied. Our risk management process complies with the ISO 31000 risk management standard and the Malaysian Code on Corporate Governance 2021.

All our new and future projects and existing operational activities undergo risk assessment procedures. The sub-RMCs organise periodic meetings, where sustainability is assessed through the risk identification, analysis, treatment, and monitoring of EESG impacts. These meetings are the venues for assessing governance risk registers that are applicable to our business operations. Compliance with all Quality, Environmental and Health and Safety Standards is also evaluated. The results of these reviews are presented to the RMC before they are reported at the Audit Committee meetings on a half yearly basis.

MATERIAL MATTERS

We believe that sustainable development can be achieved by adopting sound principles and the current best practices. Cognisant of our role in building a better and more sustainable future, we have assessed the EESG sustainability issues that are affected by our operations.

For FY2021/22, we have conducted a materiality assessment to determine the EESG issues that are most intertwined with the Group and our stakeholders. We then ranked these EESG themes in terms of their effect on our business operations and the decision making of our stakeholders.

Materiality Matrix and Process

In this assessment, we have identified the sustainability matters that are deemed most significant by the Group and our stakeholders. We have also considered the potential new impacts brought about by our Healthcare division. Our goal is to create tools that will produce innovative solutions that can address the identified issues.

SUSTAINABILITY STATEMENT

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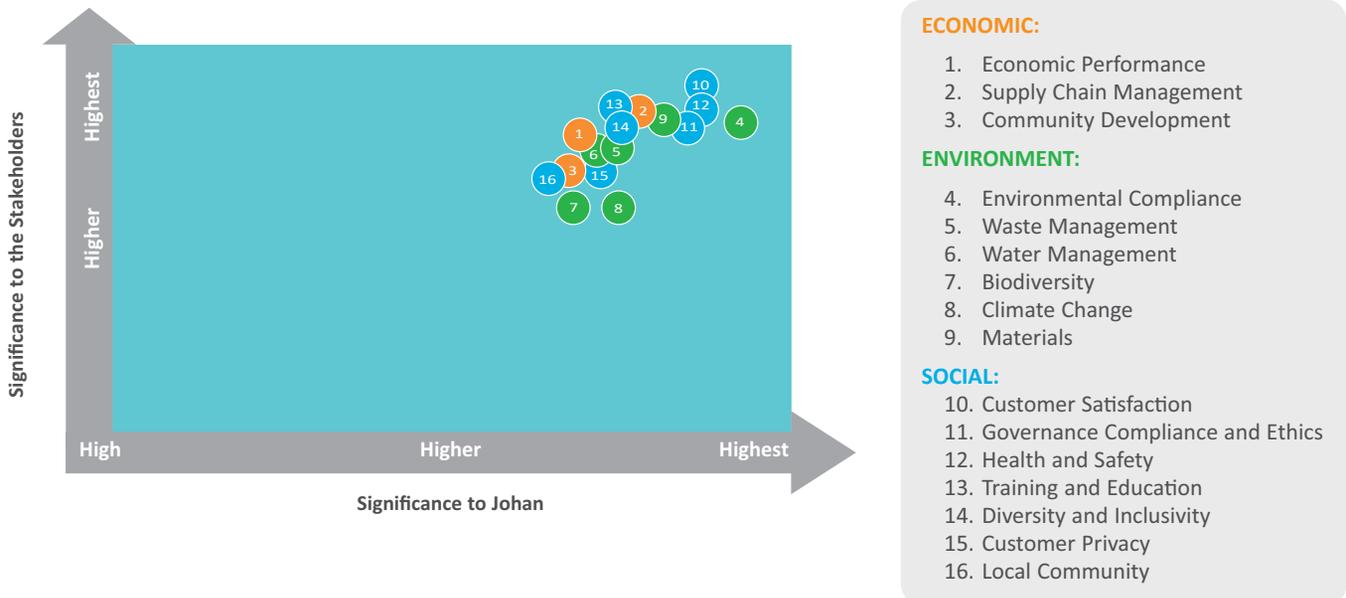
Our materiality assessment process consists of the following stages:



Materiality Matrix

The outcome of the materiality reassessment is illustrated in the materiality matrix below. Consistent with the emerging global concerns and best practices, the new aspects identified that impact our business and stakeholders are associated with environmental and human rights issues. The sustainability issues mapped on the upper right-hand quadrant of the matrix are deemed most significant by both the Group and our stakeholders.

The Group's top four material issues are: Customer Satisfaction; Health and Safety; Environmental Compliance; and Governance, Compliance and Ethics. All of these are closely linked to the core nature of our business.



SUSTAINABILITY STATEMENT

cont'd

STAKEHOLDER ENGAGEMENTS

We constantly engage with our stakeholders to identify risks and opportunities and determine areas that can be updated to the current best practices. By having an open communication line with our stakeholders all year round, we can clearly understand their expectations and readily respond to their latest concerns. These actions strengthen the Group's relationships with our various stakeholders.

For FY2021/22, we particularly highlighted the stakeholder issues associated with the newly established Healthcare division.

Stakeholder Groups	Concerns	Response & Communication Channels
Investors	<ul style="list-style-type: none"> • Profitability & Growth • Communication 	<ul style="list-style-type: none"> - Overall strategy briefings - Business opportunities for sustained growth - Accurate, timely, consistent and fair disclosure of corporate information - Attendance of shareholders at the Group's Annual General Meeting to facilitate interaction with the management
Employees	<ul style="list-style-type: none"> • Career Development • Health and Safety 	<ul style="list-style-type: none"> - Employee training - Performance and remuneration reviews - Health & Safety structure - Department of Occupational Health and Safety ("DOSH") compliance
Supply Chain	<ul style="list-style-type: none"> • Beneficial Relationships 	<ul style="list-style-type: none"> - Local sourcing - Ethics and transparency - Sustainable sourcing
Government	<ul style="list-style-type: none"> • Regulatory Compliance • COVID-19 Measures 	<ul style="list-style-type: none"> - Updating of licenses and permits - Compliance with all regulations - Compliance training - Compliance with COVID-19 government guidelines
Community	<ul style="list-style-type: none"> • Community Relationships • International Reputation 	<ul style="list-style-type: none"> - Philanthropic activities - Human rights protection - Keeping abreast of international best practices
Customers	<ul style="list-style-type: none"> • Product Quality • Data Privacy and Security • Responsible Representation 	<ul style="list-style-type: none"> - ISO 9001 and other healthcare-related standards - Measures for privacy protection and security - Compliance with marketing advertising standards

ECONOMIC IMPACTS

Economic Performance is the most material issue under economic sustainability matters. Our Healthcare division is our primary contributor to the Gross National Product ("GNP") and foreign exchange earnings. In addition, we have carried out trading strategies that will ultimately avoid the extraction of virgin raw brass products. Meanwhile, our Hospitality division is always at hand to aid and protect the welfare of the community.

SUSTAINABILITY STATEMENT

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Direct Economic Impact

Johan's direct economic contributions are clearly delineated by our revenue, employment creation, payment of taxes, and investments for the growth and expansion of our business operations. We play a part in boosting the nation's growth through our exports, which increase foreign currency reserves and liquidity.

Indirect Economic Impact

The Group's business transition is the outcome of our strategic decision to build financial growth by recognising the opportunity to develop sustainable Healthcare products that will address the world's current needs. Our new economic target is to realise profitability by delivering excellent products to global markets in a sustainable manner across Economic, Environmental and Social dimensions. For example, we prioritise local sourcing and hiring whenever possible to provide economic benefits to the communities where we operate.

EMPLOYEE

Johan recognises the value of its employees based on skill and talent and not on their race, gender and ethnicity. Such non-discrimination is espoused in our enacted policies and procedures.

Fair labour practices are observed across our entire organisation. We respect the rights of all individuals as set forth in national laws and regulations and international agreements. All of our policies are consistent 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").

Though all our current employees are Malaysians, we have made provisions such that our policies, processes and facilities can be easily adjusted to the needs of migrant workers.

Employee Welfare

At Johan, we subscribe to the definition followed by international organisations that employee welfare refers to anything that is done for the comfort and improvement of employees and is provided over and above wages. Consistent with this definition, our sustainability policy covers the following topics:

Child Labour	Equal Opportunity
Modern Slavery	Merit Based Employment
Diversity and Inclusivity	Human Rights Risk Assessment
Freedom of Association	Health and Safety
Sexual and Power Harassment	Excessive Working Hours

For a copy of our sustainability policy please go to: <https://www.johanholdings.com/wp-content/uploads/2022/06/Sustainability-Policy-20.06.2022.pdf>

SUSTAINABILITY STATEMENT

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Occupational Health and Safety

At Johan, we ensure that our activities do not harm the Health and Safety (“H&S”) of all our stakeholders. Our H&S compliance follows all the requirements prescribed by the Department of Occupational Health and Safety (“DOSH”). Our employees undergo H&S training programmes which we organise in partnership with private, public and Non-Profit Organization training centres, such as the National Institute of Occupational Safety and Health (“NIOSH”), St. John Ambulance Malaysia and the Malaysian Rubber Council.

Period	Fatality	Total Man-Hours Worked	Total Safe Man-hours worked	LTI Performance	LTIF Performance	Work-Related Fatalities	HSE Non Compliance	Environmental Spill
FY2022	0	395,616	395,616	0	0	0	0	0
<p><i>Total Man-Hours Worked: Total hours worked a day x Total number of workers x Total number of days worked</i> <i>Total Safe Man-Hours Worked: Number of workers x numbers of hours worked x number of days</i> <i>LTI: Loss time injury on-the-job accident that resulted from an employee being absent from the workplace for a minimum of one full day work day</i> <i>LTIF: Lost Time Injury Frequency: Total LTI Case X 1,000,000/Total man hours exposed</i> <i>HSE Non-Compliance: Government fines and penalties</i></p>								

Training

Our employees attend internal and external training sessions according to their job scope. Internal training is conducted by managers and in-house training experts, whereas the external training is carried out by third parties, which can give out professional certifications, such as the Certified Environmental Professional in Scheduled Waste Management (“Cepswam”) and Train the Trainer Certification.

Additionally, all new employees, contractors and subcontractors are subjected to induction training. This is particularly helpful for acclimatising on-site employees and business partners by providing them with all the necessary information on company policies, SOP and practices.

In the year under review, 426 employees were exposed to a total of 1,271 hours of internal and external training, as summarised below.

TYPES OF TRAINING	TRAINING HOURS	NO. OF ATTENDEES
Health and Safety	772	233
Environment	315	184
Human Resources	16	3
Halal Professional	120	3
Accounting	48	3
TOTAL	1,271	426

SUSTAINABILITY STATEMENT

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Remuneration and Benefits

Nurturing the welfare and wellbeing of our employees raises their morale and ignites their motivation to work productively. It also translates to the longer retention of employees and results in a shared commitment towards the Group's success. Our pay scale abides by the national minimum wage law and is competitive when benchmarked against our industry peers. Additionally, we uphold all the regulations pertaining to equal pay and equal work.

Our employee benefits include a comprehensive array of health and welfare programmes based on their length of service and position. Our employees can enjoy outpatient, hospitalisation and dental remuneration packages, as well as applicable allowances. All employees are also covered with personal accident insurance.

Diversity and Inclusivity

Diversity and Inclusion Policy

The Group recognises the benefits arising from all employees and board diversity, including a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity, cultural background, religion, race, language, disability, freedom of association and nationality.

All recruitments and partnerships are made on merit, in the context of the skills and experience of the Board as a whole requires to be effective, with due regard for the benefits of diversity. Selection of all workforce including Board and senior management is based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender, religion, race and ethnicity.

For a copy of our diversity policy please go to: <https://www.johanholdings.com/wp-content/uploads/2022/06/Diversity-and-Inclusion-Policy-JHB-20.06.2022.pdf>

GROUP WORKFORCE BY EMPLOYMENT LEVEL				
Period	FYE2022		FPE2021	
	Male	Female	Male	Female
Executive and Senior Management	13	2	13	2
Management	2	5	2	9
Professionals	17	24	9	11
Administration	8	9	5	20
Operations	153	39	39	18

AGE AND GENDER COMPOSITION						
Period	Gender Distribution		Age Diversity/Years old			
	Male	Female	20-30	31-40	41-50	50 and above
FYE2022	193	79	163	27	42	40
FPE2021	68	60	35	32	44	17

SUSTAINABILITY STATEMENT

cont'd

ETHNIC COMPOSITION				
Period	Malay	Chinese	Indian	Other Ethnic Groups
FYE2022	194	35	41	2
FPE2021	85	30	11	2

ENVIRONMENT

Johan Holdings Berhad has embarked upon new environmental priorities with its diversification into the Healthcare sector. We have adopted industry-led environmental standards at every step, from the design and construction of our plant up to its operation.

We are fully committed to reducing our environmental impacts by prioritising energy conservation and improving our energy efficiency. We will take actions to minimise our emissions and waste. We will also make investments to enhance our water management systems, production innovation and packaging. Similarly, sustainable purchase of industrial products is practised in our Trading division.

Environmental Commitments

Our Sustainability Policy espouses our environmental pledge to protect all aspects of the earth's environment: air, soil, water and the atmosphere. In this light, we deliver on our commitment by:

- Establishing an effective environmental management system and continually implementing improvement initiatives.
- Setting environmental performance targets and conducting periodic reviews.
- Ensuring the participation of interested and impacted stakeholders through frequent collaborations and training.
- Supporting the government's national policies on climate change, biodiversity and other agenda relating to environmental protection.
- Adopting international principles in protecting the ecosystem.
- Putting in place initiatives that will adapt our operations and mitigate any negative impacts associated with climate change, biodiversity, water and natural resources.
- Allocating resources and creating collaborative opportunities to improve efficiencies, such as practicing 3Rs (Reduce, Reuse and Recycle) and making eco-friendly products, to reduce our consumption of energy, water and natural resources.
- Managing and assessing our risks and opportunities to minimise or even completely eliminate water, ground and air pollution.

For a copy of our sustainability policy please go to: <https://www.johanholdings.com/wp-content/uploads/2022/06/Sustainability-Policy-20.06.2022.pdf>

SUSTAINABILITY STATEMENT

cont'd

Environmental Management Standards

We apply all standards and best practices in our environmental management systems. We have initiated the procedures that will ensure all specifications prescribed by the Department of Environment and we adhere to the following:

- Environmental Quality Act 1974
- Scheduled Wastes Act 1974
- Environmental Quality (Scheduled Wastes) Regulation 2005
- Environmental Quality Clean Air 2014
- Environmental Quality Industrial and Sewage 2009

Water Management

Sustainable water management refers to the proper utilisation and disposal of waste water such that the current and future ecological, social and economic needs of society are fulfilled. Consistent with these principles, we have allocated resources for the reduction of our water withdrawal and the management of our effluents.

Water Treatment, Reuse and Recycling

Wastewater to be discharged is first treated using a wastewater industrial effluent treatment system. Meanwhile, treated wastewater to be reused is passed through a reverse-osmosis recycling system.

Proper water usage behaviour is inculcated to our employees at all our business divisions. We closely monitor potential leaks and increases in water consumption. In our Hospitality division, they impose policies regarding towel placement and laundering service, conduct maintenance for leaks and follow water-conscious pool cleaning schedules.

FY2021/22 GROUP ENVIRONMENTAL INDICATORS			
Water Indicators	(m3)	Water Emission	mg/L
Water Consumption	69,094	Biochemical Oxygen Demand ("BOD")	35
Treated Water (Scheduled Water)	68,677	Total Suspended Solids ("TSS")	9
Water Discharged (Public Drainage)	68,665	Chemical Oxygen Demand ("COD")	141
Energy Consumption			
Electricity (kWh)	2,781,922	Natural Gas (MMBtu)	81,056

Energy Management

We believe that integrating sustainability should not come at the cost of product quality. Thus, we have adopted different methods and tools to progressively reduce fossil fuel consumption without compromising our production output and operational efficiency.

Renewable Energy and Energy Efficiency

All our buildings are designed to take advantage of natural lighting and ventilation, and our production lines utilise high-efficiency electric motors, chillers and compressed air systems. All our business divisions are furnished with energy-saving LED lighting and mechanical ventilation solutions, thereby reducing our electricity demand from the national grid.

SUSTAINABILITY STATEMENT

cont'd

Air Emission and Waste Management

Our Healthcare production lines are equipped with water and air filter systems to clean and neutralise the chemicals used before discharge. The hazardous effluents from our wastewater treatment plant are treated by a scheduled or hazardous waste contractor accredited by the Department of Environment (“DOE”). The hazardous waste generated since the Healthcare division was established is 10.18 tonnes.

We apply the 3R (Reduce, Reuse and Recycle) in all our business activities. Our employees displayed enthusiasm over the “No More Plastics” initiative, which discourages the usage of single-use plastic, such as straws, cups and cutlery. This campaign aims to raise awareness about the harm caused by plastic waste and consequently encourage all staff to reduce its use. Moving forward, we will be monitoring our general waste against the quantity of waste recycled, and air emissions.

Resource Management and Biodiversity

Johan is committed to reduce and even completely avoid the consumption of natural resources, particularly virgin materials. We have applied recycling and reusing initiatives in our supply chain management, particularly when sourcing for products. For instance, our supplier for industrial products adopt extraction and refining technologies that minimise the use of virgin materials in the production process. Our industrial products are made of 85% recycled materials. Compared with primary metal manufacturing, recycling has a better rate of energy consumption per tonne of metal produced and generates lower greenhouse gas emissions.

At our Healthcare division, employees attended a training programme on process improvement conducted by the Malaysian Rubber Council to learn more about managing materials more efficiently.

We are looking forward to installing solar photovoltaic and water recycling systems that would reduce our dependence on fossil fuel and water consumption from the public utility.

CUSTOMER

Our Vision:

“To be the preferred Healthcare specialist in the world by delivering the BEST in Healthcare products”

Consistent with our mission statement, Johan’s sustainability initiatives are aligned with our customers’ values. For us, product quality is not enough; our strategic direction is to long-term relationships with our customers by offering them sustainable products.



SUSTAINABILITY STATEMENT

cont'd

Quality Management Systems

We have assigned specialist teams that are dedicated to reviewing whether the quality of our products is at par with the highest standards. Our rigorous quality assurance processes conform to the standards set by global accreditation bodies. Our products meet the exacting requirements of international certifications, including ISO 9001:2015, European Norm (“EN”), American Society for Testing and Materials (“ASTM”) and Conformité Européenne (“CE”).



Innovation



We apply innovative technologies in our Healthcare division to ensure the sustainability of our operations. Our strong R&D competencies help us to maintain this edge, thereby ensuring we stay ahead of the competition and meet the evolving needs of the markets we serve.

Some features of our state-of-the-art Healthcare plant: Fully Automated, High-Capacity Production Lines for Maximum Efficiency.

Advanced R&D Laboratory for That Cutting Edge

Innovation is fundamental in the success of our business. We employ world-class experts to perform R&D in our advanced laboratory. They help ensure that our internationally certified product offerings stay ahead of the competition.

Customer Relations

The Group abides by the national Malaysia Personal Data Protection Act (“PDPA”) and all other applicable personal data protection laws of the countries where we operate as a global supplier.

We also practise “Just in time” delivery, whereby we facilitate the delivery of goods by the supplier directly to the location and time specified by the customer, thus avoiding stockholding and duplication of transportation requirements.

SUPPLY CHAIN

Supply Chain Principles

We expect our vendors to show only the highest standards of ethical behaviour and principles. Thus, we have established a vendor development programme that emphasises ethical sourcing.

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. Our suppliers and vendors must also adhere to fundamental human rights, labour practices and the Group’s policies.

SUSTAINABILITY STATEMENT

cont'd

EHS in the Supply Chain

All our suppliers and vendors are required to support and participate in our Health, Safety and Environment (“HSE”) activities. All approved vendors and suppliers are provided with Health Safety Environment and Quality (“HSEQ”) induction and special training programmes applicable to their job scope. They are also given copies of the company policies and SOPs to ensure that they understand their responsibilities and HSE occupational risks that they will encounter in performing their jobs. The Group supply chain is vetted against their HSEQ capability to verify their compliance and their documented conformance to our requirements.

COMMUNITY

Our operations play a crucial part in the economic development and in raising the quality of life of the community. As community partners, we foster meaningful long-term relationships that respect diversity and create lasting benefits through the following:

- Prioritising local sourcing and hiring;
- Designing programmes that will improve the quality of life of the communities;
- Creating a framework that will facilitate employee engagement with the communities;
- Performing proper due diligence before the implementation of any programme in a community;
- Maintaining an open dialogue with the community and impacted stakeholders of our current or new operations; and taking their views into account during the decision-making process.

Human Rights

Our employment and recruitment practices safeguard the human rights of every individual. We follow a Code of Conduct that clearly states the proper directives that employees must follow regarding 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. We recognise the rights of all individuals as set forth in national laws and regulations and international agreements. Our 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”).

We have established a Whistleblowing Policy, which creates a platform for employees and stakeholders to lodge reports in good faith without fear of reprisal.

SUSTAINABILITY STATEMENT

cont'd

Community Engagements

We have engaged with various government, academic and non-governmental organisations (“NGOs”). We have collaborated with St. John’s Ambulance Malaysia to carry out lessons on first aid and cardiopulmonary resuscitation (“CPR”). The National Institute for Occupational Safety and Health (“NIOSH”) and UTM-MPRC Institute for Oil and Gas provided HSE training sessions. Our employees attended production process improvement seminars conducted by the Malaysian Rubber Council (“MRC”). We have also engaged with the Department of Environment Ministry of Environment and Water (Perak) to ensure that our Healthcare division complies with all the prescribed standards.



Official Website of
MALAYSIAN RUBBER COUNCIL
2000-01-008657 (511263-K)

Philanthropic Activities and Donations



Left: Celebrating independent single mothers and their children with buffet dinner during the Ramadan season. Right: Distribution of Ramadan grocery hampers.

Environmental Awareness Campaign

To kick start the Healthcare division’s CSR programme, “Towards a Greener Environment”, we distributed 1,300 non-woven recycle bags to schools, employees and resort guests. The initiative is to reach out to the general public to create environmental awareness, especially among school children.



SUSTAINABILITY STATEMENT

cont'd

Local Sourcing and Hiring

All our employees are locally hired, and local sourcing is prioritised whenever possible. The Trading division's building materials and sound systems are sourced locally. In addition, our Hospitality and Healthcare divisions favour the produce and products from the local community.

Internship Programme

Our internship initiative offers eligible students from diverse backgrounds the opportunity to acquire direct practical experience in an actual office environment. The Healthcare division welcomed our first intern trainee in the year under review.

PROFILE OF DIRECTORS

TAN SRI DATO' TAN KAY HOCK
Chairman & Chief Executive
Non-Independent Executive Director

Age	Gender	Nationality
75	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 industries.

Tan Sri Dato' Tan Kay Hock was appointed to the Board on 5 November 1980. He is the Chairman of the Risk Management Committee. His directorships in other listed issuers and public companies, are 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
76	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 industries.

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. Her directorships in other listed issuers and public companies, are 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
79	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. His directorships in other listed issuers and public companies, are as follows:-

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

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF

Independent Non-Executive Director

Age	Gender	Nationality
81	Male	Malaysian

Dato' Ahmad Khairummuhammad 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 as UDA's Director-General, Chief Executive Officer 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 Khairummuhammad 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. His directorships in other listed issuers and public companies, are 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
76	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 directorships in other listed issuers and public companies.

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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
46	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
51	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 21 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
Director - Operations
Dynacare Sdn Bhd

Age	Gender	Nationality
50	Male	Malaysian

Mr Tio Yit Ching was appointed as the Senior General Manager of Dynacare Sdn Bhd on 23 June 2021 and was promoted to Director – Operations of Dynacare Sdn Bhd on 2 March 2022. He was formerly the General Manager, Operations of Johan Holdings Berhad from October 2010 to March 2018, where he was entrusted with the responsibilities of overseeing the strategic planning and management of the ceramic tiles manufacturing operations of Prestige Assets Sdn Bhd (formerly known as Prestige Ceramics Sdn Bhd), a wholly owned subsidiary of Johan. Thereafter, Mr Tio joined 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 25 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
General Manager
The Orient Star Resort, Lumut

Age	Gender	Nationality
50	Male	Malaysian

Mr Eric Lau Chong Beng joined The Orient Star Resort, Lumut as the Hotel Manager on 1 January 2019. Mr Eric Lau was promoted as the General Manager of The Orient Star Resort, Lumut with effect from 1 August 2022. He is a STPM holder and has over 29 years of experience in the hotel industry.

ADDITIONAL INFORMATION:

- 1) None of the Key Senior Management staff holds directorship in any public company or listed issuer.
- 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-22 RM'000	31-Jul-21 RM'000 Restated	31-Jan-20 RM'000	31-Jan-19 RM'000	31-Jan-18 RM'000
Income Statement					
Revenue from continuing operations	22,036	49,112	14,559	105,880	122,485
(Loss)/Profit Before Tax from continuing operations	(16,910)	(38,480)	13,070	(104,667)	25,747
Income Tax (Expense)/Credit from continuing operations	(33)	(684)	(5,537)	5,400	(3,782)
(Loss)/Profit for the year from continuing operations	(16,943)	(39,164)	7,533	(99,267)	21,965
Profit/(Loss) for the year from discontinued operations	-	200,220	(24,834)	(3,470)	(45,189)
(Loss)/Profit for the year/period	(16,943)	161,056	(17,301)	(102,737)	(23,224)
Statements of Financial Position					
Total non-current assets	230,631	163,719	204,239	322,201	325,089
Total current assets	108,397	139,250	768,312	644,297	704,558
Shareholders' fund	228,908	239,839	59,860	78,469	176,917
Non-controlling Interest	27,452	6,184	4,219	2,507	2,236
Shareholders' Equity	256,360	246,023	64,079	80,976	179,153
Total non-current liabilities	24,326	23,535	331,620	334,300	324,796
Total current liabilities	58,342	33,411	576,852	551,222	525,698
Share Information					
Per Ordinary Share					
(Loss)/Profit, basic (sen)	(0.97)	22.89	(3.05)	(16.33)	(3.59)
Net assets (sen)	21.95	21.06	10.29	13.00	28.76
Share price as at 31 July / 31 January (RM)	0.065	0.11	0.07	0.09	0.32
Financial Ratios					
Return on equity (%)	(7.40)	67.15	28.90	(127.45)	(12.65)
Net Debt-Equity ratio (Note 1)	N/A	N/A	0.93:1	0.91:1	0.81:1

Note 1: Net Debt comprise current & non-current loans 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 as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the Group.

The Board is pleased to present this Corporate Governance Overview Statement (“CG Statement”) for the financial year ended 31 July 2022 in respect of three (3) principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management, and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Statement shall be read together with the Corporate Governance Report which set out how the Company has applied each practice set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) during the financial year ended 31 July 2022. Where there is a departure from a practice, explanations for the departure and alternative practice adopted to achieve the intended outcomes are also disclosed in the Corporate Governance Report. The Corporate Governance Report is available on the Company’s website at www.johanholdings.com.

As at the date of the CG Statement, the Company has adopted and applied all the recommended practices in the MCCG except for six (6) practices, i.e. Practices 1.3, 1.4, 5.2, 5.3, 5.9 and 8.2 as provided and explained in the Corporate Governance Report.

The Board will continuously evaluate and strengthen the existing corporate governance practices and processes in line with the recommended best practices to ensure long-term sustainability for the Group.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

Roles 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 Khairumzammil Bin Mohd Yusoff as Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders.

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 Group's quarterly financial results and operational performance. Additional meetings are convened as and when necessary.

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*

During the financial year ended 31 July 2022, the number of Board Meetings held and the attendance of each Director are listed as follows:

Directors	No. of Board Meetings	
	Held	Attended
Tan Sri Dato' Tan Kay Hock	4	4
Puan Sri Datin Tan Swee Bee	4	4
Tan Sri Dato' Seri Dr. Ting Chew Peh	4	4
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	4	4
Ooi Teng Chew	4	4

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

Sustainability Policy

The Company had adopted a Sustainability Policy in June 2022 which demonstrates the Company's commitment to embody sustainable business practices throughout the Group's operations. The Sustainability Policy is available on the Company's website at www.johanholdings.com.

II. Board Composition

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

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, economics, accounting and general management. Their profiles can be found on pages 24 to 26 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.

Tenure of Independent Directors

The Board takes cognisance of and is guided by the MCCG best practice that the tenure of an Independent Director shall not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

Board and Senior Management Diversity

The Board does not set any specific target for women Directors and senior management. 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. Selection of Senior Management also based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender.

The Company had established a Diversity and Inclusion Policy towards its commitment to promoting workforce and Board diversity. The policy set out, amongst other, strategies and measure to promote gender diversity in the Board and Senior Management appointment process.

Currently, Puan Sri Datin Tan Swee Bee is the only woman Director in the Board of five (5) Directors and about 13% of the Senior Management positions of the Group are held by women. The Board endeavours to ensure that gender, ethnicity and age diversity are taken into account in the Board and Senior Management recruitment and succession planning process. The details on the workforce diversity is disclosed in the Sustainability Statement on pages 9 to 23 of this Annual Report.

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

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 individual Director in terms of the appropriate size and skill balance between the Executive Directors, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

Annual Assessment and Evaluation of the Board, Board Committee and Individual Directors

The Nominating Committee reviews annually the effectiveness of the Board and Board Committee, performance and contribution of each individual Director and the independence of the Independent Directors.

The Nominating Committee had carried out the annual assessment and evaluation for the financial year ended 31 July 2022 and was satisfied that the Board and Board Committees are effective as a whole considering the required mix of skills, size and composition of the Board and the respective Board Committees. The Nominating Committee was also satisfied that each individual Director has the necessary and good character, experience, integrity, competence and sufficient time to effectively discharge their respective roles. The Nominating Committee also satisfied 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.

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.

During the financial year ended 31 July 2022, the Directors attended various courses, briefings and seminars as follows:

Name of Directors	Programme
1. Tan Sri Dato' Tan Kay Hock	(i) Webinar "The National Recovery Summit 2021: Winning the War Against Covid – The Road to Recovery" (ii) Webinar "Sustainability Management and Reporting"
2. Puan Sri Datin Tan Swee Bee	(i) Webinar "The National Recovery Summit 2021: Winning the War Against Covid – The Road to Recovery" (ii) Webinar "Sustainability Management and Reporting"
3. Tan Sri Dato' Seri Dr Ting Chew Peh	(i) Webinar "The National Recovery Summit 2021: Winning the War Against Covid – The Road to Recovery" (ii) Webinar "Beyond COVID-19: Fighting Infectious Diseases" (iii) Webinar "MOU - A Pathway to Transformation and Stability" (iv) Webinar "Whither Malaysia? Poised for Change?" (v) Webinar "Intentional Integrity: How Smart Companies Can Lead An Ethical Revolution" (vi) Webinar "International Forum on the Belt and Road Initiative 2021: Paving the way to Mutual Respect, Sincerity and Sustainable Development" (vii) Webinar "Go ESG ASEAN: Corporate Sustainability Virtual Summit and Exhibition" (viii) Webinar "Sustainability Management and Reporting"
4. Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	(i) Webinar "Sustainability Management and Reporting"
5. Ooi Teng Chew	(i) Webinar "EY Budget 2022" (ii) Webinar "Sustainability Management and Reporting"

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

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

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 fees and 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 financial year ended 31 July 2022 is as follows:-

	Remuneration received from the Company				Remuneration received from Subsidiaries			Group Total
	Fees	Salaries & Other Emoluments	Benefits- In-Kind	Company Total	Fees	Salaries & Other Emoluments	Subsidiaries Total	
<u>Executive Directors</u>								
Tan Sri Dato' Tan Kay Hock	-	990	26	1,016	-	330	330	1,346
Puan Sri Datin Tan Swee Bee	-	630	15	645	-	210	210	855
<u>Non-Executive Directors</u>								
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	50	11	-	61	-	-	-	61
Tan Sri Dato' Seri Dr Ting Chew Peh	50	4	-	54	-	-	-	54
Ooi Teng Chew	50	4	-	54	-	-	-	54
	150	1,639	41	1,830	-	540	540	2,370

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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. Annually, the Board via the Nominating Committee reviews the performance and effectiveness of the Audit Committee and its members. Based on the evaluation and assessment carried out for the financial year ended 31 July 2022, the Board is satisfied that the Audit Committee and its members had discharged their duties effectively and in accordance with its Terms of Reference.

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

Procedures are in place for the Audit Committee to assess annually the suitability, objectivity and independence of the Company's External Auditors. Based on the evaluation conducted for the financial year ended 31 July 2022, the Audit Committee was satisfied that Baker Tilly Monteiro Heng PLT has discharged their responsibilities independently, competently and effectively during the financial year 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.

For details on the Audit Committee's composition, attendance record and summary of activities, please refer to the Audit Committee Report on pages 41 to 43 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 Manager – Finance
- (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-Risk Management Committees 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 44 to 47 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 STAKEHOLDERS

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.

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

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 of the Company, to attend and vote on their behalf. The Board encourages participation at the Annual General Meeting and ensure the Board members, Senior Management and External Auditors are in attendance to respond to shareholders' queries. All resolutions set out in the Notice of the General Meeting will be voted by way of poll, pursuant to Paragraph 8.29A of the Listing Requirements. The Board took cognisance of the best practices of the MCGG and has given more than 28 days' notice for the forthcoming Annual General Meeting to allow shareholders sufficient time to go through this Annual Report, consider the proposed resolutions and make the necessary attendance and voting arrangements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

cont'd

II. Conduct of General Meeting *cont'd*

In view of the Covid-19 pandemic, the Company had conducted its Ninety-Sixth Annual General Meeting on 20 January 2022, as fully virtual meeting, which is in compliance with the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission. Shareholders were invited to submit their questions to the Board and Management prior to the meeting. All those questions received prior to the meeting together with the reply from the Board and Management was presented at the live-streamed meeting during the Question-and-Answer session. Shareholders also submitted questions in typed texts through the online meeting platform in real time. The Chairman read out those questions received and provided the replies thereto during the Question-and-Answer session at the live-streamed meeting. Shareholders casted their votes through the online meeting platform using the remote participation and voting facilities in real time. The poll results were announced to Bursa Securities at the end of the meeting day. The Minutes of the meetings were also published on the Company's website.

The CG Statement together with the Corporate Governance Report were approved by the Board on 11 November 2022.

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 complies the requirements of Paragraph 15.09(1) and (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

B. MEETINGS

During the financial year ended 31 July 2022, four (4) AC Meetings were held and the attendance of each AC member were as follows:-

	No. of AC Meetings	
	Held	Attended
Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff (<i>Chairman</i>)	4	4
Tan Sri Dato’ Seri Dr Ting Chew Peh	4	4
Mr Ooi Teng Chew	4	4

At these AC Meetings, the Senior Manager - Finance, Senior Manager - Group Accountant and Treasurer, the Assistant 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 of the AC on the quarterly reports and Audited 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

C. ACTIVITIES

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial year ended 31 July 2022 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 position and performance and are in compliance with the Listing Requirements and applicable accounting standards in Malaysia;
- ii) Reviewed the results and reported issues arising from the annual statutory audit, as well as the Management's responses to the audit findings;
- iii) Reviewed and recommended to the Board for approval, the annual Audited Financial Statements of the Company to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with all applicable accounting standards, regulatory and other legal requirements;
- iv) Reviewed with the External Auditors their audit plan for the year, 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 for the year to ensure adequate scope and comprehensive coverage of the Group's activities and sufficient 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; and
- ix) Reviewed the related party transactions entered into by the Group to ensure that current procedures for monitoring of related party transactions have been complied with.

AUDIT COMMITTEE REPORT

cont'd

D. 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 is conducted on a rotation basis and as and when directed by the management. The internal audit reports were reviewed and discussed at each of the AC Meetings to assist the AC to discharge its functions effectively.

Ms Loh Bee Lay, the Assistant Manager - Internal Audit, is responsible for providing independent audit and value-added assurance and advises to the Group. Ms Loh was promoted as Manager - Internal Audit with effect from 1 August 2022. She has more than 18 years of experience in internal audit. She is free from any relationship or conflict of interest, which could impair her 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 Group. The internal audit function mainly to review, monitor and ensure compliance with the Group's policies and procedures, as well as the applicable laws and regulations, and to review the adequacy and effectiveness of the system of internal controls by assessing such controls and procedures in place. 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 review.

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 financial year ended 31 July 2022 was RM162,497 (financial period from 1 February 2020 to 31 July 2021 : RM592,140).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 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 Directors ("the Board") is pleased to present this Statement on Risk Management and Internal Control for the financial year ended 31 July 2022 which was prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

The statement below outlines the nature and scope of risk management and internal control system of the Company during the financial year ended 31 July 2022.

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 and 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 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 financial year ended 31 July 2022, 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 2022 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 financial year ended 31 July 2022 and in accordance with a resolution of the Board of Directors' dated 11 November 2022.

ADDITIONAL INFORMATION

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

(i) Disposal of Land by Prestige Assets Sdn Bhd (formerly known as Prestige Ceramics Sdn Bhd)

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2022 (RM'000)	Balance Unutilised (RM'000)
Repayment of term loan	14,750	14,750	-
Investment/business opportunities	26,000	26,000	-
General working capital of Johan Group	10,084	10,084	-
Expenses for the Disposal	12,166	12,166	-
Total	63,000	63,000	-

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

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2022 (RM'000)	Balance Unutilised (RM'000)
Estimated expenses	160	160	-
Business/investment opportunities	9,651	9,651	-
Total	9,811	9,811	-

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

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2022 (RM'000)	Balance Unutilised (RM'000)
Funding for Gloves Business	37,434	11,367	26,067
Estimate expenses of the Corporate Exercises	1,500	1,500	-
Total	38,934	12,867	26,067

ADDITIONAL INFORMATION

cont'd

AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial year ended 31 July 2022 to the Company's External Auditors and firm affiliated to the External Auditors are set out below:

	Group (RM'000)	Company (RM'000)
Audit fees	257	80
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5	5

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 year ended 31 July 2022 or entered into since the end of previous financial period:

- At the Extraordinary General Meeting of the Johan Holdings Berhad ("JHB") held on 31 May 2021, shareholders' approval was obtained for Dynacare Sdn Bhd, a 60%-owned subsidiary of JHB, for the award of the right to George Kent (Malaysia) Berhad ("GKM") as the Design and Build contractor for an estimated period of 24 months to construct a glove manufacturing plant ("Plant") in Lumut Port Industrial Park, Perak, for a contract sum of approximately RM624.1 million plus or minus 10% (excluding sales and service tax). Following from the Letter of Intent dated 20 April 2021 and instructions to proceed dated 8 June 2021, the Letter of Award was issued on 1 October 2021 for a Contract Price of RM686,502,330 (excluding Sales & Service Tax). The commencement of the 42 gloves dipping lines is to be undertaken in phases with several sectional completion dates.

JHB and GKM respectively holds 60% and 40% equity interest in Dynacare Sdn Bhd. Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are major shareholders of JHB and GKM.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2022.

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 year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	(16,943)	(12,670)
Attributable to:		
Owners of the Company	(11,384)	(12,670)
Non-controlling interests	(5,559)	-
	(16,943)	(12,670)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 July 2022.

RESERVES OR PROVISIONS

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

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.

DIRECTORS' REPORT

cont'd

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares and debentures were 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

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

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

Teh Yong Fah
Phoon Hee Yau
Choo Chin Yoon
Ooi Chin Khoon
Lee Teck Siong
Tan Seng Kee
Tio Yit Ching (Appointed on 2 March 2022)
Lau Chong Beng (Appointed on 25 May 2022)
Sia Chin Yap (Appointed on 18 July 2022)

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

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

	Number of ordinary shares			At 31 July 2022
	At 1 August 2021	Bought	Sold	
Interests in the Company				
Direct interest:				
Ooi Teng Chew	500,000	-	-	500,000
Indirect interests:				
Tan Sri Dato' Tan Kay Hock **	708,676,584	-	-	708,676,584
Puan Sri Datin Tan Swee Bee **	708,676,584	-	-	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 August 2021	Bought	Sold	At 31 July 2022
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 year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

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

	Group RM'000	Company RM'000
Directors of the Company		
- Salaries and other related costs	2,329	1,789
- Estimated money value of benefits-in-kind	41	41
	2,370	1,830
Directors of the Subsidiaries		
- Salaries and other related costs	259	-
- Estimated money value of benefits-in-kind	9	-
	268	-

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Group and of the Company were RM5,000,000 and RM20,000 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.

DIRECTORS' REPORT

cont'd

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

The Company does not have any interest in shares in the ultimate holding company and its other related corporations during the financial year.

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the financial year are RM257,000 and RM80,000 respectively.

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: 11 November 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	162,822	83,410	2,088	2,677
Investment properties	6	40,570	40,450	-	-
Inventories	7	30	30	-	-
Intangible assets	8	-	72	-	-
Investment in subsidiaries	9	-	-	183,854	152,425
Other receivable	10	27,209	39,757	-	-
Total non-current assets		230,631	163,719	185,942	155,102
Current assets					
Inventories	7	12,283	32	-	-
Other investments	11	12,620	16,512	-	-
Trade and other receivables	10	33,883	4,930	19,677	19,681
Tax assets	12	388	280	-	-
Deposits, cash and bank balances	13	49,223	117,496	35,025	85,423
		108,397	139,250	54,702	105,104
Non-current assets classified as held for sale	14	-	-	-	-
Total current assets		108,397	139,250	54,702	105,104
TOTAL ASSETS		339,028	302,969	240,644	260,206

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2022

cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	413,672	413,672	413,672	413,672
Other reserves	16	33,857	33,404	15,963	15,963
Accumulated losses		(218,621)	(207,237)	(293,585)	(280,915)
		228,908	239,839	136,050	148,720
Non-controlling interests		27,452	6,184	-	-
TOTAL EQUITY		256,360	246,023	136,050	148,720
Non-current liabilities					
Lease liabilities	17	2,178	2,272	1,761	2,184
Deferred tax liabilities	18	22,148	21,263	-	-
Total non-current liabilities		24,326	23,535	1,761	2,184
Current liabilities					
Lease liabilities	17	521	598	422	407
Trade and other payables	19	57,620	32,763	102,411	108,895
Contract liabilities	20	201	49	-	-
Tax liabilities		-	1	-	-
Total current liabilities		58,342	33,411	102,833	109,302
TOTAL LIABILITIES		82,668	56,946	104,594	111,486
TOTAL EQUITY AND LIABILITIES		339,028	302,969	240,644	260,206

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2022

	Note	Group		Company	
		Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Continuing operations					
Revenue	21	22,036	49,112	60	90
Cost of sales	22	(25,051)	(39,927)	-	-
Gross (loss)/profit		(3,015)	9,185	60	90
Other income		7,766	14,833	974	708
Net reversal/(impairment loss) on trade and other receivables		2,998	(2,123)	-	-
Distribution expenses		-	(18)	-	-
Administrative expenses		(18,175)	(35,309)	(6,037)	(9,250)
Other expenses		(5,997)	(19,016)	(7,571)	-
		(21,174)	(56,466)	(13,608)	(9,250)
Loss from operations		(16,423)	(32,448)	(12,574)	(8,452)
Finance costs	23	(487)	(6,032)	(96)	(93)
Loss before tax	24	(16,910)	(38,480)	(12,670)	(8,545)
Tax expense	26	(33)	(684)	-	-
Loss for the financial year/period from continuing operations		(16,943)	(39,164)	(12,670)	(8,545)
Profit for the financial year/period from discontinued operations, net of tax	27	-	200,220	-	-
(Loss)/Profit for the financial year/period		(16,943)	161,056	(12,670)	(8,545)

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2022

cont'd

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)
Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss), net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation gain/(loss) on property, plant and equipment, net of deferred tax liabilities	3,070	(857)	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(1,790)	10,090	-	-
Reclassification adjustment of foreign exchange translation reserve upon disposal of subsidiaries	-	(41,091)	-	-
Other comprehensive income/(loss) for the financial year/period	1,280	(31,858)	-	-
Total comprehensive (loss)/income for the financial year/period	(15,663)	129,198	(12,670)	(8,545)
(Loss)/Profit attributable to:				
Owners of the Company				
- From continuing operations	(11,384)	(37,227)	(12,670)	(8,545)
- From discontinued operations	-	200,220	-	-
	(11,384)	162,993	(12,670)	(8,545)
Non-controlling interests	(5,559)	(1,937)	-	-
	(16,943)	161,056	(12,670)	(8,545)

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2022

cont'd

	Note	Group		Company	
		Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Total comprehensive (loss)/income attributable to:					
Owners of the Company					
- From continuing operations		(10,931)	(37,986)	(12,670)	(8,545)
- From discontinued operations		-	169,219	-	-
		(10,931)	131,233	(12,670)	(8,545)
Non-controlling interests					
		(4,732)	(2,035)	-	-
		(15,663)	129,198	(12,670)	(8,545)
Basic and diluted (loss)/earnings per share (sen) 28					
- From continuing operations		(0.97)	(5.22)		
- From discontinued operations		-	28.11		
		(0.97)	22.89		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2022

Group	Note	Attributable to owners of the Company						Non-controlling interests	Total equity
		Share capital	Exchange reserve	Revaluation reserve	Warrant reserve	Accumulated losses	Sub-total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2021		413,672	(996)	18,437	15,963	(207,237)	239,839	6,184	246,023
Total comprehensive loss for the financial year		-	-	-	-	(11,384)	(11,384)	(5,559)	(16,943)
Loss for the financial year		-	-	-	-	-	-	-	-
Other comprehensive income for the financial year		-	(1,790)	2,243	-	-	453	827	1,280
Total comprehensive loss		-	(1,790)	2,243	-	(11,384)	(10,931)	(4,732)	(15,663)
Transaction with owners									
Non-controlling interests arising from investment in a subsidiary, representing total transaction with owners		-	-	-	-	-	-	26,000	26,000
At 31 July 2022		413,672	(2,786)	20,680	15,963	(218,621)	228,908	27,452	256,360

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2022

cont'd

Group	Note	Attributable to owners of the Company						Non-controlling interests	Total equity
		Share capital	Exchange reserve	Revaluation reserve	Warrant reserve	Accumulated losses	Sub-total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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 from disposal of land	16	-	-	(41,280)	-	41,280	-	-	-
Transfer on disposal of subsidiaries	16	-	-	(17,917)	-	17,917	-	-	-
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 Year Ended 31 July 2022

cont'd

Company	Note	← Attributable to owners of the Company →			Total equity RM'000
		Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	
At 1 February 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
Total transactions with owners		32,783	15,963	-	48,746
At 31 July 2021		413,672	15,963	(280,915)	148,720
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(12,670)	(12,670)
At 31 July 2022		413,672	15,963	(293,585)	136,050

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Loss before tax					
- Continuing operations		(16,910)	(38,480)	(12,670)	(8,545)
- Discontinued operations		-	199,039	-	-
		(16,910)	160,559	(12,670)	(8,545)
Adjustments for:					
Amortisation of intangible assets		72	1,276	-	-
Bad debts written off		31	379	-	-
COVID-19 related rent concessions income		(72)	(240)	-	(137)
Depreciation of property, plant and equipment		3,784	8,401	591	977
Fair value gain on investment properties		(120)	(63)	-	-
Fair value loss on investment securities		3,892	12,533	-	-
Loss/(Gain) on disposal of property, plant and equipment		230	(41)	-	(41)
Gain on disposal of subsidiaries		-	(243,852)	-	-
Goodwill written off		64	-	-	-
Impairment loss on property, plant and equipment		477	-	-	-
Impairment loss on trade and other receivables		51	2,249	959	954
Impairment loss on investment in subsidiaries		-	-	7,571	-
Interest expense		487	46,609	96	93
Interest income		(3,266)	(1,218)	(818)	(510)
Property, plant and equipment written off		38	-	-	-
Reversal of provision for customer reward points		-	(285)	-	-
Reversal of impairment loss on trade and other receivables		(3,049)	(1,925)	(60)	-
Unrealised (gain)/loss on foreign exchange		(3,499)	11,039	(2)	(20)
		(880)	(165,138)	8,337	1,316
Operating loss before changes in working capital, carried forward		(17,790)	(4,579)	(4,333)	(7,229)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2022

cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities <i>cont'd</i>					
Operating loss before changes in working capital, brought forward		(17,790)	(4,579)	(4,333)	(7,229)
Changes in working capital:					
Inventories		(12,251)	173	-	-
Trade and other receivables		(9,651)	(5,915)	(36)	(5)
Trade and other payables		24,585	115,174	(26,837)	26,808
Contract liabilities		152	(136)	-	-
		2,835	109,296	(26,873)	26,803
Net cash (used in)/from operations		(14,955)	104,717	(31,206)	19,574
Real property gain tax		-	(9,895)	-	-
Tax (paid)/refunded		(151)	2,395	-	-
Net cash (used in)/from operating activities		(15,106)	97,217	(31,206)	19,574
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	9(a)	-	>	-	*
Additional investment in a subsidiary	9(c)	-	-	(39,000)	(6,000)
(Advances to)/Repayment from subsidiaries subsidiaries		-	-	(857)	3,175
Interest received		1,075	1,218	818	510
Purchase of property, plant and equipment	5(a)	(79,427)	(216)	(2)	(37)
Purchase of other intangible assets		-	(433)	-	-
Proceeds from disposal of non-current asset held for sale		-	63,000	-	-
Proceeds from disposal of property, plant and equipment		-	87	-	87
Net cash outflows on disposal of subsidiaries	9(d)	-	(20,754)	-	-
Change in pledged deposits		(3)	9	-	-
Net cash (used in)/from investing activities		(78,355)	42,911	(39,041)	(2,265)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2022

cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from financing activities	(a)				
Advances from subsidiaries		-	-	20,353	17,767
Interest paid		(487)	(41,366)	(96)	(93)
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		(570)	(1,178)	(408)	(673)
Repayments of term loan		-	(14,853)	-	-
Repayments to investor certificates		-	(56,967)	-	-
Subscription of shares by non-controlling interest in a subsidiary		26,000	4,000	-	-
Net cash from/(used in) financing activities		24,943	(61,618)	19,849	65,747
Net (decrease)/increase in cash and cash equivalents		(68,518)	78,510	(50,398)	83,056
Cash and cash equivalents at the beginning of the financial year/period		117,346	40,174	85,423	2,367
Effects of exchange rate changes on cash and cash equivalents		242	(1,338)	-	-
Cash and cash equivalents at the end of the financial year/period	13	49,070	117,346	35,025	85,423

* 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 Year Ended 31 July 2022

cont'd

(a) Reconciliation of liabilities arising from financing activities:

	Note	← Non-cash →				31.7.2022 RM'000
		1.8.2021 RM'000	Cash flows RM'000	Acquisition RM'000	Others RM'000	
Group						
Lease liabilities	17	2,870	(570)	576	(177)	2,699
Company						
Lease liabilities	17	2,591	(408)	-	-	2,183
Amounts owing to subsidiaries	19	81,757	20,353	-	-	102,110
		84,348	19,945	-	-	104,293

	Note	← Non-cash →					31.7.2021 RM'000
		1.2.2020 RM'000	Cash flows RM'000	Acquisition RM'000	Foreign exchange movement RM'000	Others RM'000	
Group							
Lease liabilities	17	2,382	(1,178)	2,806	(28)	(1,112)	2,870
Investor certificates		470,593	(56,967)	-	-	(413,626)	-
Term loan		14,853	(14,853)	-	-	-	-
Revolving credits		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	19	63,990	17,767	-	-	-	81,757
		64,583	17,094	2,808	-	(137)	84,348

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2022
cont'd

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

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash (used in)/from operating activities:					
Interest paid in relation to lease liabilities	23	99	315	82	91
Payments relating to short-term leases and low-value assets	24	143	106	44	45
Included in net cash from/(used in) financing activities:					
Payments of lease liabilities		570	1,178	408	673
Total cash outflows for leases		812	1,599	534	809

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 year.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 November 2022.

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 year:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION *cont'd*

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

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

	Effective for financial periods beginning on or after
<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 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9 Financial Instruments	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 2022 [^] 1 January 2024
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 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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION *cont'd*

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

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. 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.

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 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.

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*

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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.

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:

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 *cont'd*

- **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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.4 Financial instruments *cont'd*

(d) Derecognition *cont'd*

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

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

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.

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*

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.

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:

Buildings	2%
Equipment, furniture and fittings	5% - 33.3%
Motor vehicles	10% - 20%
Plant and machinery	5%

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.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If 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.

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*

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.7 Investment properties *cont'd*

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

3.8 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:

- raw materials: purchase costs on a weighted average cost basis.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.9 Inventories *cont'd*

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.

3.10 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.13 Impairment of assets *cont'd*

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

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

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

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.13 Impairment of assets *cont'd*

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

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, 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.

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 *cont'd*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.17 Provisions *cont'd*

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

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

3.18 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.18 Revenue and other income *cont'd*

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.19 Borrowing costs *cont'd*

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

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

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

3.20 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 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.20 Income tax *cont'd*

(b) Deferred tax *cont'd*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.21 Earnings per share *cont'd*

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.

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) Valuation of property, plant and equipment

The emergence of new glove suppliers in the market and weak market sentiment has impacted the demand for the Group's products. This indicates that the property, plant and equipment may be impaired. As such, there is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. The Group performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement.

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

(b) Fair value of investment properties

The Group's policy is to measure investment properties at fair value and property, plant and equipment (comprising leasehold land and building) carried at valuation subsequent to their initial recognition. The Group estimated the fair value of the investment properties and valuation of property, plant and equipment based on information provided and the market valuation performed by an external independent valuer. The estimation of recoverable amount and fair value of investment properties and valuation of property, plant and equipment requires significant judgement by directors in key assumptions used.

The carrying amounts of the investment properties are disclosed in Note 6.

(c) Write-down of obsolete or slow moving inventories

The Group's policy is to state the inventories at the lower of cost and net realisable value. The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate by directors. The Group specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories

The carrying amounts of the Group's inventories are disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Equipment, furniture and fittings	Motor vehicles	Plant and machinery	Capital work-in- progress	Right-of- use assets	Total
2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation							
At 1 August 2021	-	14,128	884	-	64	83,005	98,081
Additions	14,291	656	-	34,595	15,571	14,890	80,003
Adjustment on revaluation	-	-	-	-	-	1,969	1,969
Derecognition*	-	-	-	-	-	(677)	(677)
Disposals	-	(577)	-	-	-	-	(577)
Exchange differences	-	(792)	-	-	-	-	(792)
Written off	-	(295)	-	-	-	-	(295)
At 31 July 2022	14,291	13,120	884	34,595	15,635	99,187	177,712
Accumulated depreciation and impairment loss							
At 1 August 2021	-	13,165	743	-	-	763	14,671
Depreciation charge for the financial year (Note 24)	214	241	82	524	-	2,723	3,784
Derecognition*	-	-	-	-	-	(572)	(572)
Disposals	-	(347)	-	-	-	-	(347)
Adjustment on revaluation	-	-	-	-	-	(2,070)	(2,070)
Impairment loss	477	-	-	-	-	-	477
Exchange differences	-	(796)	-	-	-	-	(796)
Written off	-	(257)	-	-	-	-	(257)
At 31 July 2022	691	12,006	825	524	-	844	14,890
Carrying amount							
At cost	-	1,114	59	34,071	15,635	2,563	53,442
At valuation	13,600	-	-	-	-	95,780	109,380
At 31 July 2022	13,600	1,114	59	34,071	15,635	98,343	162,822

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

Group	Equipment, furniture and fittings	Motor vehicles	Capital work-in progress	Right-of- use assets	Total
2021	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation					
At 1 February 2020	16,456	144	-	184,663	201,263
Additions	152	-	64	2,806	3,022
Adjustment on revaluation	-	-	-	(4,405)	(4,405)
Derecognition*	-	-	-	(1,014)	(1,014)
Disposals	-	-	-	(164)	(164)
Disposal of subsidiaries (Note 9(d))	(2,743)	-	-	(100,266)	(103,009)
Reclassification	-	740	-	(740)	-
Exchange differences	263	-	-	2,125	2,388
At 31 July 2021	14,128	884	64	83,005	98,081
Accumulated depreciation					
At 1 February 2020	14,114	144	-	11,841	26,099
Depreciation charge for the financial period (Note 24)	1,168	-	-	7,233	8,401
Derecognition*	-	-	-	(1,014)	(1,014)
Disposals	-	-	-	(118)	(118)
Disposal of subsidiaries (Note 9(d))	(2,191)	-	-	(13,526)	(15,717)
Adjustment 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	64	2,722	3,890
At valuation	-	-	-	79,520	79,520
At 31 July 2021	963	141	64	82,242	83,410

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 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
Additions	2	-	-	2
At 31 July 2022	2,263	740	2,808	5,811
Accumulated depreciation				
At 1 February 2020	2,160	-	1,127	3,287
Depreciation charge for the financial period (Note 24)	61	-	916	977
Derecognition*	-	-	(1,014)	(1,014)
Disposals	-	-	(118)	(118)
Reclassification	-	599	(599)	-
At 31 July 2021	2,221	599	312	3,132
Depreciation charge for the financial year (Note 24)	41	82	468	591
At 31 July 2022	2,262	681	780	3,723
Carrying amount				
At 31 July 2021	40	141	2,496	2,677
At 31 July 2022	1	59	2,028	2,088

* *Derecognition of the right-of-use assets during the financial year ended 31 July 2022 and financial period ended 31 July 2021 was a result of termination of certain leases.*

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM80,003,000 (2021: RM3,022,000) and RM2,000 (2021: RM2,843,000) respectively which are satisfied by the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash payments	79,427	216	2	37
Financed by way of lease agreement	576	2,806	-	2,806
	80,003	3,022	2	2,843

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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, computer software and hostels.

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

Group	At valuation		At cost				Total
	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	
Carrying amount							
At 1 February 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(d))	-	(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
Additions	14,291	-	-	-	189	-	14,890
Adjustment on revaluation	1,381	151	2,507	-	-	-	4,039
Depreciation	(567)	(196)	(1,307)	(588)	(21)	-	(2,723)
Derecognition*	-	-	-	(105)	-	-	(105)
At 31 July 2022	47,030	11,260	37,490	2,029	168	-	98,343

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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 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
Depreciation	(468)	-	(468)
At 31 July 2022	2,028	-	2,028

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 21 years to 71 years.

The Group and the Company also leases buildings and hostel with lease terms of 6 years and 2 years respectively.

(c) 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
2022	
Long-term leasehold land	47,030
Long-term leasehold land and buildings	11,260
Long-term leasehold hotel properties	37,490
	95,780
2021	
Long-term leasehold land	31,925
Long-term leasehold land and buildings	11,305
Long-term leasehold hotel properties	36,290
	79,520

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT *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
Long-term leasehold land	Sales comparison approach	Sale price of comparable land	The higher the price per square 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 per square 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

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 year.

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.

- (d) During the financial year, an impairment loss of RM477,000 was recognised in profit or loss of the Group as other expenses as the carrying amount of the buildings was higher than the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

- (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	
	2022	2021
	RM'000	RM'000
Long-term leasehold land	30,572	16,636
Long-term leasehold land and buildings	1,699	1,744
Long-term leasehold hotel properties	10,165	11,384
	42,436	29,764

6. INVESTMENT PROPERTIES

	Group	
	2022	2021
	RM'000	RM'000
At fair value:		
At beginning of the financial year/period	40,450	21,387
Additions (Note 14)	-	19,000
Net gain arising from fair value adjustment	120	63
At end of the financial year/period	40,570	40,450

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

	Group	
	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)
	RM'000	RM'000
Rental income	304	15
Direct operating expenses:		
- income generating investment properties	96	5
- non-income generating investment properties	206	99

NOTES TO THE FINANCIAL STATEMENTS

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6. INVESTMENT PROPERTIES *cont'd*

(b) Fair value information

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

	Level 3 RM'000
2022	
Freehold land and buildings	13,550
Leasehold land and buildings	27,020
	40,570
2021	
Freehold land and buildings	13,600
Leasehold land and buildings	26,850
	40,450

There are no Level 1 investment properties or transfers between Level 1 and Level 2 during the financial year ended 31 July 2022 and financial period ended 31 July 2021.

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 year.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. INVESTMENT PROPERTIES *cont'd*

(b) Fair value information *cont'd*

Highest and best use

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

7. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
Non-current:		
Property held for development		
- Leasehold land	15	15
- Development costs	15	15
	30	30
Current:		
Raw materials	361	-
Work-in-progress	11,879	-
Finished goods	43	32
	12,283	32
	12,313	62

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM8,356,000 (2021: RM418,000).

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS

	Goodwill RM'000	Group Computer software RM'000	Total RM'000
Cost			
At 1 February 2020	4,494	7,682	12,176
Additions	-	433	433
Disposal of subsidiaries (Note 9(d))	(4,494)	(6,973)	(11,467)
Exchange differences	-	138	138
At 31 July 2021	-	1,280	1,280
Additions	64	-	64
At 31 July 2022	64	1,280	1,344
Accumulated amortisation			
At 1 February 2020	-	4,545	4,545
Amortisation charge for the financial period (Note 24)	-	1,276	1,276
Disposal of subsidiaries (Note 9(d))	-	(4,690)	(4,690)
Exchange differences	-	77	77
At 31 July 2021	-	1,208	1,208
Amortisation charge for the financial year (Note 24)	-	72	72
Written off	64	-	64
At 31 July 2022	64	1,280	1,344
Carrying amount			
At 31 July 2021	-	72	72
At 31 July 2022	-	-	-

Written off 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 goodwill written off was allocated on the CGU of Dynahealth Pte. Ltd., which is under the healthcare products segment.

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
At cost		
Unquoted shares, at cost		
At beginning of the financial year/period	390,057	384,057
Additions	39,000	6,000
At end of the financial year/period	429,057	390,057
Accumulated impairment loss		
At beginning of the financial year/period	(237,632)	(237,632)
Charge for the financial year/period (Note 24)	(7,571)	-
At end of the financial year/period	(245,203)	(237,632)
	183,854	152,425

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2022	2021	
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 Assets Sdn. Bhd. (Formerly known as Prestige Ceramics Sdn. Bhd.)	Malaysia	100%	100%	Property investment
William Jacks & Company (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Investment holding, provision of data processing services and trading of engineering and building material

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
		2022	2021	
Nature's Farm (Health Foods) Sdn. Bhd.	Malaysia	100%	100%	Trading in health foods and supplements
Johan Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding and management services
JCC Equities Sdn. Bhd.	Malaysia	100%	100%	Inactive
Johan Nominees (Tempatan) Sdn. Bhd.	Malaysia	100%	100%	Inactive
Dynacare Sdn. Bhd.	Malaysia	60%	60%	Manufacturing and dealing of rubber gloves and medical personal protection equipment
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
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%	100%	Investment holding
J Capital Investments Pte. Ltd.#	Singapore	100%	100%	Ticketing and tour management solution provider
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"

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
		2022	2021	
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 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 AIH Holdings Ltd.				
Abacus Pacific N.V. ^{>}	The Netherlands	100%	100%	Investment holding
Subsidiary of Abacus Pacific N.V.				
Johan Investment Private Limited [#]	Singapore	100%	100%	Investment holding
Subsidiary of Dynacare Sdn. Bhd.				
Dynahealth Pte. Ltd. [#]	Singapore	100%	-	Manufacturing and trading of disposables and surgical supplies

Audited by an independent member firm of Baker Tilly International.

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

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Acquisition of Dynahealth Pte. Ltd.

On 20 January 2022, a subsidiary of the Company, namely Dynacare Sdn. Bhd. acquired shares in Dynahealth Pte. Ltd., representing 100% of the issued and paid up share capital of Dynahealth Pte. Ltd. for a total consideration of SGD2. The principal activities of the subsidiary are manufacturing and trading of disposables and surgical supplies.

(i) Fair value of the identifiable asset acquired and liabilities recognised:

	2022 RM'000
Asset	
Bank balance	*
Liabilities	
Other payables	(64)
Total identifiable net liabilities acquired	(64)
Goodwill arising on acquisition (Note 9)	64
Fair value of consideration transferred	^

(ii) Effects for acquisition on cash flows:

	2022 RM'000
Fair value of consideration transferred	^
Less: Cash and cash equivalents of the subsidiary acquired	*
Net cash outflow on acquisition	-

* This represents cash and cash equivalents of the subsidiary acquired amounting to RM6 on 20 January 2022.

^ This represents cash and cash equivalents of the subsidiary acquired amounting to RM6 on 20 January 2022.

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

	2022 RM'000
Loss for the financial year	(16)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES cont'd

(b) 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 Company had further subscribed 5,999,999 shares for a total consideration of RM5,999,999 in the previous financial period. The Company's effective ownership in Dynacare Sdn. Bhd. increased from 50% to 60% as a result of the additional shares purchased. 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:

	2021 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 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:

	2021 RM'000
Loss for the financial year	(809)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

On 7 October 2021, the Company subscribed for additional 4,200,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM4,200,000.

On 24 November 2021, the Company further subscribed for additional 15,000,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM15,000,000.

On 25 January 2022, the Company further subscribed for additional 4,800,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM4,800,000.

On 11 April 2022, the Company further subscribed for additional 6,000,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM6,000,000.

On 2 June 2022, the Company further subscribed for additional 2,400,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM2,400,000.

On 1 July 2022, the Company further subscribed for additional 4,800,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM4,800,000.

On 28 July 2022, the Company further subscribed for additional 1,800,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM1,800,000.

(d) Disposal of subsidiaries

(i) 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 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(d)(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.

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Disposal of subsidiaries *cont'd*

(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 18)	(4,403)	
Loans and borrowings	(160,391)	
Lease liabilities	(872)	
Trade and other payables	(698,152)	
Contract liabilities (Note 20)	(853)	
Tax liabilities	(13)	(864,684)
Net assets disposed		44,320
		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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Disposal of subsidiaries *cont'd*

(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

(e) 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.	Lumut Marine Resort Bhd.	Lumut Park Resort Sdn. Bhd.	Mustika Resort Sdn. Bhd.	Total
2022	RM'000	RM'000	RM'000	RM'000	RM'000
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	24,927	(897)	889	2,533	27,452
Loss allocated to NCI	(5,156)	(82)	(253)	(68)	(5,559)
Total comprehensive (loss)/income allocated to NCI	(4,750)	(47)	128	(63)	(4,732)
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)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(e) 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
Summarised statement of financial position				
As at 31 July 2022				
Non-current assets	79,473	11,260	59,447	31,530
Current assets	25,842	29	11,747	-
Non-current liabilities	(445)	(1,040)	(12,163)	(1,997)
Current liabilities	(42,552)	(9,666)	(46,635)	(10,718)
Net assets	62,318	583	12,396	18,815
Summarised statement of comprehensive income				
Financial year ended 31 July 2022				
Revenue	505	-	3,933	-
Loss for the financial year	(12,890)	(272)	(1,265)	(456)
Total comprehensive loss/(income)	(11,874)	(157)	641	(423)
Summarised cash flow information				
Financial year ended 31 July 2022				
Net cash flows (used in)/from operating activities	(17,201)	(101)	107	(18)
Net cash flows used in investing activities	(79,242)	-	(199)	-
Net cash flows from financing activities	99,960	77	256	18
Net increase/(decrease) in cash and cash equivalents	3,517	(24)	164	-
Dividends paid	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(e) 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*

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000
Summarised statement of financial position				
As at 31 July 2021				
Non-current assets	114	11,305	58,188	31,925
Current assets	9,183	43	11,354	-
Non-current liabilities	-	(1,004)	(11,583)	(1,987)
Current liabilities	(105)	(9,642)	(46,204)	(10,699)
Net assets	9,192	702	11,755	19,239
Summarised statement of comprehensive income				
Financial period ended 31 July 2021				
Revenue	-	-	3,313	-
Loss for the financial year	(809)	(647)	(6,481)	(818)
Total comprehensive income	(809)	(323)	(6,862)	(1,618)
Summarised cash flow information				
Financial period ended 31 July 2021				
Net cash flows used in operating activities	(4,785)	(90)	(1,692)	(118)
Net cash flows used in investing activities	(117)	-	(64)	-
Net cash flows from financing activities	10,099	111	1,697	118
Net increase/(decrease) in cash and cash equivalents	5,197	21	(59)	-
Dividends paid	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current:					
Non-trade					
External parties	(a)	27,209	39,757	-	-
Current:					
Trade					
Amounts owing by related parties		36	30	-	-
External parties		77,819	67,217	-	-
		77,855	67,247	-	-
Less: Impairment losses for trade receivables		(64,142)	(67,135)	-	-
	(b)	13,713	112	-	-
Non-trade					
Amounts owing by subsidiaries	(c)	-	-	31,189	30,330
Amounts owing by related parties	(d)	11	7	11	7
Other receivables		14,767	436	37	4
Deposits		4,607	4,307	172	173
Prepayments		796	79	-	-
		20,181	4,829	31,409	30,514
Less: Impairment losses for:					
- amounts owing by subsidiaries	(c)	-	-	(11,732)	(10,833)
- other receivables	(e)	(11)	(11)	-	-
		20,170	4,818	19,677	19,681
Total trade and other receivables (current)		33,883	4,930	19,677	19,681
Total trade and other receivables (non-current and current)		61,092	44,687	19,677	19,681

- (a) This is in respect of amount receivable from disposal of the freehold land which is receivable by three annually instalments amounting to RM15,000,000 per annum commencing in the financial year ending 31 July 2023. The long-term receivable is measured at amortised cost at imputed interest rate of 5.51% (2021: 5.51%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE AND OTHER RECEIVABLES *cont'd*

(b) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (2021: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

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	
	2022	2021
	RM'000	RM'000
At beginning of the financial year/period	67,135	208,265
Charge for financial year		
- Individually assessed	51	2,249
Reversal of impairment loss	(3,049)	(1,925)
Written off	(22)	(29,623)
Disposal of subsidiaries (Note 9(d))	-	(114,965)
Exchange differences	27	3,134
At end of the financial year/period	64,142	67,135

The information about the credit exposures are disclosed in Note 31(b)(i).

- (c) Amounts owing by subsidiaries represent advances to subsidiaries which are unsecured, subject to interest at 2.95% (2021: 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	
	2022	2021
	RM'000	RM'000
At beginning of the financial year/period	10,833	9,879
Charge for financial year		
- Individually assessed	959	1,118
Reversal of impairment loss	(60)	(164)
At end of the financial year/period	11,732	10,833

NOTES TO THE FINANCIAL STATEMENTS

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10. TRADE AND OTHER RECEIVABLES *cont'd*

- (d) Amounts owing by related parties represent the companies in which certain directors of the Company have interests, which are unsecured and non-interest bearing.
- (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	
	2022	2021
	RM'000	RM'000
At beginning/end of the financial year/period	11	11

11. OTHER INVESTMENTS

	Group	
	2022	2021
	RM'000	RM'000
Financial assets at fair value through profit or loss		
At fair value:		
Quoted securities in Malaysia	12,620	16,512

12. TAX ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

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13. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	48,869	117,346	35,025	85,423
Deposit placed with				
licensed banks (Note (a))	201	-	-	-
Time deposits (Note (b))	153	150	-	-
Deposits, cash and bank balances as reported in the statements of financial position	49,223	117,496	35,025	85,423
Less: Time deposits	(153)	(150)	-	-
Cash and cash equivalents as reported in the statements of cash flows	49,070	117,346	35,025	85,423

- (a) The deposit placed with a licensed bank of the Group bears interest at a rate of 1.50% (2021: 1.50%) per annum.
- (b) Time deposits are deposits placed with licensed banks for periods of more than 3 months and earn interest at rates ranging from 1.50% to 1.85% (2021: 1.85% to 3.35%) per annum.

Included in the time deposits placed with licensed banks of the Group is RM110,000 (2021: RM110,000) pledged as security for bank guarantees.

14. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year/period	-	127,000
Disposal	-	(127,000)
At end of the financial year/period	-	-

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 Assets Sdn. Bhd. (formerly known as 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, of which RM19,000,000 was set off against the investment properties, RM63,000,000 was settled in cash while the balance sum is receivable as disclosed in Note 10(a).

NOTES TO THE FINANCIAL STATEMENTS

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15. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amounts	
	2022 Unit'000	2021 Unit'000	2022 RM'000	2021 RM'000
Issued and fully paid up (no par value):				
At beginning of the financial year/period	1,168,028	622,948	413,672	380,889
Issuance of shares pursuant to:				
- private placement	-	155,737	-	9,811
- rights issue	-	389,343	-	22,972
At end of the financial year/period	1,168,028	1,168,028	413,672	413,672

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.

In the previous 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 in the previous financial period rank pari passu in all respects with the existing ordinary shares of the Company.

16. OTHER RESERVES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Exchange reserve	(a)	(2,786)	(996)	-	-
Revaluation reserve	(b)	20,680	18,437	-	-
Warrant reserve	(c)	15,963	15,963	15,963	15,963
		33,857	33,404	15,963	15,963

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER RESERVES *cont'd*

(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.

(b) Revaluation reserve

	Group	
	2022	2021
	RM'000	RM'000
At beginning of the financial year/period	18,437	78,393
Arising from revaluation of property, plant and equipment	3,212	(1,030)
Deferred tax relating to revaluation reserve (Note 18)	(969)	271
Realisation of revaluation reserve	-	(59,197)
At end of the financial year/period	20,680	18,437

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;

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER RESERVES *cont'd*

(c) Warrant reserve *cont'd*

- (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
- (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 year 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

NOTES TO THE FINANCIAL STATEMENTS

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17. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current:				
Secured:				
Lease liabilities	124	-	-	-
Unsecured:				
Lease liabilities	2,054	2,272	1,761	2,184
	2,178	2,272	1,761	2,184
Current:				
Unsecured:				
Lease liabilities	497	598	422	407
Secured:				
Lease liabilities	24	-	-	-
	521	598	422	407
Total lease liabilities	2,699	2,870	2,183	2,591

During the financial year, the motor vehicle of the Group with carrying amount of RM168,000 (2021: Nil) as disclosed in Note 5 is pledged for lease.

The incremental borrowing rate applied to lease liabilities ranging from 2.12% to 3.45% (2021: 2.72% to 3.45%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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17. LEASE LIABILITIES *cont'd*

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Minimum lease payments				
Not later than 1 year	603	688	490	489
Later than 1 year and not later than 5 years	2,237	1,695	1,861	1,607
Later than 5 years	87	745	-	745
	2,927	3,128	2,351	2,841
Less: Future finance charges	(228)	(258)	(168)	(250)
Present value of minimum lease payments	2,699	2,870	2,183	2,591
Present value of minimum lease payments				
Not later than 1 year	521	598	422	407
Later than 1 year and not later than 5 years	2,094	1,543	1,761	1,455
Later than 5 years	84	729	-	729
	2,699	2,870	2,183	2,591
Less: Amount due within 12 months	(521)	(598)	(422)	(407)
Amount due after 12 months	2,178	2,272	1,761	2,184

18. DEFERRED TAX LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year/period	21,263	34,967
Recognised in profit or loss (Note 26)	(9)	(9,376)
Disposal of subsidiaries (Note 9(d))	-	(4,403)
Deferred tax relating to revaluation reserve (Note 16(b))	969	(271)
Exchange differences	(75)	346
At end of the financial year/period	22,148	21,263

NOTES TO THE FINANCIAL STATEMENTS

cont'd

18. DEFERRED TAX LIABILITIES *cont'd*

(a) Presented after appropriate offsetting as follows:

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets	1,425	1,210
Deferred tax liabilities	(23,573)	(22,473)
	(22,148)	(21,263)

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

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets		
Unabsorbed capital allowances	1,189	970
Provisions	233	233
Others	3	7
	1,425	1,210
Deferred tax liabilities		
Accrued interest income	(5,865)	(5,940)
Differences between the carrying amount of property, plant and equipment and their tax bases	(5,341)	(5,147)
Revaluation gain on investment properties	(19)	(1,531)
Revaluation surplus arising from revaluation of property, plant and equipment	(12,348)	(9,855)
	(23,573)	(22,473)
	(22,148)	(21,263)

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

NOTES TO THE FINANCIAL STATEMENTS

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18. 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:

	Group	
	2022	2021
	RM'000	RM'000
Unabsorbed capital allowances	20,296	19,656
Unutilised tax losses	198,733	191,109
Unabsorbed investment tax allowances	17,504	17,504
Other temporary differences	62	-
	236,595	228,269
Potential deferred tax assets not recognised at 24% (2021: 24%)	56,783	54,785

	Company	
	2022	2021
	RM'000	RM'000
Unabsorbed capital allowances	196	102
Unutilised tax losses	19,562	20,909
	19,758	21,011
Potential deferred tax assets not recognised at 24% (2021: 24%)	4,742	5,043

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
	2022	2022
	RM'000	RM'000
2029	114,693	19,457
2030	63,848	105
2031	6,578	-
2032	13,609	-
2033	5	-
	198,733	19,562

NOTES TO THE FINANCIAL STATEMENTS

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19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current:					
Trade					
Third parties	(a)	10,610	466	-	-
Non-trade					
Amounts owing to subsidiaries	(b)	-	-	102,110	81,757
Other payables	(c)	40,482	30,573	1	26,313
Deposits		106	27	-	-
Accruals		6,422	1,697	300	825
		47,010	32,297	102,411	108,895
Total trade and other payables		57,620	32,763	102,411	108,895

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 120 days (2021: 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.
- (c) During the financial year, included in other payables of the Group is RM35,289,000 (2021: Nil) owing to related parties. The amounts are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash and cash equivalents.

Related parties refer to the companies in which certain directors of the Company have interests.

For explanations on the Group's and the Company's liquidity risk management processes, are disclosed in Note 31(b) (ii).

NOTES TO THE FINANCIAL STATEMENTS

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20. CONTRACT LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Contract liabilities relating to rendering of services	33	49
Contract liabilities relating to goods sold	168	-
	201	49

(a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	2022 RM'000	2021 RM'000
Group		
Revenue recognised that was included in contract liability at the beginning of the financial year/period	28	445
Increases due to advances received from customers, but revenue not recognised	(180)	(24)
Disposal of subsidiaries (Note 9(d))	-	853
Exchange differences	-	(24)

21. REVENUE

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Continuing operations				
Revenue from contract customers:				
At a point in time:				
Air ticketing and travel	(120)	741	-	-
Food and beverages	1,249	1,163	-	-
Sale of goods	17,252	39,913	-	-
Others	46	41	-	-
	18,427	41,858	-	-

NOTES TO THE FINANCIAL STATEMENTS

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21. REVENUE *cont'd*

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Continuing operations <i>cont'd</i>				
Over time:				
Management fees	-	-	60	90
Management services	78	250	-	-
Resort operations	2,637	2,110	-	-
	2,715	2,360	60	90
Revenue from other sources:				
Charge and credit cards operations - interest and others	-	3,832	-	-
Dividend income from other investments	590	1,062	-	-
Rental income	304	-	-	-
	894	4,894	-	-
	22,036	49,112	60	90
Discontinued operations				
Revenue from contract customers:				
At a point in time:				
Charge and credit cards operations - commission and fees (Note 27)	-	13,195	-	-
Over time:				
Charge and credit cards operations - renewal fees (Note 27)	-	11,551	-	-
Revenue from other source:				
Charge and credit cards operations - interest and others (Note 27)	-	59,331	-	-
	-	84,077	-	-
Total revenue	22,036	133,189	60	90

NOTES TO THE FINANCIAL STATEMENTS

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22. COST OF SALES

	Group	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Continuing operations		
Air ticketing and travel	(84)	317
Resort operations	413	418
Purchase of goods	24,566	39,192
Others	156	-
	25,051	39,927

23. FINANCE COSTS

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Continuing operations				
Amount owing to related parties	374	-	-	-
Lease liabilities	99	128	82	91
Term loan	-	659	-	-
Loss on remeasurement of receivable carried at amortised cost	-	5,243	-	-
Others	14	2	14	2
	487	6,032	96	93
Discontinued operations				
Lease liabilities	-	187	-	-
Non-recourse investors' certificates and senior certificates	-	30,700	-	-
Bank overdrafts and revolving credits	-	9,690	-	-
	-	40,577	-	-
	487	46,609	96	93

NOTES TO THE FINANCIAL STATEMENTS

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24. LOSS BEFORE TAX

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

	Note	Group		Company	
		Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
<u>Continuing operations</u>					
Amortisation of intangible assets	8	72	274	-	-
Auditors' remuneration					
- statutory audit					
- current year		257	440	80	110
- over provision in prior years		(14)	(13)	(10)	-
- non-statutory audit		5	85	5	85
Bad debts written off		31	379	-	-
Bad debts recovered		(224)	(1,410)	-	-
COVID-19 related rent concessions income		(72)	(240)	-	(137)
Depreciation of property, plant and equipment	5	3,784	5,091	591	977
Employee benefits expense	25	13,985	12,338	3,526	3,669
Expenses relating to short-term leases		134	102	44	45
Expenses relating to lease of low value assets		9	4	-	-
Fair value gain on investment properties	6	(120)	(63)	-	-
Fair value loss on other investments		3,892	12,533	-	-
Goodwill written off		64	-	-	-
Loss/(Gain) on disposal of property, plant and equipment		230	-	-	(41)
Impairment loss on property, plant and equipment		477	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

24. LOSS BEFORE TAX *cont'd*

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

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)
Note	RM'000	RM'000	RM'000	RM'000
Continuing operations <i>cont'd</i>				
Impairment loss on:				
- amounts owing by subsidiaries	-	-	959	954
- investment in subsidiaries	-	-	7,571	-
- trade receivables	51	2,249	-	-
Interest income	(3,266)	(1,218)	(818)	(510)
Property, plant and equipment written off	38	-	-	-
Rental income	-	(16)	(101)	-
Reversal of impairment loss on trade receivables	(3,049)	(126)	(60)	-
Net forex exchange loss/(gain):				
- realised	376	532	-	3
- unrealised	(3,499)	11,039	(2)	(20)

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)	Financial year from 1.8.2021 to 31.7.2022 (12 months)	Financial period from 1.2.2020 to 31.7.2021 (18 months)
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	12,039	10,961	2,751	2,921
Defined contribution plan	1,157	757	221	337
Social security contribution	125	82	18	25
Other staff related expenses	664	538	536	386
	13,985	12,338	3,526	3,669

NOTES TO THE FINANCIAL STATEMENTS

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25. EMPLOYEE BENEFITS EXPENSE *cont'd*

Included in employee benefits expenses are:

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Directors of the Company				
Executive:				
Salaries, bonus and emoluments	2,160	1,345	1,620	912
Benefits-in-kind	41	82	41	82
	2,201	1,427	1,661	994
Non-executive:				
Fees	150	210	150	210
Allowances	19	27	19	27
	169	237	169	237
	2,370	1,664	1,830	1,231
Directors of subsidiaries				
Executive:				
Salaries, bonus and emoluments	259	-	-	-
Benefits-in-kind	9	-	-	-
	268	-	-	-
	2,638	1,664	1,830	1,231

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. TAX EXPENSE

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Statements of comprehensive income				
Continuing operations				
Current income tax:				
Current income tax charge	37	190	-	-
Over provision in prior financial years	5	(25)	-	-
Real property gain tax	-	9,895	-	-
	42	10,060	-	-
Deferred tax (Note 18):				
Origination and reversal of temporary differences	(4)	(11,342)	-	-
Under provision in prior financial years	(5)	1,966	-	-
	(9)	(9,376)	-	-
Tax expense from continuing operations	33	684	-	-
Discontinued operations				
Current income tax:				
Over provision in prior financial years	-	(1,181)	-	-
Tax credit from discontinued operations	-	(1,181)	-	-
Total tax expense/(credit) recognised in profit or loss	33	(497)	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.7.2021: 24%) of the estimated assessable loss for the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS

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26. TAX EXPENSE *cont'd*

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

	Group		Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
(Loss)/Profit before tax				
- continuing operations	(16,910)	(38,480)	(12,670)	(8,545)
- discontinued operations	-	199,039	-	-
	(16,910)	160,559	(12,670)	(8,545)
Tax at Malaysian statutory income tax rate of 24% (31.7.2021: 24%)	(4,058)	38,534	(3,041)	(2,051)
Different tax rates in other countries	3,585	1,192	-	-
Income not subject to tax	(1,634)	(60,440)	(245)	(189)
Expenses not deductible for tax purposes	142	20,395	3,587	2,244
Utilisation of previously unrecognised deferred tax assets	(922)	(38)	(301)	(4)
Deferred tax assets not recognised during the financial year/period	2,920	1,324	-	-
(Over)/Under provision in prior financial years				
- income tax	5	(1,206)	-	-
- deferred tax	(5)	1,966	-	-
Real property gain tax	-	9,895	-	-
Realisation of deferred tax liabilities on revaluation reserve	-	(12,119)	-	-
Tax expense	33	(497)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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27. DISCONTINUED OPERATIONS

As disclosed in Note 9(d) 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.

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

	Group Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Revenue	84,077
Gain on disposal of subsidiaries	243,852
Other income	3,984
Distribution expenses	(11,395)
Administrative expenses	(80,902)
Finance costs	(40,577)
Profit before tax of discontinued operations	199,039
Tax credit (Note 26)	1,181
Profit for the financial period from discontinued operations, net of tax	200,220

NOTES TO THE FINANCIAL STATEMENTS

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27. DISCONTINUED OPERATIONS *cont'd*

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

	Group Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Amortisation of intangible assets	1,002
Asset securitisation programme expenses	3,642
Auditors' remuneration	244
Bad debts recovered	(5,320)
Decrease in provision for customer reward points	(285)
Depreciation of property, plant and equipment (Note 5)	3,310
Employee benefit expense	31,567
Reversal of impairment loss on trade receivables	(1,799)
Realised gain on foreign exchange	(59)

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

	Group Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Net cash used in operating activities	(26,316)
Net cash from investing activities	19,288
Net cash used in financing activities	(143,538)

NOTES TO THE FINANCIAL STATEMENTS

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28. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per ordinary share

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

	Group	
	2022	2021
	RM'000	RM'000
(Loss)/Profit attributable to the owners of the Company		
- continuing operations	(11,384)	(37,227)
- discontinued operations	-	200,220
	(11,384)	162,993
Weighted average number of ordinary shares for basic (loss)/earnings per share (unit'000)	1,168,028	712,206
Basic (loss)/earnings per share (sen)		
- continuing operations	(0.97)	(5.22)
- discontinued operations	-	28.11
	(0.97)	22.89

Diluted earnings per ordinary share

The diluted (loss)/earnings per ordinary share of the Group for the financial year ended 31 July 2022 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

29. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2022	2021
	RM'000	RM'000
In respect of capital expenditure for property, plant and equipment:		
- Approved and contracted	670,932	23,701

NOTES TO THE FINANCIAL STATEMENTS

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30. 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	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) 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:		
- Interest paid	216	-
- Purchase of goods and services	45,029	-
- Recovery of secretarial and share registration fees	(93)	(133)
- Sales of air tickets	-	(20)
- Sales of property, plant and equipment	-	(87)

NOTES TO THE FINANCIAL STATEMENTS

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30. RELATED PARTIES *cont'd*

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

	Company	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Transactions with subsidiaries are as follows:		
- Interest income	(26)	(384)
- Management fees receivable	(60)	(90)
- Rental income	(101)	-
- Secretarial fee payable	102	108

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	
	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Short-term employees benefits	3,331	2,513	2,523	1,804
Defined contribution plan	80	102	80	69
	3,411	2,615	2,603	1,873

NOTES TO THE FINANCIAL STATEMENTS

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31. 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
2022			
Financial assets			
Group			
Trade and other receivables, excluding prepayments	60,296	60,296	-
Deposits, cash and bank balances	49,223	49,223	-
Other investments	12,620	-	12,620
	122,139	109,519	12,620
Company			
Trade and other receivables	19,677	19,677	-
Deposits, cash and bank balances	35,025	35,025	-
	54,702	54,702	-
Financial liabilities			
Group			
Trade and other payables	57,620	57,620	-
Lease liabilities	2,699	2,699	-
	60,319	60,319	-
Company			
Trade and other payables	102,411	102,411	-
Lease liabilities	2,183	2,183	-
	104,594	104,594	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. 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	Amortised cost RM	FVPL RM
2021			
Financial assets			
Group			
Trade and other receivables, excluding prepayments	44,608	44,608	-
Deposits, cash and bank balances	117,496	117,496	-
Other investments	16,512	-	16,512
	178,616	162,104	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	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. 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.

NOTES TO THE FINANCIAL STATEMENTS

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31. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

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.

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:

	2022		Group	
	RM'000	%	2021 RM'000	%
By country:				
Malaysia	13,200	96%	112	100%
Singapore	513	4%	-	0%
	13,713	100%	112	100%
By segment:				
Credit and charge cards business and hospitality	772	6%	112	100%
General trading	12,893	94%	-	0%
Healthcare products	5	0%	-	0%
Investment holding and secretarial services	43	0%	-	0%
	13,713	100%	112	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

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31. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables

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
<hr/>	
Group	
At 31 July 2022	
Current	9,740
1-30 days past due	438
31-90 days past due	103
91-360 days past due	2,891
>360 days past due	541
	<hr/> 13,713
Impairment losses	64,142
	<hr/> 77,855
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	8
	<hr/> 112
Impairment losses	67,135
	<hr/> 67,247

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. 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

31. 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 →				Total RM'000
	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	
Group					
2022					
Financial liabilities:					
Trade and other payables	57,620	57,620	-	-	57,620
Lease liabilities	2,699	603	2,237	87	2,927
	60,319	58,223	2,237	87	60,547
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
Company					
2022					
Financial liabilities:					
Trade and other payables	102,411	102,411	-	-	102,411
Lease liabilities	2,183	490	1,861	-	2,351
	104,594	102,901	1,861	-	104,762
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

NOTES TO THE FINANCIAL STATEMENTS

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31. 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	EUR RM'000	Total RM'000
Functional currency of the Group					
At 31 July 2022					
Ringgit Malaysia	-	280	14	259	553
United States Dollars	(17)	759	-	-	742
	(17)	1,039	14	259	1,295
At 31 July 2021					
Ringgit Malaysia	-	277	5	-	282
United States Dollars	(17)	855	-	-	838
	(17)	1,132	5	-	1,120

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. 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 loss after tax for the financial year/period	
		2022 RM'000	2021 RM'000
Group			
- HKD	+ 5%	(1)	(1)
	- 5%	1	1
- SGD	+ 5%	39	43
	- 5%	(39)	(43)
- USD	+ 5%	1	-
	- 5%	(1)	-
- EUR	+ 5%	10	-
	- 5%	(10)	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(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 loss for the financial year/period.

	Change in % of share price	Effect on loss for the financial year/period RM'000	Effect on equity RM'000
Group:			
31 July 2022	+ 5%	480	480
	- 5%	(480)	(480)
31 July 2021	+ 5%	627	627
	- 5%	(627)	(627)

(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 (2021: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS

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31. FINANCIAL INSTRUMENTS *cont'd*

(c) Fair value measurement *cont'd*

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

Group	Carrying amount RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
2022					
Financial assets					
Fair value through profit or loss					
- other investments	12,620	12,620	-	-	12,620
2021					
Financial assets					
Fair value through profit or loss					
- other investments	16,512	16,512	-	-	16,512

32. 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
- (iv) Investment holding and secretarial services; and
- (v) Healthcare products

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

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32. SEGMENT INFORMATION cont'd

31.7.2022	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Others RM'000	Healthcare products RM'000	Adjustments and eliminations RM'000	Total RM'000	
Revenue										
		Revenue from external customers	(a)	16,772	-	3,787	972	-	505	22,036
		Inter-segment revenue	(b)	-	-	64	209	(273)	-	-
		Total revenue		16,772	-	3,851	1,181	(273)	505	22,036
Results										
<i>Included in the measure of segment loss are:</i>										
		Depreciation and amortisation		-	-	(2,325)	(591)	13	(953)	(3,856)
		Finance costs		-	-	(10)	(122)	23	(378)	(487)
		Fair value gain on investment properties		-	-	-	120	-	-	120
		Fair value loss on other investments		-	-	-	(3,892)	-	-	(3,892)
		Unrealised loss on foreign exchange		-	-	(4)	3,491	-	12	3,499
		Loss on disposal of property, plant and equipment		-	-	-	(230)	-	-	(230)
		Bad debts recovered		11	-	-	213	-	-	224
		Bad debts written off		-	-	-	(31)	-	-	(31)
		Goodwill written off		-	-	-	-	-	(64)	(64)
		Impairment loss on trade and other receivables		(7)	-	(431)	(66,994)	67,381	-	(51)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SEGMENT INFORMATION cont'd

31.7.2021	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Others RM'000	Healthcare products RM'000	Discontinued operations RM'000	Adjustments and eliminations RM'000	Total RM'000
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										
<i>Included in the measure of segment profit/(loss) are:</i>										
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 gain on investment properties		-	-	-	63	-	-	-	-	63
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)
Interest income		25	9	222	947	-	15	11,587	(11,587)	1,218

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SEGMENT INFORMATION cont'd

31.7.2021	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000			Discontinued operations RM'000	Adjustments and eliminations RM'000	Total RM'000
					Hospitality & card services RM'000	Healthcare products RM'000	Others RM'000			
Results										
<i>Included in the measure of segment loss are:</i>										
<i>cont'd</i>										
		-	-	-	(5,243)	-	-	-	-	(5,243)
		-	-	-	-	-	285	(285)	-	-
		-	-	-	126	-	1,799	(1,799)	-	126
		663	(945)	955	(54,917)	(4)	(809)	199,039	(182,462)	(38,480)
		-	(2,224)	47	1,496	-	(3)	1,181	(1,181)	(684)
		663	(3,169)	1,002	(53,421)	(4)	(812)	200,220	(183,643)	(39,164)
Assets:										
		-	-	496	2,845	-	114	-	-	3,455
		1,868	31,526	139,121	1,459,687	-	9,297	-	(1,338,530)	302,969
Liabilities:										
		11,011	51,210	116,019	729,114	850	105	-	(851,363)	56,946

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. 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

	Financial year from 1.8.2021 to 31.7.2022 (12 months) RM'000	Financial period from 1.2.2020 to 31.7.2021 (18 months) RM'000
Total revenue for reportable segments	22,036	133,189
Less: Discontinued operations (Note 27)	-	(84,077)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	22,036	49,112

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

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

	2022 RM'000	2021 RM'000
Intangible assets	-	433
Property, plant and equipment	80,003	3,022
	80,003	3,455

(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SEGMENT INFORMATION *cont'd*

Geographical information

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

	Revenue	Non-current
	RM'000	assets
		RM'000
31 July 2022		
Malaysia	22,127	230,631
Singapore	(91)	-
	22,036	230,631
31 July 2021		
Malaysia	48,593	163,481
Singapore	519	238
	49,112	163,719

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

	2022	2021
	RM'000	RM'000
Property, plant and equipment	162,822	83,410
Investment properties	40,570	40,450
Inventories	30	30
Intangible assets	-	72
Other receivable	27,209	39,757
	230,631	163,719

NOTES TO THE FINANCIAL STATEMENTS

cont'd

33. 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 year ended 31 July 2022 and financial period ended 31 July 2021.

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Lease liabilities	2,699	2,870	2,183	2,591
Trade and other payables	57,620	32,763	102,411	108,895
Deposits, cash and bank balances	(49,223)	(117,496)	(35,025)	(85,423)
Net debt/(cash)	11,096	(81,863)	69,569	26,063
Equity attributable to the owners of the Company				
Total capital	228,908	239,839	136,050	148,720
Capital and net debt	240,004	157,976	205,619	174,783
Gearing ratio	5%	*	34%	15%

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

34. COMPARATIVE FIGURES

- (a) In the previous 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 2022. 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 year.
- (b) The following comparative figures have been reclassified to conform with the current year presentation:

Group	As previously reported RM'000	Reclassified RM'000	As reclassified RM'000
2021			
Statements of financial position			
Non-current assets			
Property, plant and equipment	83,449	(39)	83,410
Trade and other receivables	4,891	39	4,930
Statements of cash flows			
Net cash (used in)/from operating activities	97,256	(39)	97,217
Net cash (used in)/from investing activities	42,872	39	42,911

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 set out on pages 57 to 159 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 2022 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: 11 November 2022

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 set out on pages 57 to 159 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 11 November 2022.

Before me,

BALOO T. PICHAI (No. W663)
COMMISSIONER FOR OATHS

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 2022 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 57 to 159.

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 2022, 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

Impairment testing on property, plant and equipment (Notes 4(a) and 5 to the financial statements)

The Group has significant balances of property, plant and equipment relating to its glove manufacturing operation. The emergence of new glove suppliers in the market and weak market sentiment has impacted the demand for the Group's products. This indicates that the property, plant and equipment may be impaired. As such, there is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. The Group performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement.

Our audit response:

Our audit procedures included, among others:

- considering and evaluating the appropriateness of the methodology and method adopted by the Group in measuring the recoverable amount is in accordance to the requirements of MFRS 136 *Impairment of Assets*; and
- testing the mathematical accuracy of the impairment assessment.

Valuation of investment properties and property, plant and equipment (Notes 4(b), 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 and property, plant and equipment (comprising leasehold land and building) carried at valuation subsequent to their initial recognition. The Group estimated the fair value of the investment properties and valuation of property, plant and equipment based on information provided and the market valuation performed by an external independent valuer. We focused on this area because the estimation of recoverable amount and fair value of investment properties and valuation of property, plant and equipment requires significant judgement by directors 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*

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. *cont'd*

Group *cont'd*

Inventories (Notes 4(c) and 7 to the financial statements)

The Group has significant inventories as at 31 July 2022. The Group's policy is to state the inventories at the lower of cost and net realisable value. The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate by directors. The Group specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories

We focused on this this area due to significance of the value of inventories as part of the total assets.

Our audit response:

Our audit procedures included, among others:

- checking subsequent sales and understanding the Group's assessment on estimated net realisable value on selected inventory items;
- discussing with the Directors on the Group's assessment on net realisable value;
- discussing with the Directors whether the inventories have been written down to their net realisable values for inventory items with net realisable values less than their costs; and
- observing physical inventory count to observe physical existence and condition of certain inventories.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

cont'd

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

To the Members of 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

cont'd

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

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

Kuala Lumpur

Date: 11 November 2022

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

ANALYSIS OF SHAREHOLDINGS

As at 31 October 2022

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	%
102	1.40	Less than 100 shares	3,164	0.00
1,904	26.22	100 to 1,000 shares	1,705,295	0.15
3,141	43.25	1,001 to 10,000 shares	13,975,780	1.20
1,561	21.50	10,001 to 100,000 shares	62,667,438	5.37
550	7.57	100,001 to less than 5% of issued shares	520,938,179	44.59
4	0.06	5% and above of issued shares	568,738,584	48.69
7,262	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 <i>OSK CAPITAL SDN BHD FOR MUSTIKA MANIS SDN BHD</i>	250,408,140	21.44
2	KURNIA MENANG SDN BHD	111,414,919	9.54
3	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR STAR WEALTH INVESTMENT LIMITED</i>	106,915,525	9.15
4	MUSTIKA MANIS SDN BHD	100,000,000	8.56
5	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KIN FAI INTERNATIONAL LIMITED</i>	56,134,500	4.81
6	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)</i>	46,012,500	3.94
7	APMS INVESTMENT FUND LTD	45,750,000	3.92
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>DEUTSCHE BANK AG SINGAPORE FOR ALBULA INVESTMENT FUND LIMITED</i>	45,000,750	3.85
9	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KWOK HENG HOLDINGS LIMITED</i>	37,791,000	3.24
10	LOTUS GLOBAL INVESTMENTS LTD	30,577,700	2.62

ANALYSIS OF SHAREHOLDINGS

As at 31 October 2022

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	%
11	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)</i>	12,000,000	1.03
12	RCI VENTURES SDN BHD	8,325,000	0.71
13	RHB NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)</i>	7,044,400	0.60
14	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR LGT BANK AG (FOREIGN)</i>	5,700,000	0.49
15	DING CHOO KING	4,356,000	0.37
16	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	4,251,300	0.36
17	HK WONG HOLDINGS SDN BHD	3,000,000	0.26
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 <i>HUON CHEK NGIE</i>	2,500,000	0.21
23	FFG ENGINEERING SDN BHD	2,500,000	0.21
24	CHOON SIEW WAH	2,398,500	0.21
25	LIM POH FONG	2,318,100	0.20
26	LAI THIAM POH	2,262,700	0.19
27	SITI MUNAJAT BINTI MD GHAZALI	2,250,000	0.19
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM</i>	2,246,000	0.19
29	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOO SAY GUAN (LOO0121C)</i>	2,222,000	0.19
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG(E-TMR)</i>	2,103,700	0.18
		906,582,734	77.61

ANALYSIS OF SHAREHOLDINGS

As at 31 October 2022

cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2022

(as per Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest	No. of Ordinary Shares		
		%	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 31 OCTOBER 2022

(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

- 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 31 October 2022

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	%
6	0.77	Less than 100 Warrants B	327	0.00
87	11.15	100 to 1,000 Warrants B	65,959	0.02
258	33.08	1,001 to 10,000 Warrants B	1,308,083	0.34
261	33.46	10,001 to 100,000 Warrants B	10,825,317	2.78
165	21.15	100,001 to less than 5% of issued Warrants B	187,563,600	48.17
3	0.39	5% and above of issued Warrants B	189,579,527	48.69
780	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	116,802,713	30.00
2	KURNIA MENANG SDN BHD	37,138,306	9.53
3	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR STAR WEALTH INVESTMENT LIMITED</i>	35,638,508	9.15
4	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KIN FAI INTERNATIONAL LIMITED</i>	18,711,500	4.80
5	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)</i>	15,337,500	3.94
6	APMS INVESTMENT FUND LTD	15,250,000	3.92
7	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>DEUTSCHE BANK AG SINGAPORE FOR ALBULA INVESTMENT FUND LIMITED</i>	15,000,250	3.85
8	LOTUS GLOBAL INVESTMENTS LTD	13,375,900	3.44
9	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KWOK HENG HOLDINGS LIMITED</i>	12,597,000	3.24
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEGDED SECURITIES ACCOUNT FOR TAN SUN PING</i>	7,000,000	1.80

ANALYSIS OF WARRANT B HOLDINGS

As at 31 October 2022

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	%
11	JENNY CHEAH SEK LI	6,000,000	1.54
12	CHIN KIAM HSUNG	5,000,000	1.28
13	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)</i>	4,000,000	1.03
14	BEH CHAN CHEN	4,000,000	1.03
15	RCI VENTURES SDN BHD	2,775,000	0.71
16	TYE YONG POU	2,444,200	0.63
17	TAN YEE MING	2,400,000	0.62
18	CHIN KIAN FONG	2,100,000	0.54
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>GAN WAN KOON</i>	2,022,000	0.52
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>BEH CHAN PIN</i>	2,000,000	0.51
21	CHIA GUAN SENG	1,484,600	0.38
22	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	1,417,100	0.36
23	EWE HONG KHOON	1,391,200	0.36
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GAN KIN HOON</i>	1,285,000	0.33
25	TEO AH SENG	1,126,800	0.29
26	CHIN KIAM HSUNG	1,100,000	0.28
27	YAP MUN HUAT	1,040,000	0.27
28	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	1,000,000	0.26
29	TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KER CHERK YEE</i>	1,000,000	0.26
30	CHIN FOO LONG	1,000,000	0.26
		331,437,577	85.13

ANALYSIS OF WARRANT B HOLDINGS

As at 31 October 2022

cont'd

DIRECTORS' INTEREST IN WARRANTS B AS AT 31 OCTOBER 2022

(as per the Register of Directors' Warrant Holdings)

Name of Director	No. of Warrants B			
	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 2022

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	11,260	29	2022	1996
Lot 1025 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	13,167	Leasehold – Expiring 14.1.2092	37,490	29	2022	1992
Lot No. 15096 & Lot No. 15098 Pulau Pangkor Mukim Lumut Daerah Manjung	Leasehold land	58.73 acres	Leasehold – Expiring 4.5.2094	31,530	-	2022	1995
Lot No. 15528 Mukim of Lumut District of Manjung Perak Darul Ridzuan	Offices, factory and warehouse	71,980	Leasehold – Expiring 9.7.2105	29,100	21	2022	2021
Unit No. S01-13, S01-03, S01-05, S01-06 USJ One Persiaran Subang Permai USJ 1, 47500 Subang Jaya Selangor Darul Ehsan	Retail units	1,136	Freehold	6,120	-	2022	2019
PT 348 No. 1 Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey tarrace factories	685	Freehold	7,430	5	2022	2019
PT 2529, No 16, Jalan 22/5, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey tarrace factories	251	Leasehold – Expiring 6.8.2113	2,550	5	2022	2019
PT 2519, No 29, Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey tarrace factories	287	Leasehold – Expiring 6.8.2113	3,085	5	2022	2019

LIST OF PROPERTIES HELD

As at 31 July 2022

cont'd

Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
Lot 1024 Town of Lumut District of Manjung Perak Darul Ridzuan	Leasehold land	6,857	Leasehold – Expiring 14.1.2092	6,275	-	2022	1993
Lot 1100 Town of Lumut District of Manjung Perak Darul Ridzuan	Leasehold land	2,585	Leasehold – Expiring 14.1.2092	2,785	-	2022	1993
Lot 1106 & 1107 Town of Lumut District of Manjung Perak Darul Ridzuan	Leasehold land	20,236	Leasehold – Expiring 21.12.2094	12,325	-	2022	1995

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Seventh Annual General Meeting (“97th AGM”) of the Company will be conducted virtually on Wednesday, 11 January 2023 at 11:00 a.m. from the Broadcast Venue at Boardroom of Johan Holdings Berhad, 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur and via our Share Registrar’s online meeting platform at www.johanmanagement.com.my for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2022 and the Directors’ and Auditors’ Reports thereon. ***(Please refer to Note A)***

2. (i) 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) Tan Sri Dato’ Tan Kay Hock ***Ordinary Resolution 1***
 - (b) Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff ***Ordinary Resolution 2***

- (ii) Retirement of Directors
 - (a) Tan Sri Dato’ Seri Dr. Ting Chew Peh, who had served for a tenure as a Non-Executive Director for more than 19 years has elected to retire as a Director of the Company and to hold office until the conclusion of the 97th AGM. ***No Ordinary Resolution is required for this matter***
 - (b) Mr. Ooi Teng Chew, who had served for a tenure as an Independent Director for more than 13 years has elected to retire as a Director of the Company and to hold office until the conclusion of the 97th AGM. ***No Ordinary Resolution is required for this matter***

3. 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 2023. ***Ordinary Resolution 3***

4. To re-appoint Baker Tilly Monteiro Heng PLT, as External Auditors of the Company for the financial year ending 31 July 2023 and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 4***

SPECIAL BUSINESS

To consider and if thought fit, pass with or without modifications the following resolutions:-

5. **Retention of Independent Non-Executive Director** ***Ordinary Resolution 5***

“THAT subject to the passing of Ordinary Resolution 2, 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.”

NOTICE OF ANNUAL GENERAL MEETING

cont'd

6. **Authority to Allot and Issue Shares in General Pursuant to Sections 75 and 76 of the Companies Act, 2016** *Ordinary Resolution 6*

“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.”

7. 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 2022

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. *The AGM of the Company will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting (“RPV”) Facilities. Only essential individuals are allowed to be physically present at the Broadcast Venue to conduct the virtual AGM. Members/proxies will not be allowed to be physically present at the Broadcast Venue on the day for the AGM. Therefore, members/proxies are strongly advised to participate and vote remotely at the AGM through live streaming and RPV Facilities provided by Propoll Solutions Sdn Bhd, the poll administrator of the AGM, via our Share Registrar’s website at www.johanmanagement.com.my.*

Please refer to the Administrative Guide for the AGM in order to register, participate and vote via the RPV facilities.

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, 9 January 2023. Members may also submit questions in typed texts through the online meeting platform during the live-streamed 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/proxies 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.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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/proxies 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 4 January 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.*

Explanatory Notes

1. (i) **Ordinary Resolutions 1 and 2 - Proposed Re-election of Directors in accordance with Clause 90 of the Company's Constitution**

- (a) *Pursuant to Clause 90 of the Company's Constitution, Tan Sri Dato' Tan Kay Hock ("Tan Sri Tan") is due for retirement by rotation at the AGM.*

Tan Sri Tan had offered himself for re-election at the 97th AGM. The Board through the Nominating Committee, had assessed the performance of Tan Sri Tan and was satisfied with the performance and effectiveness of Tan Sri Tan. The Board had recommended the re-election of Tan Sri Tan, subject to shareholders' approval at the 97th AGM. Tan Sri Tan had abstained from deliberation and decision on his own eligibility and suitability to stand for re-election at the Board resolution. The profile of Tan Sri Tan is set out in the Profile of Directors of the Annual Report 2022.

- (b) *Pursuant to Clause 90 of the Company's Constitution, Dato' Ahmad Khairummuzammil Bin Mohd Yusoff ("Dato' Ahmad") is due for retirement by rotation at the AGM.*

Dato' Ahmad had offered himself for re-election at the 97th AGM. The Board through the Nominating Committee, had assessed the performance of Dato' Ahmad and was satisfied with the performance and effectiveness of Dato' Ahmad. The Board had recommended the re-election of Dato' Ahmad, subject to shareholders' approval at the 97th AGM. Dato' Ahmad had abstained from deliberation and decision on his own eligibility and suitability to stand for re-election at the respective Nominating Committee and Board resolution. The profile of Dato' Ahmad is set out in the Profile of Directors of the Annual Report 2022.

(ii) **Retirement of Directors**

- (a) *Tan Sri Dato' Seri Dr. Ting Chew Peh was appointed as an Independent Non-Executive Director of the Company on 1 November 2003 and having served as Independent Director for a cumulative term of nine (9) years, he was re-designated as a Non-Independent Non-Executive Director on 1 November 2012. Tan Sri Dato' Seri Dr. Ting Chew Peh, who has served as a Non-Executive Director of the Company for a tenure of more than nineteen (19) years, has elected to retire and shall cease to be a Director of the Company at the conclusion of the 97th AGM.*
- (b) *Mr. Ooi Teng Chew, who has served as an Independent Director of the Company for a tenure of more than thirteen (13) years, has elected to retire and shall cease to be a Director of the Company at the conclusion of the 97th AGM.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

2. Ordinary Resolution 3 - Directors' Fees and Benefits

The estimated Directors' fees and benefits payable under the Group for financial year ending 31 July 2023 were based on the current Board size and number of scheduled Board and Committee meetings to be held. As disclosed in the Corporate Governance Overview Statement, the total Directors' fees and benefits paid to the Non-Executive Directors for financial year ended 31 July 2022 amounted to RM169,000, i.e. the same sum as approved by shareholders at the last AGM held on 20 January 2022.

3. Ordinary Resolution 5 - Retention of Independent Non-Executive Director

Dato' Ahmad 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 2021, upon assessment and recommendation of the Nominating Committee, the rest of the Board members were of the unanimous opinion that Dato' Ahmad 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.*

4. Ordinary Resolution 6 - 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 20 January 2022 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 6. 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-Seventh Annual General Meeting of the Company, to be conducted virtually from the Broadcast Venue at Boardroom of Johan Holdings Berhad, 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur and via our Share Registrar's online meeting platform at www.johanmanagement.com.my on Wednesday, 11 January 2023 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 Tan Sri Dato' Tan Kay Hock as a Director		
2	Re-election of Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as a Director		
3	Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 July 2023		
4	Re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 July 2023 and to authorise the Board of Directors to fix their remuneration		
5	Retention of Independent Non-Executive Director - Dato' Ahmad Khairummuzammil Bin Mohd Yusoff		
6	Authorisation for Directors to allot shares		

(Please indicate with a cross ("X") in the appropriate box against each Resolution how you wish your proxy/proxies to vote. If this proxy form is returned without any indication as to how your proxy/proxies shall vote, your proxy/proxies will vote or abstain as he(they) thinks fit.)

Dated this _____ day of _____

Signature / Common Seal

* Strike out whichever is not relevant.

Notes:-

1. *The AGM of the Company will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities. Only essential individuals are allowed to be physically present at the Broadcast Venue to conduct the virtual AGM. Members/proxies will not be allowed to be physically present at the Broadcast Venue on the day for the AGM. Therefore, members/proxies are strongly advised to participate and vote remotely at the AGM through live streaming and RPV Facilities provided by Propoll Solutions Sdn Bhd, the poll administrator of the AGM, via our Share Registrar's website at www.johanmanagement.com.my.*
Please refer to the Administrative Guide for the AGM in order to register, participate and vote via the RPV facilities.
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, 9 January 2023. Members may also submit questions in typed texts through the online meeting platform during the live-streamed 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/proxies 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.*

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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/proxies 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 4 January 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.*

