



Johan Holdings Berhad



ANNUAL REPORT
for the financial year ended 31 July 2023

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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 Aceh
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
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Damansara Heights
50490 Kuala Lumpur
Tel : 603 2092 1858
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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

Dato' Ahmad Khairummuzammil

Bin Mohd Yusoff

Non-Independent Non-Executive Director

Tan Poh Meng

Independent Non-Executive Director

Mahathir Bin Mahzan

Independent Non-Executive Director

AUDIT COMMITTEE

Mahathir Bin Mahzan (*Chairman*)
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Tan Poh Meng

REMUNERATION COMMITTEE

Puan Sri Datin Tan Swee Bee (*Chairperson*)
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Tan Poh Meng

NOMINATING COMMITTEE

Tan Poh Meng (*Chairman*)
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Mahathir Bin Mahzan

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

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

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BUSINESS OFFICE

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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 2023 ("FY 2022/23")

ECONOMIC AND OPERATING ENVIRONMENT OVERVIEW

Bank Negara Malaysia on 10 February 2023 reported that the Malaysian economy expanded by 8.7% in 2022 (2021: 3.1%). Private sector activity remained the key driver of growth, supported by private consumption and investment, driven by improving labour market conditions. Overall export growth moderated in line with the weaker external demand, partly offset by resilient performance of electrical and electronic products and higher tourism activities. The services and manufacturing sectors continued to drive growth.

Despite the positive trends, Malaysia faced challenges due to rising global commodity prices and supply chain disruptions, leading to inflationary pressures. As headline inflation decreased to 3.9% in Q4 from 4.5% in Q3, however, core inflation increased to 4.2% in Q4 from 3.7% in the previous quarter due to sustained demand and elevated costs.

The global economic environment in 2023 is expected to pose challenges and uncertainties, with slower growth and tighter monetary policies in major economies, along with subdued global trade activity. However, despite these headwinds, the Malaysian economy is projected to grow between 4.0% and 5.0% in 2023, supported by firm domestic demand. Improvement in the labour market conditions, ongoing implementation of multi-year investment projects and higher tourism activities are expected to drive private consumption and investment growth.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

cont'd

REVIEW OF GROUP FINANCIAL RESULTS

For FY 2022/23, Group Revenue totalled RM21.042 million, contributed by business segment under Healthcare (RM8.367 million), General Trading (RM7.438 million), Hospitality (RM4.552 million) and Investment Holding & Secretarial Services (RM0.685 million).

Your Group recorded a loss before tax of RM61.370 million. The loss was mainly attributed by Dynacare Sdn Bhd ("Dynacare"), the glove manufacturing subsidiary, which recorded a loss before tax of RM54.534 million; out of which RM18.940 million was actual operating loss, with the balance of RM35.594 million being net impairment loss for Plant & Machinery and Building.

Lumut Park Resort Sdn Bhd, which owns and operate the Orient Star Resort Lumut, recorded a loss before tax of RM2.010 million, while Johan Holdings Berhad & Other subsidiaries incurred a loss before tax of RM6.956 million, being management & administrative expenses. On the positive side, the Diners Club Malaysia companies registered a profit before tax of RM2.130 million.

Healthcare

Due to the adverse market conditions in terms of lower demand for gloves, lower average selling prices ("ASPs") and rising raw material prices, your Board decided to limit the construction of Dynacare's gloves manufacturing plant to just six (6) dipping lines under Phase 1, using internal funds.

During the financial year under review, the gloves business remained challenging. The ASPs of gloves continued to be soft due to weak market demand as a result of the over supply position and with some competitors selling their gloves at low prices in order to secure sales. At the same time, the sector faced higher energy and labour costs.



For FY2022/23, Dynacare operated with two (2) dipping lines in operation, as and when orders with acceptable ASPs were received. The low ASPs meant that the management will not just ramp up production and incur additional fixed costs which were not able to be offset by the revenue generated. This has resulted in low-capacity utilization of the two (2) dipping lines. The low revenue and actual operating loss of RM18.94 million was mainly due to erosion of margin resulted from higher cost including energy, labour cost, nitrile butadiene rubber ("NBR") raw materials, electricity tariffs and low ASPs.

Hospitality

For FY 2022/23, The Orient Star Resort Lumut (OSRL) recorded improved occupancy rate and average room rate resulting in higher revenue of RM4.620 million, up 17.47% when compared to RM3.933 million (FY 2021/22). Gross profit was RM4.114 million, compared to RM3.520 million (FY2021/22). However resulting from higher operating expenses of RM5.980 million due to increase in manpower, maintenance and repair expenditure, and the annual depreciation and amortisation, OSRL recorded a loss of RM1.857 million.



The OSRL, in the spirit of Ramadan, have meals promotion for fellow Muslims in the community to gather and break their fast. In addition, it also celebrates the breaking of fast with single mothers and their children with free meals at the hotel. This is followed by the gifting of food hampers and distribution of bubur lambak to neighbour commuters for breaking of fast.

CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

cont'd

DIVIDEND

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

PROSPECTS AND OUTLOOK

The outlook for your Group in respect of financial year ending 31 July 2024 will continue to remain challenging. The gloves business, with soft market demand and depressed ASPs, rising cost structures, geopolitical tensions and slowdown in growth of the global economy, will make the operating environment challenging. Generally, all local manufacturers continue to be faced by excess capacity, resulting in customers not willing to commit sizable orders on expectation of further decline in ASPs. The business landscape will continue to be challenging and competitive due to elevated costs due to cut back in production volume, subdued ASPs, huge over capacity leading to suppressed industry utilisation rate.

Your Group shall focus on securing new orders to improve utilisation of the production lines and to emphasise on cost management to remain competitive. Despite the current challenging environment, your Group remains optimistic of the longer term prospects of the gloves industry.

The tourism industry in Malaysia has shown a positive movement since the opening up of the border after the Covid-19 lockdown and travel restriction, with a new trend of staycation. The pent up for staycation will augur for the Orient Star Resort Lumut. The resort will continue to upkeep its facilities and refurbish its rooms to enhance the services to meet with customers' expectations.

ACKNOWLEDGEMENT

On behalf of your Board, I wish to thank our management team and employees, who have demonstrated resilience and commitment during these challenging times for our Group. We also thank our customers, suppliers, shareholders and other stakeholders for their valuable support and look forward to your continued support.

TAN SRI DATO' TAN KAY HOCK

Chairman

Dated : 8 November 2023

SUSTAINABILITY STATEMENT

At JHB, our fundamental sustainability commitment is to enhance our value chain by integrating our Economic, Environmental, Social and Governance (“EESG”) responsibilities to build a solid and inclusive economy and create shared value for our stakeholders. Sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

ABOUT THIS STATEMENT

The Group reaffirms our resolute commitment to chart a revitalised sustainability direction by adopting robust strategies that will effectively produce long-term environmental, societal and financial benefits. The Group’s Healthcare division is responsible for the most sustainability impacts. This Report presents the various measures that we have implemented to address the sustainability issues that are material to our Healthcare segment.

This Report has yet to be externally assured. The Group Internal Audit has performed a limited assurance review on the following indicators: water consumption, waste management, energy consumption, workforce diversity, human rights, injury rates and anti-corruption.

Scope and Boundary:

This Report covers JHB’s entire operations and the entities where the Group holds a controlling interest or management control. The data for the Healthcare segment span two (2) financial years starting from the operation’s commencement to the present. Unless otherwise stated, the disclosed performance data apply to the whole Group.

Reporting Period:

This Report includes our EESG activities from 1 August 2022 to 31 July 2023 (FY2022/23); historical information from previous years was included to provide a basis for comparison.

Reporting Cycle:

Annually, coinciding with our financial year

Reporting Guidelines:

Principal Guidelines

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance 2021 (“MCCG”)

Reference Guidelines

- Task Force on Climate-Related Financial Disclosures
- United Nations Sustainable Development Goals (“UN SDGs”)

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

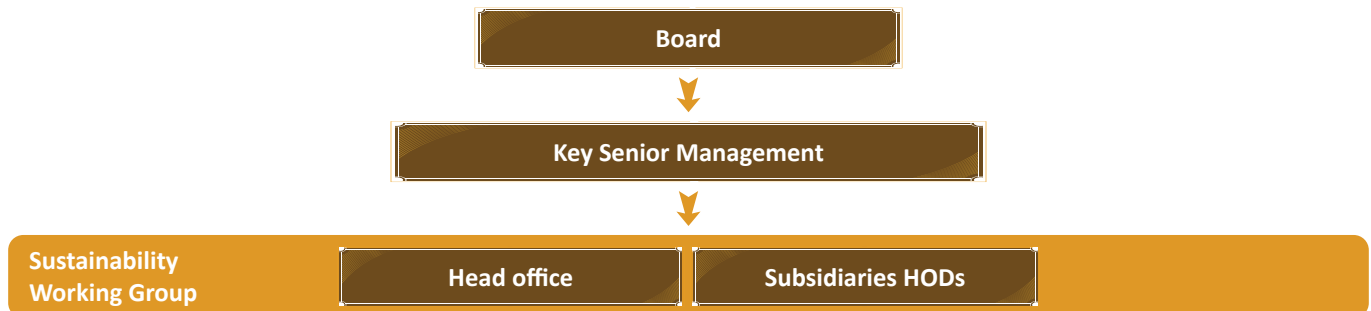


Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda focuses global efforts and attention on 17 pressing issues. While the overall responsibility lies with national governments, the SDGs cannot be achieved without a concerted effort by businesses and other organisations.

We will continue to identify 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 EESG accountability, transparency and ethical behaviour are present at every level of our organisation.



The Board

The Board of Directors (“BOD”) is responsible for steering the sustainability direction of the entire Group. The BOD exercises direct oversight over all EESG sustainability issues and ensures that all implemented plans, strategies, and policies adhere to the current best practices. The Key Senior Management reports to the Board as regards the status of the Group’s sustainable development.

Key Senior Management

Led by the Chief Executive, the Key Senior Management assumes the role of leadership and direction. They ensure that sustainability efforts are incorporated across the different levels of the Group’s various segments. The Senior Management meets regularly to discuss all sustainability-related commitments, including setting important initiatives and growth plans.

Sustainability Working Group

The Sustainability Working Group is composed of the key managers in the Head office and the respective Heads of the operating subsidiaries. They proactively address their division’s sustainability commitments and monitor their performance.

SUSTAINABILITY STATEMENT

cont'd

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. 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.

In FY2023, our stakeholders reported no incidents of bribery and corruption in our operational activities. There was also no reported incident of health and safety hazards, human rights violations, child labour and discrimination against employees and the community.

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 conducted to assess governance risk registers that are applicable to our business operations. Our compliance with all Quality, Environmental and Health and Safety Standards is also evaluated during these conferences. The results of these reviews are presented to the RMC before they are reported at the Audit Committee meetings on a half-yearly basis.

We recognise the importance of the Task Force on Climate-related Financial Disclosures (“TCFD”). We look forward to submitting a full report on the impacts of climate-related risks and opportunities on the Group’s business strategy and financial planning.

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.

As part of our strategy, we reviewed the sustainability issues that are material to the Group and our stakeholders in the year under review to determine whether each issue is still relevant or must be replaced with emerging ones.

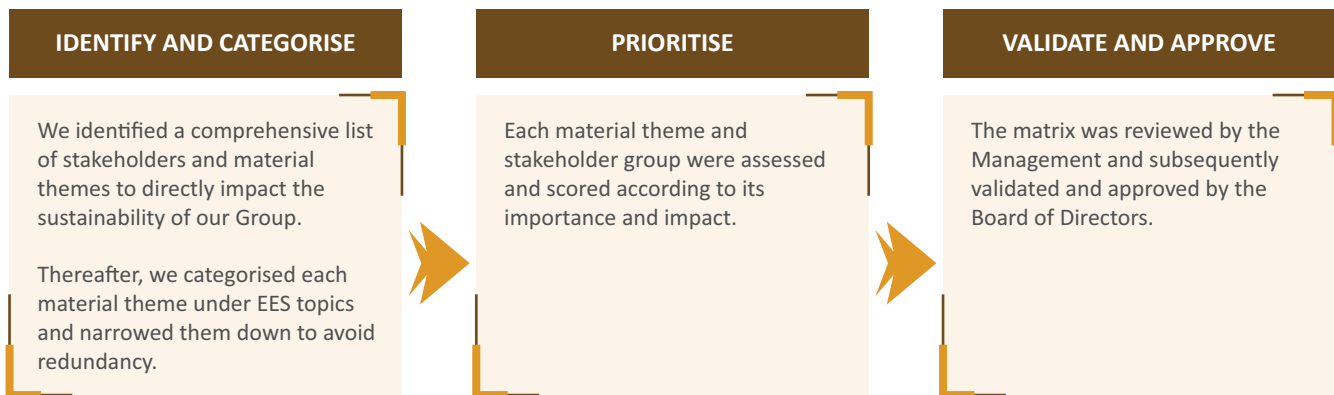
SUSTAINABILITY STATEMENT

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Materiality Matrix and Process

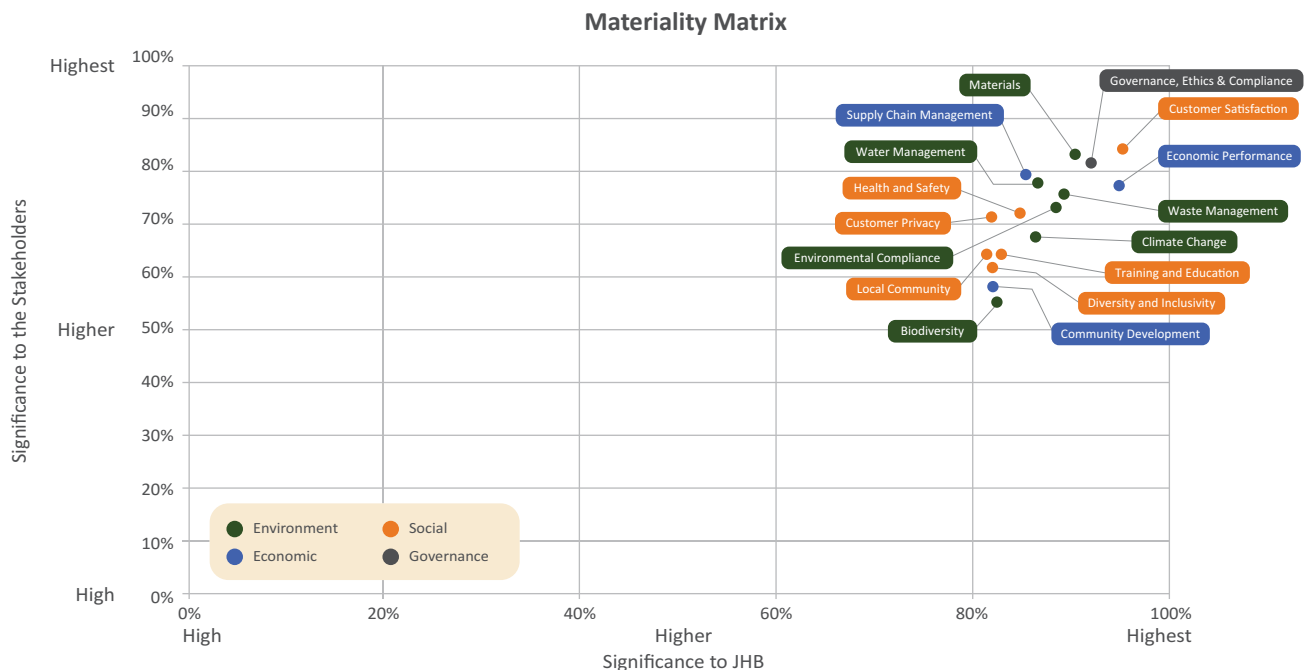
As in previous years, we have identified the sustainability matters that are deemed most significant by the Group and our stakeholders. In this way, we can allocate adequate resources that are necessary for generating innovative solutions that will address the identified issues.

Our materiality assessment process consists of the following stages:



Materiality Matrix

We conducted a materiality assessment in the year under review. There are no changes in our material sustainability issues from those in the previous year, indicating that they are consistent with emerging global concerns and current best practices. The items mapped on the upper right-hand quadrant of the matrix are the ones deemed most significant by both the Group and our stakeholders. The Group's top four material issues are Governance, Ethics & Compliance; Customer Satisfaction; Economic Performance; and Materials.



SUSTAINABILITY STATEMENT

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STAKEHOLDER ENGAGEMENTS

We engage in constant and open communication with our stakeholders to enable us to identify risks and opportunities as well as determine areas that can be updated to the current best practices. By maintaining this year-round connection with our stakeholders, we are able to clearly understand their expectations and readily respond to their latest concerns. These actions strengthen the Group's relationships with our various stakeholder groups.

Stakeholder Groups	Concerns	Response & Communication Channels
Investors/ Shareholders	<ul style="list-style-type: none"> • Profitability & Growth • Communication 	<ul style="list-style-type: none"> - Business opportunities for sustained growth - Accurate, timely, consistent and fair disclosure of corporate information - Attendance of shareholders at the Group's AGM to facilitate interaction with the management
Employees	<ul style="list-style-type: none"> • Career Development • Health & Safety 	<ul style="list-style-type: none"> - Employee training - Performance and remuneration reviews - Health & Safety structure - Department of Occupational Health and Safety ("DOSH") compliance - Health & Safety monitoring
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 - COVID-19 prevention measures
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 - Observing religious and traditional activities
Customers	<ul style="list-style-type: none"> • Product Quality • Data Privacy and Security • Responsible Representation 	<ul style="list-style-type: none"> - ISO 9001 & other healthcare-related standards - Measures for privacy protection and security - Compliance with marketing advertising standards

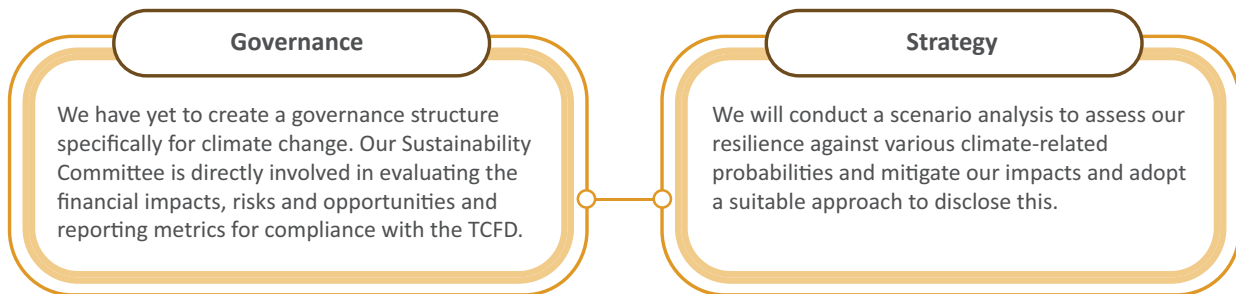
SUSTAINABILITY STATEMENT

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

The effects of climate change are widespread at a global scale, affecting nearly all economic sectors. The extent of the impacts of climate-related risks can vary by sector, industry, geography, and organisation. As for our organisation, climate change can exert both direct and indirect impacts, and addressing these issues could lead to short- or long-term risks. Given that climate-related issues can influence several important factors of the Group’s financial performance and position at the present and in the future, we need time to adjust our internal processes before we can accurately disclose such information to align with the TCFD.

Below is our initial statement, which is structured in the four thematic areas that represent the basic elements of tackling climate change. According to the TCFD, these are Governance, Strategy, Risk Management, and Metrics and Targets.



Climate Change Risks	Potential Financial Impacts
<p>Our Transition Risks are listed below:</p> <p>Policy and Legal Risks refer to the enhanced emission reporting guidelines and the updated national and international regulatory requirements for our products and services.</p> <p>Technology Risk is the cost of transitioning to lower-emission technologies.</p> <p>Market Risk indicates the changes in the behaviour and preference of customers looking for substitute products or similar products with lower emissions.</p> <p>Reputational Risk is the increase in stakeholder concern if the company does nothing to tackle climate change.</p>	<p>Transition Risks will increase our operating costs because we have to invest in resources to reduce our risks.</p> <p>These investments will be focused on new technologies that will allow us to reduce our emissions and comply with new regulatory and statutory standards to guarantee the loyalty of our customers to our products and services.</p>
<p>Physical Risks consist of Acute and Chronic Risks.</p> <p>Acute: Increased severity of extreme events such as floods and drought.</p> <p>Chronic: Changes in precipitation, weather patterns and rising temperature.</p>	<p>Any acute or chronic change in temperature will result in availability issues and potential price increases for raw materials.</p> <p>Investments on water intensity reduction and recyclability will be considered.</p> <p>Changes in weather patterns could affect deliveries</p>

SUSTAINABILITY STATEMENT

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Climate Change Opportunities	Potential Financial Impacts
<p>Resource Efficiency can be achieved by using a more efficient production and distribution process. At the same time, recycling waste and water as well as harvesting rainwater can reduce the volume of resources and water consumed.</p> <p>Energy Sources can be collected from many sources of renewable energy and augmented by access to government energy policy incentives.</p>	<p>Operation costs can be reduced through efficiency gains and cost reduction. Water consumption can be reduced by harvesting rainwater and reducing water intensity.</p> <p>Government incentives for renewable energy policies can offset the initial solar power installation costs and the payments to public utility companies.</p>

ECONOMIC IMPACTS

Economic Performance is the most material issue under economic sustainability matters. Amongst our various segments, our Healthcare division is the 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 ready to serve and protect the welfare of the community.

Direct Economic Impacts

JHB’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

JHB’s business transition stems from a strategic decision to build financial growth by developing sustainable Healthcare products that will address the growing worldwide demand for more sustainable products. 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.

Out of the RM45,008,300 total spending on suppliers, RM38,047,285 is spent on local suppliers, corresponding to 85% of the total amount. This percentage is a significant increase from 69% in FY2022 and 38% in FY2021 due to the increased production of our Healthcare segment and a decrease in the general trading of overseas supplies.

Proportion of spending on local suppliers C7 (a)			
Period	Total amount spent on all suppliers (RM)	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers (%)
FY2023	45,008,300	38,047,285	85%
FY2022	41,351,845	28,708,365	69%
FY2021	68,324,409	26,196,235	38%

SUSTAINABILITY STATEMENT

cont'd

EMPLOYEE

JHB measures the value and performance 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

JHB subscribes to international conventions 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 & 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>

Occupational Health and Safety



Chemical spill



First aid training

SUSTAINABILITY STATEMENT

cont'd

One of our top priorities is the Health & Safety (“H&S”) of our workforce, business partners and the communities where we operate. We demonstrate this commitment through the following:

- Performing sound and sufficient assessment of risks and opportunities.
- Setting performance targets.
- Eliminating hazards and reducing occupational H&S risks.
- Implementing a robust H&S management system.
- Finding areas for improvement.
- Engaging stakeholder participation.

JHB ensures that all our activities do not threaten the 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 NGO training centres, such as the National Institute of Occupational Safety and Health (“NIOSH”), St. John Ambulance Malaysia and the Malaysian Rubber Council.

Health and Safety Data

EMPLOYEE HEALTH AND SAFETY DATA C5 (a), C5 (b)				
Period	Total number of hours worked in the reporting period	Amount of time lost due to workplace injuries	*1LTIR	Work-Related Fatality
FY2023	364,000	0	0	0
FY2022	594,000	0	0	0

[1] LTIR is calculated as a rate where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period.

[2] The value of 200,000 represents a standardised value of the total number of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks ($100 \times 40 \times 50 = 200,000$).

Total hours of training by employee category C6 (a)						No. of Employees trained on H&S standards C5 (c)
Period	BOD	Top Management	Middle Management	Lower Management	Executives / Technical / Others	
FY2023	14	47	39.5	65	593.25	100
FY2022	0	40	33.5	75	1,912.5	156

FY2023 H&S Types of Training	No. of Hours	No. of Employees
Safe forklift handling	9	9
Refresher safety training	10	10
Safe procedure loading and unloading of flex tank	12	12
Chemical handling and correct usage of PPE and eyewash	8.25	11
Chemical spill control	12	8
Schedule waste training	30	30
Use of eyewash training	3.5	7
CHRA & HRA Presentation	26	13
Total	110.75	100

SUSTAINABILITY STATEMENT

cont'd

Employee Training and Development

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 external training is carried out by third parties that provide 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, SOPs and practices.

In the year under review, 64 employees were exposed to a total of 559 hours of external training, as summarised below.

FY2023 Employee Training Summary		
Types of Training	No. of Training Hours	No. of Participants
Environmental Training	84	4
Career Development	475	60
Total	559	64

Remuneration and Benefits

Nurturing the welfare and well-being 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 for 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 that can be gained from having a diverse set of employees and BOD. The advantages include having 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. The BOD must be effective as a whole in the context of their collective skills and experiences with due regard to the benefits of diversity. Selection of the entire workforce, including the BOD and the 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>

SUSTAINABILITY STATEMENT

cont'd

WORKFORCE DATA

% of Employees by Gender & Age Group Category C3 (a)					
FYE2023	Gender		Age (Years)		
Employee Category	Male	Female	<30	31-50	>51
Senior Management	93%	7%	0%	27%	73%
Management	35%	65%	0%	65%	35%
Executive	39%	61%	32%	48%	19%
Non-Executive	67%	33%	44%	46%	10%
Total	61%	39%	34%	47%	20%

FYE2022					
Senior Management	84%	16%	0%	26%	74%
Management	43%	57%	0%	70%	30%
Executive	39%	61%	41%	44%	15%
Non-Executive	73%	27%	59%	33%	8%
Total	67%	33%	48%	37%	15%

FYE2021					
Senior Management	93%	7%	0%	14%	86%
Management	40%	60%	0%	60%	40%
Executive	39%	61%	9%	65%	26%
Non-Executive	52%	48%	30%	37%	33%
Total	53%	47%	19%	42%	39%

Total Number of Employee Turnover C6 (c)			
	FYE2023	FYE2022	FYE2021
Senior Management	4	1	1
Management	8	3	5
Executive	18	8	6
Non-Executive	126	135	8
TOTAL	156	147	20

Number of Employees by Ethnicity			
	FYE2023	FYE2022	FYE2021
Malay	120	205	59
Chinese	37	43	38
Indian	23	46	8
Other Ethnic Minorities	2	3	2
Non-Malaysian	0	0	0
TOTAL	182	297	107

EMPLOYMENT TYPE: % of Employees C6 (b)			
	FYE2023	FYE2022	FYE2021
Contractual	8%	4%	12%
Permanent	92%	96%	88%
TOTAL	100%	100%	100%

% of Directors by Gender & Age Group C3 (b)			
% of Directors by Gender			
	FYE2023	FYE2022	FYE2021
Male	80%	80%	80%
Female	20%	20%	20%
% of Directors by Age Group			
Age	FYE2023	FYE2022	FYE2021
<30	0%	0%	0%
31-40	0%	0%	0%
41-50	20%	0%	0%
51>	80%	100%	100%

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT

JHB 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 reduce our environmental impacts by prioritising energy conservation and improving our energy efficiency. We will take actions to minimise our emissions and waste and 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 pledge to protect all aspects of the earth's environment: air, soil, water and the atmosphere. In this light, we aim to deliver on this commitment by:

- Establishing an environmental management system.
- Setting targets and conducting periodic reviews.
- Collaborating with our stakeholders.
- Supporting the national agenda.
- Adopting internationally recognised principles.
- Mitigating our adverse environmental impacts.
- Allocating resources and improving our efficiencies.
- Managing and assessing our risks and opportunities

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>

Environmental Management Standards and Compliance

We apply all standards and best practices in our environmental management systems. We have initiated the procedures that will fulfil all the 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 & Sewage 2009

The Department of Environment (“DOE”) noted a minor flaw in our scheduled waste management during their visit to our factory in the year under review. In response, we carried out improvements such as employee training, storage, labelling and declaration of scheduled waste. Additionally, one of our employees successfully passed a course on Certified Environmental Professional in Scheduled Waste Management (“CePSWaM”). During their follow-up inspection, the DOE was completely satisfied with the preventive measures that we have executed. To prevent non-compliance in other areas of our operations, we have reviewed our standard procedures regarding pertinent regulations and standards and have further enhanced our processes.

SUSTAINABILITY STATEMENT

cont'd

Water Management

Sustainable water management refers to the proper utilisation and disposal of wastewater such that the current and future ecological, social and economic needs of society are fulfilled. Consistent with these principles, we have allocated resources to reduce our water withdrawal and manage our effluents. No water is withdrawn from or discharged to any bodies of water, such as rivers, lakes, or ponds. In addition, no water is sourced from the ground or boreholes.

Water Treatment, Reuse and Recycling

Wastewater to be discharged is first treated using a Wastewater Treatment Plant (“WWTP”), an industrial effluent treatment system. Responsible water usage behaviour is inculcated in our employees at all our business divisions. We closely monitor potential leaks and increases in water consumption. Our Hospitality division imposes policies regarding towel placement and laundering service, conducts maintenance for leaks and follows water-conscious pool cleaning schedules.

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.

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. Going forward, we will consider utilising renewable energy.

Waste Management

The production lines of our Healthcare division 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”).

We apply the 3Rs (Reduce, Reuse and Recycle) in all our business activities. Our employees have 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. The general wastes are segregated and sent for recycling.

Resource Management and Biodiversity

JHB 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 products. For instance, our suppliers of industrial products adopt extraction and refining technologies that minimise the use of virgin material in the production process. Our industrial products are made of 85% recycled materials. Compared with primary metal manufacturing, recycling yields 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 further their knowledge about managing materials more efficiently.

We have installed a water recycling system and will consider installing solar panels in the future.

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENTAL PERFORMANCE DATA

GROUP WASTE DATA (MT) C10 (a)							
Period	Total Waste Generated			Recycling			
	Hazardous Waste	General Waste	Total	Recycled/ Diverted from disposal	Non-recycled directed to disposal	Total	% of waste recycled vs. generated:
FY2023	16.36	23.95	40.31	6.37	33.94	40.31	15.80%
FY2022	10.56	0	10.56	0.77	9.79	10.56	7.29%

Period	Group Energy Consumption (GJ) C4 (a)			Water withdrawal (ML) C9 (a)
	Electricity	Fuel	Natural Gas	Municipal Water Consumption
FY2023	6,516	115	28,081	45.34
FY2022	10,073	118	76,442	79.39

CUSTOMER

Our Vision:

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

Consistent with our Mission statement, our customers’ values are important in the creation and implementation of our sustainability initiatives. Our strategic direction is to build long-term relationships with our customers by going beyond just providing good quality but also offering them sustainable products.



State-of-the-art technology for increased sustainability



Sustainably produced High-Quality Gloves for all users



Quality-certified gloves to meet your industry's protection needs



Delivering high-performance nitrile and latex gloves across the globe

Quality Management Systems

We have assigned specialist teams that are tasked to review 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”).



SUSTAINABILITY STATEMENT

cont'd

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 that 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 to the success of our business. We continue to engage in R&D activities to ensure that our internationally certified product offerings stay ahead of the competition.

Customer Relations

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.

DATA Protection and Customer Privacy

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”), which protects the private data of our customers, partners and other stakeholders. As a global supplier, we also follow all other applicable personal data protection laws of the countries where we operate. We ensure that all data are protected and safeguarded from unlawful access by unauthorised parties through legal, administrative, and technical procedures. In the year under review and since our company was established, there has been no incident of privacy or data breach.

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.

HSE in the Supply Chain

All our suppliers and vendors are required to support and participate in our HSE activities. All approved vendors and suppliers must attend 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 the HSE occupational risks that they will encounter in performing their jobs. The Group’s supply chain is vetted against their HSEQ capability to verify their compliance and their documented conformance to our requirements.

SUSTAINABILITY STATEMENT

cont'd

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:

- Practising local sourcing and hiring
- Improving the quality of life
- Engaging with employees and the community
- Conducting due diligence
- Maintaining open dialogue

Human Rights

Our employment and recruitment practices safeguard the human rights of every individual. We follow a Code of Conduct and Ethics 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. In the year under review and since our company was established, there has been no reported incident of human rights violation.

Community Engagements

Educational Opportunities

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 the 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.

Our internship initiative offers eligible students from diverse backgrounds the opportunity to acquire direct practical experience in an actual working environment.



Official Website of

MALAYSIAN RUBBER COUNCIL

2000-01-008657 (511263-K)

SUSTAINABILITY STATEMENT

cont'd

Traditional and Religious Connectivity



Food hamper distribution



Ramadan Breaking fast buffet



Bubur lambuk distribution

Ramadhan meals are opportunities for fellow Muslims in the community to gather and break their fast. In the spirit of Ramadhan, our Hospitality division yearly celebrates the breaking of fast with single mothers and their children at the Group's Orient Star Hotel. This is followed by the gifting of food hampers. Bubur lambuk, a traditional porridge, is also distributed to neighbourhood commuters as a gentle way of breaking fast.

Economic Development

The new factory for the Healthcare division is situated in the rural area. This gives an opportunity for the local people to look for work in their familiar neighbourhood instead of migrating to the city to find a job. All our employees are locally hired, and local sourcing is prioritised whenever possible. In addition, our Hospitality and Healthcare divisions favour the produce and products from the local community.

SUSTAINABILITY STATEMENT

cont'd

BURSA SUSTAINABILITY CONTENT INDEX

NO.	COMMON INDICATORS	Code	SUB- INDICATORS	Page No.
1	Anti-corruption	C1 (a)	% of employees who have received training on anti-corruption by employee category	N/A
		C1 (b)	% of operations assessed for corruption-related risks	N/A
		C1 (c)	Confirmed incidents of corruption and action taken	9
2	Community/Society	C2 (a)	Total amount invested in the community	N/A
		C2 (b)	Total number of beneficiaries	N/A
3	Diversity	C3 (a)	% of employees by gender and age group for each employee category	17
		C3 (b)	% of directors by gender and age group	17
5	Health & Safety	C5 (a)	Number of work-related fatalities	15
		C5 (b)	Lost time incident rate (LTIR)	15
		C5 (c)	Number of employees trained on health and safety standards	15
6	Labour Practices & Standards	C6 (a)	Total hours of training by employee category	15
		C6 (b)	% of employees that are contractors or temporary staff	17
		C6 (c)	Total number of employee turnover by employee category	17
		C6 (d)	Number of substantiated complaints concerning human rights violations	9
7	Supply Chain	C7 (a)	Proportion of spending on local suppliers	13
8	Data Privacy/ Security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	21
4	Energy Management	C4 (a)	Total energy consumption	20
9	Water	C9 (a)	Total volume of water used	20
10	Waste Management	C10 (a)	Total waste generated and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	20
11	Emissions Management	C11 (a)	Scope 1 emissions in tonnes of CO ₂ e	N/A
		C11 (b)	Scope 2 emissions in tonnes of CO ₂ e	N/A
		C11 (c)	Scope 3 emissions in tonnes of CO ₂ e (Business travel and employee commuting)	N/A

PROFILE OF DIRECTORS

TAN SRI DATO' TAN KAY HOCK

*Chairman & Chief Executive
Non-Independent Executive Director*



Age
76



Gender
Male



Nationality
Malaysian

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

Tan Sri Dato' Tan Kay Hock was appointed to the Board on 5 November 1980. He is the Chairman of the Risk Management Committee. 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
77



Gender
Female



Nationality
Permanent Resident (Malaysia)

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

Puan Sri Datin Tan Swee Bee was appointed to the Board on 29 January 1983. She is the Chairperson of Remuneration Committee and a member of 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

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF

Non-Independent Non-Executive Director



Age
82



Gender
Male



Nationality
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 as Independent Non-Executive Director and was re-designated as Non-Independent Non-Executive Director on 1 June 2023. He is a member of the Audit Committee, Remuneration Committee and Nominating Committee. His directorships in other listed issuers and public companies, are as follows:-

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

TAN POH MENG

Independent Non-Executive Director



Age
69



Gender
Male



Nationality
Malaysian

Mr Tan Poh Meng was a senior legal practitioner and had been in legal practice for some 38 years. He obtained his law degree in LL.B.(Hons) from the University of Warwick in the United Kingdom in 1979. He was admitted as a Barrister of Lincoln's Inn, London in 1980 and as an Advocate and Solicitor of the High Court of Malaya in 1981. He began his legal practice with Messrs Skrine & Company and had a short stint as a partner at Messrs Nik Hussain & Partners. He was the principal partner of his own firm for the remainder of his practice as an Advocate & Solicitor.

Mr Tan Poh Meng was appointed to the Board on 16 January 2023. He is the Chairman of Nominating Committee. He is also a member of Audit Committee and Remuneration Committee.

Mr Tan Poh Meng does not hold any directorships in other listed issuers and public companies.

PROFILE OF DIRECTORS

cont'd

MAHATHIR BIN MAHZAN

Independent Non-Executive Director



Age
45



Gender
Male



Nationality
Malaysian

Mr Mahathir Bin Mahzan is a Chartered Accountant and a Fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland), the Malaysian Institute of Accountants (MIA) and also the ASEAN Chartered Professional Accountants (ASEAN CPA).

Mr Mahathir Bin Mahzan graduated with honours from University College London with a Bachelor's Degree in Electronic and Electrical Engineering. He then pursued his Chartered Accountancy training in an accounting firm in Dublin, Ireland. After successful completion of his professional examinations, he qualified as a Chartered Accountant and was admitted as a member of Chartered Accountants Ireland.

Upon his return to Malaysia after spending 15 years in the United Kingdom and Ireland, Mr Mahathir Bin Mahzan worked for BinaFikir, a local strategic advisory firm and subsidiary of Maybank Investment Bank.

Mr Mahathir Bin Mahzan is the Founding and Managing Partner of Mahzan Sulaiman PLT.

Mr Mahathir Bin Mahzan was appointed to the Board on 16 January 2023. He is the Chairman of the Audit Committee and a member of the Nominating Committee. His directorships in other listed issuers and public companies are as follows:-

Listed issuers : 1. OCK Group Berhad
2. Censof Holdings Berhad
3. Crest Builder Holdings Berhad

Public Companies : -

ADDITIONAL INFORMATION:-

- 1) With the exception of Puan Sri Datin Tan Swee Bee, who is the spouse of Tan Sri Dato' Tan Kay Hock, all directors of the Company do not have any family relationship with any other 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
47



Gender
Male



Nationality
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
52



Gender
Male



Nationality
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 22 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
51



Gender
Male



Nationality
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 responsibility of overseeing the strategic planning and management of the ceramic tiles manufacturing operations of Prestige Assets 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 26 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
51



Gender
Male



Nationality
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 on 1 August 2022. He is a STPM holder and has over 30 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-23 RM'000	31-Jul-22 RM'000	31-Jul-21 RM'000 Restated	31-Jan-20 RM'000	31-Jan-19 RM'000
Income Statement					
Revenue from continuing operations	21,042	22,036	49,112	14,559	105,880
(Loss)/Profit Before Tax from continuing operations	(61,370)	(16,910)	(38,480)	13,070	(104,667)
Income Tax (Expense)/Credit from continuing operations	55	(33)	(684)	(5,537)	5,400
(Loss)/Profit for the year from continuing operations	(61,315)	(16,943)	(39,164)	7,533	(99,267)
Profit/(Loss) for the year from discontinued operations	-	-	200,220	(24,834)	(3,470)
(Loss)/Profit for the year/period	(61,315)	(16,943)	161,056	(17,301)	(102,737)
Statements of Financial Position					
Total non-current assets	203,797	230,631	163,719	204,239	322,201
Total current assets	80,218	108,397	139,250	768,312	644,297
Shareholders' fund	182,213	223,609	234,540	59,860	78,469
Non-controlling Interest	24,450	27,452	6,184	4,219	2,507
Shareholders' Equity	206,663	251,061	240,724	64,079	80,976
Total non-current liabilities	27,968	29,625	28,834	331,620	334,300
Total current liabilities	49,384	58,342	33,411	576,852	551,222
Share Information					
Per Ordinary Share					
(Loss)/Profit, basic (sen)	(3.32)	(0.97)	22.89	(3.05)	(16.33)
Net assets (sen)	17.69	21.49	20.61	10.29	13.00
Share price as at 31 July / 31 January (RM)	0.055	0.065	0.11	0.07	0.09
Financial Ratios					
Return on equity (%)	(33.65)	(7.58)	68.67	28.90	(127.45)
Net Debt-Equity ratio (Note 1)	N/A	0.05:1	N/A	0.93:1	0.91:1

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Johan Holdings Berhad (“the Company”) is committed to ensuring high standards of corporate governance throughout the Company and its subsidiaries (“the Group”) and endeavours to ensure consistency of policies and procedures across the Group, regardless of geographical region 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 2023 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 2023. 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 five (5) practices, i.e. Practices 1.3, 1.4, 5.2, 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*

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

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

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

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

The Board has appointed Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as Senior 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 2023, the number of Board Meetings held and the attendance of each Director are listed as follows:

Directors	No. of Meetings Attended/Held*	Percentage of Attendance (%)
Tan Sri Dato' Tan Kay Hock	7/7	100
Puan Sri Datin Tan Swee Bee	7/7	100
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	7/7	100
Tan Poh Meng (appointed on 16 January 2023)	3/3	100
Mahathir Bin Mahzan (appointed on 16 January 2023)	3/3	100
Tan Sri Dato' Seri Dr. Ting Chew Peh (retired on 11 January 2023)	3/3	100
Ooi Teng Chew (retired on 11 January 2023)	3/3	100

* Number of meetings held during the period the respective Directors held office in the Board.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. Board Responsibilities *cont'd*

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.

Sustainability Policy

The Company had adopted a Sustainability Policy, demonstrating 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
Non-Independent Non-Executive Director
- (iv) Tan Poh Meng
Independent Non-Executive Director
- (v) Mahathir Bin Mahzan
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 25 to 27 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. The re-elections of the retiring Directors are subject to shareholders' approval at each Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

Tenure of Independent 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.

The Listing Requirements was amended to limit the tenure of an Independent Director to a cumulative period of not more than twelve (12) years from the date of the Director's first appointment as an Independent Director in the Company or its related companies, which took effect from 1 June 2023. Dato' Ahmad Khairumzammil Bin Mohd Yusoff, who was appointed as Independent Non-Executive Director of the Company on 4 July 2005, has served as an Independent Director of the Company for more than twelve (12) years. At the Board of Directors' Meeting held on 19 May 2023, the Board had resolved to re-designate him as a Non-Independent Non-Executive Director with effect from 1 June 2023.

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 Director's nomination and appointment process are based on the criteria as set out in the Directors' Fit and Proper Policy. In addition, it is also 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 who 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. Whereas, about 7% 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 7 to 24 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

Nominating Committee

Currently, the Nominating Committee comprises the following members:-

- (i) Tan Poh Meng - Chairman
Independent Non-Executive Director
- (ii) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Non-Independent Non-Executive Director
- (iii) Mahathir Bin Mahzan
Independent Non-Executive Director

Mr Tan Poh Meng and Mr Mahathir Bin Mahzan were appointed as members of the Nominating Committee on 16 January 2023 in place of Tan Sri Dato' Seri Dr. Ting Chew Peh and Mr Ooi Teng Chew who were retired at the Annual General Meeting held on 11 January 2023. Dato' Ahmad Khairummuzammil Bin Mohd Yusoff was re-designated as member of the Nominating Committee on 1 June 2023 following his re-designation as a Non-Independent Non-Executive Director. Mr Tan Poh Meng was re-designated as Chairman of the Nominating Committee on the same day.

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.

Directors' Fit and Proper Policy

On 20 June 2022, the Board has adopted a Fit and Proper Policy to serve as a guide to the Nominating Committee and the Board in their review and assessment of persons that are to be appointed onto the board as well as Directors who are seeking for re-election to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his role as a director of the Company and its subsidiaries. The Directors' Fit and Proper Policy is available on the Company's website at www.johanholdings.com. The Nominating Committee and the Board also take into consideration diversity in skills, experience, gender, age, ethnicity and race in the Director's nomination and appointment process, pursuant to the Diversity and Inclusion Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. Board Composition *cont'd*

Directors' Fit and Proper Policy *cont'd*

On 10 January 2023, the Nominating Committee had assessed and determined the suitability of Mr Tan Poh Meng and Mr Mahathir Bin Mahzan, the proposed candidates to be appointed to the Board based on various criteria and considerations, amongst others, the criteria as set out in the Directors' Fit and Proper Policy. Mr Tan Poh Meng and Mr Mahathir Bin Mahzan had also completed the Directors' Fit and Proper Declaration Form pursuant to the aforementioned Policy. Based on the Nominating Committee's review and assessment, the Nominating Committee had recommended to the Board for the proposed appointment of Mr Tan Poh Meng and Mr Mahathir Bin Mahzan as Directors of the Company. The Board had also approved the recommendation made by the Nominating Committee on the proposed appointments. The summary of the nomination and appointment process is set out in the Corporate Governance Report.

During the financial year ended 31 July 2023, all the existing Directors, including the Directors who were due for retirement, had also undertaken the yearly self-evaluation assessment to assess their fit and properness, personality, performance and contribution. The recommendations by the Nominating Committee and the Board on re-election of the retiring Directors were based on the satisfactory results of the assessment. The details on the yearly self-evaluation assessment is set out in the following section and also in the Corporate Governance Report.

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 annual assessment includes the Directors' self-evaluation to assess their fit and properness, calibre and personality.

The Nominating Committee had carried out the annual assessment and evaluation for the financial year ended 31 July 2023 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 Committee. 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. The Nominating Committee had recommended to the Board for the re-election of Directors, who were due for retirement, subject to the shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. Board Composition cont'd

Directors' Training

The Board members attended various talks, seminars, workshops, briefings and in-house conferences to update and enhance their skills and knowledge, and to keep themselves abreast of regulatory and corporate governance updates in law, Listing Requirements, accounting standards and best practices.

The list of training programmes attended by the Directors during the year is as follows:

	Name of Director	Programme
1.	Tan Sri Dato' Tan Kay Hock	(i) ESG Essentials & Sustainability Governance
2.	Puan Sri Datin Tan Swee Bee	(i) ESG Essentials & Sustainability Governance
3.	Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	(i) Webinar "AOB Conversation with Audit Committees"
4.	Tan Poh Meng	(i) Bursa Malaysia Mandatory Accreditation Programme
5.	Mahathir Bin Mahzan	(i) Update on Transfer Pricing Documentation Requirements (ii) Company Secretaries Training Programme Essential 1.0 (Part B and Part C) (iii) Tax Incentives for Businesses (iv) SSM National Conference 2023

III. Remuneration

Directors' Remuneration

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

- (i) Puan Sri Datin Tan Swee Bee - Chairperson
Group Managing Director
- (ii) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff
Non-Independent Non-Executive Director
- (iii) Tan Poh Meng
Independent Non-Executive Director

Following the retirement of Tan Sri Dato' Seri Dr. Ting Chew Peh on 11 January 2023, Mr Tan Poh Meng was appointed as a member of the Remuneration Committee on 16 January 2023. Puan Sri Datin Tan Swee Bee was re-designated as Chairperson of the Remuneration Committee on the same day.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

III. Remuneration *cont'd*

Directors' Remuneration *cont'd*

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 shareholders' approval 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 2023 is as follows:-

	Remuneration received from the Company				Remuneration received from Subsidiaries			Group Total (RM'000)
	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Benefits- In-Kind (RM'000)	Company Total (RM'000)	Fees (RM'000)	Salaries & Other Emoluments (RM'000)	Subsidiaries Total (RM'000)	
<u>Executive Directors</u>								
Tan Sri Dato' Tan Kay Hock	-	990	107	1,097	-	330	330	1,427
Puan Sri Datin Tan Swee Bee	-	630	-	630	-	210	210	840
<u>Non-Executive Directors</u>								
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	50	10	-	60	-	-	-	60
Tan Poh Meng (appointed on 16 January 2023)	27	2	-	29	-	-	-	29
Mahathir Bin Mahzan (appointed on 16 January 2023)	27	3	-	30	-	-	-	30
Tan Sri Dato' Seri Dr Ting Chew Peh (retied on 11 January 2023)	22	2	-	24	-	-	-	24
Ooi Teng Chew (retied on 11 January 2023)	22	2	-	24	-	-	-	24
	148	1,639	107	1,894	-	540	540	2,434

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 of three (3) members, all of whom are Non-Executive Directors, with the majority being Independent Directors. The Audit Committee is chaired by Mr Mahathir Bin Mahzan, an Independent Non-Executive Director who is not the Chairman of the Board. Annually, the Board via the Nominating Committee review 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 2023, 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 2023, 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. The audit partner responsible for the external audit of the Group is subject to rotation at least every seven (7) financial years.

For details on the Audit Committee's composition, attendance record and summary of activities, please refer to the Audit Committee Report on pages 44 to 46 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.

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 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

The Risk Management Committee is responsible for overseeing 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 47 to 50 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

cont'd

I. Communication with Stakeholders *cont'd*

The Board is also fully guided by the Corporate Disclosure Guide issued by Bursa Malaysia Berhad. 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.

The Group's corporate information is also available on 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. Every member present in person, by proxy, by attorney or authorised representative shall have one vote for each share he holds. 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.

The Company had conducted its Ninety-Seventh Annual General Meeting on 11 January 2023 virtually, 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 Annual General Meeting during the Question-and-Answer session. Shareholders also submitted questions in typed texts through the online meeting platform during the Annual General Meeting and all the questions were properly addressed to. Shareholders casted their votes through the online meeting platform using the remote participation and voting facilities during the Annual General Meeting. 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 8 November 2023.

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) Mahathir Bin Mahzan – Chairman
Independent Non-Executive Director
- (ii) Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff
Non-Independent Non-Executive Director
- (iii) Tan Poh Meng
Independent Non Executive Director

Mr Tan Poh Meng and Mr Mahathir Bin Mahzan were appointed as members of the AC on 16 January 2023 in place of Tan Sri Dato’ Seri Dr. Ting Chew Peh and Mr Ooi Teng Chew who were retired at the Annual General Meeting held on 11 January 2023. Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff was re-designated as member of the AC on 1 June 2023 following his re-designation as a Non-Independent Non-Executive Director. Mr Mahathir Bin Mahzan was re-designated as Chairman of the AC on the same day.

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 2023, four (4) AC Meetings were held and the attendance of each AC member were as follows:-

	No. of Meetings Attended/Held*	Percentage of Attendance (%)
Mahathir Bin Mahzan (<i>appointed on 16 January 2023</i>)	2/2	100
Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff	4/4	100
Tan Poh Meng (<i>appointed on 16 January 2023</i>)	2/2	100
Tan Sri Dato’ Seri Dr Ting Chew Peh (<i>retired on 11 January 2023</i>)	2/2	100
Ooi Teng Chew (<i>retired on 11 January 2023</i>)	2/2	100

* Number of meetings held during the period the respective members held office in the AC.

At these AC Meetings, the General Manager – Operations, the Senior Manager - Finance, Senior Manager - Group Accountant and Treasurer, the 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 2023 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;
- 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 Manager - Internal Audit, is responsible for providing independent audit and value-added assurance and advices to the Group. She has more than 19 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, giving internal audit personnel 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 2023 was RM161,433 (financial year ended 31 July 2022 : RM162,497).

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 2023 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 2023.

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 2023, 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 2023 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 2023 and in accordance with a resolution of the Board of Directors' dated 8 November 2023.

ADDITIONAL INFORMATION

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

(i) Disposal of Land by Prestige Assets Sdn Bhd

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2023 (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	-
General working capital	42,428	3,333	39,095
Total	105,428	66,333	39,095

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

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2023 (RM'000)	Balance Unutilised (RM'000)
Funding for Gloves Business	37,434	37,434	-
Estimate expenses of the Corporate Exercises	1,500	1,500	-
Total	38,934	38,934	-

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 2023 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	373	90
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5	5

MATERIAL CONTRACTS

Saved 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 2023 or entered into since the end of previous financial year:

- At the Extraordinary General Meeting of Johan Holdings Berhad ("JHB") held on 31 May 2021, shareholders' approval was obtained for Dynacare Sdn Bhd ("Dynacare"), 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 RM686.5 million (excluding Sales & Service Tax). The Contract was on 31 March 2023 revised to limit the scope of works for design, construct, complete, test, commissioning for up to six (6) double formers Lines for a total sum of RM187.3 million in accordance with Dynacare's decision to have six (6) Lines under Phase 1.

JHB and GKM respectively holds 60% and 40% equity interest in Dynacare. 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 2023.

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 the subsidiaries include manufacturing and dealing of rubber gloves and medical personal protection equipment, provision of secretarial and management services, insurance agent, ticketing and tour management solution, and operation of hotel and resort related business.

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, net of tax	(61,315)	(28,086)
Attributable to:		
Owners of the Company	(38,890)	(28,086)
Non-controlling interests	(22,425)	-
	(61,315)	(28,086)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 July 2023.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT

cont'd

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial 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.

DIRECTORS' REPORT

cont'd

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM373,000 and RM90,000 respectively.

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 15(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*

Puan Sri Datin Tan Swee Bee*

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Tan Poh Meng

Mahathir Bin Mahzan

Tan Sri Dato' Seri Dr Ting Chew Peh

Ooi Teng Chew

(Appointed on 16 January 2023)

(Appointed on 16 January 2023)

(Retired on 11 January 2023)

(Retired on 11 January 2023)

* *Directors of the Company and certain subsidiaries*

DIRECTORS' REPORT

cont'd

DIRECTORS *cont'd*

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
 Choo Chin Yoon
 Ooi Chin Khoon
 Lee Teck Siong
 Tan Seng Kee
 Tio Yit Ching
 Lau Chong Beng
 Sia Chin Yap
 Phoon Hee Yau (Resigned on 31 May 2023)

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 2023
	At 1 August 2022	Bought	Sold	
Interests in the Company				
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

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS cont'd

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: cont'd

	Number of warrants 2021/2024 ("Warrant B")			At 31 July 2023
	At 1 August 2022	Bought	Sold	
Interests in the Company				
Indirect interests:				
Tan Sri Dato' Tan Kay Hock **	236,225,527	-	-	236,225,527
Puan Sri Datin Tan 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

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

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

	2023	
	Group RM'000	Company RM'000
Directors of the Company		
- Salaries and other related costs	2,327	1,787
- Estimated money value of benefits-in-kind	107	107
	2,434	1,894
Directors of the Subsidiaries		
- Salaries and other related costs	597	-
- Estimated money value of benefits-in-kind	9	-
	606	-

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS *cont'd*

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.

SUBSIDIARIES

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

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023	2022	
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.	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
Nature's Farm (Health Foods) Sdn. Bhd.	Malaysia	100%	100%	Trading in health foods and supplements

DIRECTORS' REPORT

cont'd

SUBSIDIARIES *cont'd*

The details of the Company's subsidiary are as follows: *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023	2022	
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

DIRECTORS' REPORT

cont'd

SUBSIDIARIES *cont'd*

The details of the Company's subsidiary are as follows: *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023	2022	
Subsidiary of Strategic Usage Sdn. Bhd.				
Diners Club (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ceased its card activities as processor for Diners Club issued by overseas franchisees and currently, it continues to collect outstanding principal and earns interest income from outstanding cardholders
Subsidiaries of Diners Club (Malaysia) Sdn. Bhd.				
Diners World Travel (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ticketing and tour management solution provider
Lumut Park Resort Sdn. Bhd.	Malaysia	80%	80%	Property development and operation of hotel and resort related business
Subsidiary of 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%	100%	Inactive

DIRECTORS' REPORT

cont'd

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.

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: 8 November 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2023

	Note	Group			Company	
		2023 RM'000	2022 RM'000	2021 RM'000 (Restated)	2023 RM'000	2022 RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	5	163,306	162,822	83,410	1,568	2,088
Investment properties	6	40,400	40,570	40,450	-	-
Inventories	7	30	30	30	-	-
Intangible assets	8	61	-	72	-	-
Investment in subsidiaries	9	-	-	-	111,037	183,854
Other receivable	10	-	27,209	39,757	-	-
Total non-current assets		203,797	230,631	163,719	112,605	185,942
Current assets						
Inventories	7	4,841	12,283	32	-	-
Other investments	11	11,205	12,620	16,512	-	-
Trade and other receivables	10	6,439	33,883	4,930	21,805	19,677
Tax assets	12	357	388	280	-	-
Deposits, cash and bank balances	13	57,376	49,223	117,496	43,981	35,025
Total current assets		80,218	108,397	139,250	65,786	54,702
TOTAL ASSETS		284,015	339,028	302,969	178,391	240,644

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2023

cont'd

		Group			Company	
	Note	2023 RM'000	2022 RM'000	2021 RM'000 (Restated)	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	14	413,672	413,672	413,672	413,672	413,672
Other reserves	15	26,052	28,558	28,105	15,963	15,963
Accumulated losses		(257,511)	(218,621)	(207,237)	(321,671)	(293,585)
		182,213	223,609	234,540	107,964	136,050
Non-controlling interests		24,450	27,452	6,184	-	-
TOTAL EQUITY		206,663	251,061	240,724	107,964	136,050
Non-current liabilities						
Loan and borrowings	16	1,596	2,178	2,272	1,253	1,761
Deferred tax liabilities	17	26,372	27,447	26,562	-	-
Total non-current liabilities		27,968	29,625	28,834	1,253	1,761
Current liabilities						
Loan and borrowings	16	582	521	598	508	422
Trade and other payables	18	48,048	57,620	32,763	68,666	102,411
Contract liabilities	19	754	201	49	-	-
Tax liabilities		-	-	1	-	-
Total current liabilities		49,384	58,342	33,411	69,174	102,833
TOTAL LIABILITIES		77,352	87,967	62,245	70,427	104,594
TOTAL EQUITY AND LIABILITIES		284,015	339,028	302,969	178,391	240,644

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	20	21,042	22,036	15,020	60
Cost of sales	21	(30,473)	(25,051)	-	-
Gross (loss)/profit		(9,431)	(3,015)	15,020	60
Other income		718	4,500	107	96
Net reversal of impairment losses/(impairment losses) on trade and other receivables		3,197	2,998	1,705	(899)
Net impairment losses on property, plant and equipment		(35,594)	(477)	-	-
Administrative expenses		(19,233)	(18,175)	(5,250)	(6,037)
Other expenses		(1,721)	(5,520)	(40,519)	(6,612)
		(53,351)	(21,174)	(44,064)	(13,548)
Loss from operations		(62,064)	(19,689)	(28,937)	(13,392)
Finance income		1,591	3,266	921	818
Finance costs	22	(897)	(487)	(70)	(96)
Loss before tax	23	(61,370)	(16,910)	(28,086)	(12,670)
Tax credit/(expense)	25	55	(33)	-	-
Loss for the financial year		(61,315)	(16,943)	(28,086)	(12,670)

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2023

cont'd

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive (loss)/income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation (loss)/gain on property, plant and equipment, net of deferred tax liabilities		(2,740)	3,070	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		57	(1,790)	-	-
Other comprehensive (loss)/income for the financial year		(2,683)	1,280	-	-
Total comprehensive loss for the financial year		(63,998)	(15,663)	(28,086)	(12,670)
Loss attributable to:					
Owners of the Company		(38,890)	(11,384)	(28,086)	(12,670)
Non-controlling interests		(22,425)	(5,559)	-	-
		(61,315)	(16,943)	(28,086)	(12,670)
Total comprehensive loss attributable to:					
Owners of the Company		(41,396)	(10,931)	(28,086)	(12,670)
Non-controlling interests		(22,602)	(4,732)	-	-
		(63,998)	(15,663)	(28,086)	(12,670)
Basic and diluted loss per share (sen)	26	(3.32)	(0.97)		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2023

Group	Attributable to owners of the Company							Non-controlling interests	Total equity
	Note	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	RM'000
At 1 August 2022		413,672	(2,786)	15,381	15,963	(218,621)	223,609	27,452	251,061
Total comprehensive loss for the financial year									
Loss for the financial year	-	-	-	-	-	(38,890)	(38,890)	(22,425)	(61,315)
Other comprehensive loss for the financial year	-	57	(2,563)	-	-	-	(2,506)	(177)	(2,683)
Total comprehensive loss	-	57	(2,563)	-	-	(38,890)	(41,396)	(22,602)	(63,998)
Transaction with owners									
Non-controlling interests arising from investment in a subsidiary, representing total transaction with owners	-	-	-	-	-	-	-	19,600	19,600
At 31 July 2023		413,672	(2,729)	12,818	15,963	(257,511)	182,213	24,450	206,663

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2023

cont'd

Group	Attributable to owners of the Company										Total equity RM'000
	Note	Share capital RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non-controlling interests RM'000	RM'000	RM'000	
At 1 August 2021		413,672	(996)	18,437	15,963	(207,237)	239,839	6,184		246,023	
Effect of restatement (Note 32)		-	-	(5,299)	-	-	(5,299)	-		(5,299)	
Restated balance as at 1 August 2021		413,672	(996)	13,138	15,963	(207,237)	234,540	6,184		240,724	
Total comprehensive loss for the financial year		-	-	-	-	(11,384)	(11,384)	(5,559)		(16,943)	
Loss for the financial year		-	-	-	-	-	-	-		-	
Other comprehensive loss 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)	15,381	15,963	(218,621)	223,609	27,452		251,061	

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2023
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 August 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
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(28,086)	(28,086)
At 31 July 2023		413,672	15,963	(321,671)	107,964

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating					
Loss before tax		(61,370)	(16,910)	(28,086)	(12,670)
Adjustments for:					
Amortisation of intangible assets		7	72	-	-
Bad debts written off		12	31	-	-
COVID-19 related rent concessions income		-	(72)	-	-
Depreciation of property, plant and equipment		5,111	3,784	528	591
Fair value loss/(gain) on investment properties		170	(120)	-	-
Fair value loss on other investment		1,415	3,892	-	-
Gain on early settlement		(480)	-	-	-
Loss on disposal of property, plant and equipment		-	230	-	-
Impairment of goodwill		-	64	-	-
Impairment loss on property, plant and equipment		36,071	477	-	-
Impairment loss on trade and other receivables		2	51	98	959
Impairment loss on investment in subsidiaries		-	-	40,617	7,571
Interest expense		897	487	70	96
Interest income		(1,591)	(3,266)	(921)	(818)
Loss on lease modification		7	-	-	-
Property, plant and equipment written off		1	38	-	-
Reversal of impairment loss on property, plant and equipment		(477)	-	-	-
Reversal of impairment loss on trade and other receivables		(3,199)	(3,049)	(1,803)	(60)
Unrealised gain on foreign exchange		(118)	(3,499)	(1)	(2)
		37,828	(880)	38,588	8,337
Operating (loss)/gain before changes in working capital, carried forward		(23,542)	(17,790)	10,502	(4,333)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2023

cont'd

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating <i>cont'd</i>					
Operating (loss)/gain before changes in working capital, brought forward		(23,542)	(17,790)	10,502	(4,333)
Changes in working capital:					
Inventories		7,442	(12,251)	-	-
Trade and other receivables		58,318	(9,651)	(25)	(36)
Trade and other payables		(9,533)	24,585	(2)	(26,837)
Contract liabilities		553	152	-	-
		56,780	2,835	(27)	(26,873)
Net cash from/(used in) operations		33,238	(14,955)	10,475	(31,206)
Tax paid		(103)	(151)	-	-
Net cash from/(used in) operating activities		33,135	(15,106)	10,475	(31,206)
Cash flows from investing activities					
Additional investment in a subsidiary	9(b)	-	-	(29,400)	(39,000)
Advances to subsidiaries		-	-	(397)	(857)
Interest received		1,591	1,075	921	818
Purchase of property, plant and equipment	5(a)	(47,878)	(79,427)	(8)	(2)
Purchase of other intangible assets	8	(68)	-	-	-
Proceeds from capital reduction in subsidiary		-	-	27,408	-
Proceeds from disposal of property, plant and equipment		7	-	-	-
Refund received		3,068	-	-	-
Change in pledged deposits		(3)	(3)	-	-
Net cash used in investing activities		(43,283)	(78,355)	(1,476)	(39,041)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2023

cont'd

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities	(a)				
(Repayments to)/Advances from subsidiaries		-	-	449	20,353
Interest paid		(897)	(487)	(70)	(96)
Repayment of hire purchase payable		(23)	(18)	-	-
Payments of lease liabilities		(498)	(552)	(422)	(408)
Subscription of shares by non-controlling interests in a subsidiary		19,600	26,000	-	-
Net cash from/(used in) financing activities		18,182	24,943	(43)	19,849
Net increase/(decrease) in cash and cash equivalents		8,034	(68,518)	8,956	(50,398)
Cash and cash equivalents at the beginning of the financial year		49,070	117,346	35,025	85,423
Effects of exchange rate changes on cash and cash equivalents		116	242	-	-
Cash and cash equivalents at the end of the financial year	13	57,220	49,070	43,981	35,025

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2023

cont'd

(a) Reconciliation of liabilities arising from financing activities:

	Note	1.8.2022 RM'000	Cash flows RM'000	Non-cash Others RM'000	31.7.2023 RM'000	
Group						
Hire purchase payable	16	148	(23)	-	125	
Lease liabilities	16	2,551	(498)	-	2,053	
		2,699	(521)	-	2,178	
Company						
Lease liabilities	16	2,183	(422)	-	1,761	
Amounts owing to subsidiaries	18	102,110	449	(34,192)	68,367	
		104,293	27	(34,192)	70,128	
				← Non-cash →		
	Note	1.8.2021 RM'000	Cash flows RM'000	Acquisition RM'000	Others RM'000	31.7.2022 RM'000
Group						
Hire purchase payable	16	-	(18)	166	-	148
Lease liabilities	16	2,870	(552)	410	(177)	2,551
		2,870	(570)	576	(177)	2,699
Company						
Lease liabilities	16	2,591	(408)	-	-	2,183
Amounts owing to subsidiaries	18	81,757	20,353	-	-	102,110
		84,348	19,945	-	-	104,293

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2023

cont'd

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

	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash from/(used in)					
operating activities:					
Interest paid in relation to lease liabilities	22	79	96	67	82
Payments relating to short-term leases and low-value assets	23	174	143	41	44
Included in net cash from/(used in)					
financing activities:					
Payments of lease liabilities		498	552	422	408
Total cash outflows for leases		751	791	530	534

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 the subsidiaries include manufacturing and dealing of rubber gloves and medical personal protection equipment, provision of secretarial and management services, insurance agent, ticketing and tour management solution, and operation of hotel and resort related business. 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 8 November 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), 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/Improvement to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standard
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION cont'd

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

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

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

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION *cont'd*

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

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. 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 3.11(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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.4 Financial instruments *cont'd*

(a) Subsequent measurement *cont'd*

(i) Financial assets *cont'd*

Debt instruments

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

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(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 3.11(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 3.17.

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 16.

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 the Group and the Company expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(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.

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(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 3.11(b).

(c) Trademark

Intangible asset that is acquired by the Company, which has finite useful lives, is 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 3.11(b).

(d) Amortisation

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

	Method	Useful lives (years)
Computer software	Straight-line	7
Trademark	Straight-line	10

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.9 Inventories *cont'd*

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 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.

3.11 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.11 Impairment of assets *cont'd*

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

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*

3.11 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 and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For 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*

3.11 Impairment of assets *cont'd*

(b) Impairment of non-financial assets

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.

3.12 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.

3.13 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.

3.14 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.

3.15 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*

3.15 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.

3.16 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*

3.16 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.

(h) Management fees and services

Management fees and services are recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.17 Borrowing costs *cont'd*

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

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

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

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

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

3.18 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.18 Income tax *cont'd*

(b) Deferred tax *cont'd*

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

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

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

Where investment properties are carried at fair value in accordance with the accounting policy as disclosed in Note 3.7, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.19 Earnings per share

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

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

3.20 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.

3.21 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

3.22 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

(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
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation							
At 1 August 2022	14,291	13,120	1,073	34,595	15,635	98,998	177,712
Additions	-	501	-	-	46,860	517	47,878
Adjustment on revaluation	716	-	-	-	-	(5,285)	(4,569)
Adjustment	-	-	-	-	(3,068)	-	(3,068)
Derecognition*	-	-	-	-	-	(52)	(52)
Disposals	-	-	-	-	-	(7)	(7)
Reclassification	13,432	-	-	35,298	(48,730)	-	-
Written off	-	(1)	-	-	-	-	(1)
At 31 July 2023	28,439	13,620	1,073	69,893	10,697	94,171	217,893
Accumulated depreciation and impairment loss							
At 1 August 2022	691	12,006	846	524	-	823	14,890
Depreciation charge for the financial year (Note 23)''	354	256	82	1,714	-	2,705	5,111
Derecognition*	-	-	-	-	-	(45)	(45)
Adjustment on revaluation	(396)	-	-	-	-	(567)	(963)
Impairment loss	-	17	3	32,260	3,791	-	36,071
Reclassification	30	-	-	(30)	-	-	-
Reversal of impairment loss	(477)	-	-	-	-	-	(477)
At 31 July 2023	202	12,279	931	34,468	3,791	2,916	54,587
Carrying amount							
At cost	-	1,341	142	35,425	6,906	1,848	45,662
At valuation	28,237	-	-	-	-	89,407	117,644
At 31 July 2023	28,237	1,341	142	35,425	6,906	91,255	163,306

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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	189	34,595	15,571	14,701	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	1,073	34,595	15,635	98,998	177,712
Accumulated depreciation and impairment loss							
At 1 August 2021	-	13,165	743	-	-	763	14,671
Depreciation charge for the financial year (Note 23)	214	241	103	524	-	2,702	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	846	524	-	823	14,890
Carrying amount							
At cost	-	1,114	227	34,071	15,635	2,395	53,442
At valuation	13,600	-	-	-	-	95,780	109,380
At 31 July 2022	13,600	1,114	227	34,071	15,635	98,175	162,822

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 August 2021	2,261	740	2,808	5,809
Additions	2	-	-	2
At 31 July 2022	2,263	740	2,808	5,811
Additions	8	-	-	8
At 31 July 2023	2,271	740	2,808	5,819
Accumulated depreciation				
At 1 August 2021	2,221	599	312	3,132
Depreciation charge for the financial year (Note 23)	41	82	468	591
At 31 July 2022	2,262	681	780	3,723
Depreciation charge for the financial year (Note 23)	2	58	468	528
At 31 July 2023	2,264	739	1,248	4,251
Carrying amount				
At 31 July 2022	1	59	2,028	2,088
At 31 July 2023	7	1	1,560	1,568

* *Derecognition of the right-of-use assets during the financial year ended 31 July 2023 and 31 July 2022 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 RM47,878,000 (2022: RM80,003,000) and RM8,000 (2022: RM2,000) respectively which are satisfied by the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash payments	47,878	79,427	8	2
Financed by way of lease agreement	-	576	-	-
	47,878	80,003	8	2

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:

	Long-term leasehold land RM'000	Long-term leasehold land and buildings RM'000	Long-term leasehold hotel properties RM'000	Buildings RM'000	Hostels RM'000	Total RM'000
Group						
Carrying amount	← At valuation →			← At cost →		
At 1 August 2021	31,925	11,305	36,290	2,722	-	82,242
Additions	14,291	-	-	-	410	14,701
Adjustment on revaluation	1,381	151	2,507	-	-	4,039
Depreciation	(567)	(196)	(1,307)	(588)	(44)	(2,702)
Derecognition*	-	-	-	(105)	-	(105)
At 31 July 2022	47,030	11,260	37,490	2,029	366	98,175
Additions	-	-	517	-	-	517
Adjustment on revaluation	(4,718)	-	-	-	-	(4,718)
Depreciation	(629)	(162)	(1,374)	(461)	(79)	(2,705)
Derecognition*	-	-	-	(7)	-	(7)
Disposal	-	(7)	-	-	-	(7)
At 31 July 2023	41,683	11,091	36,633	1,561	287	91,255

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
Company	
Carrying amount	
At 1 August 2021	2,496
Depreciation	(468)
At 31 July 2022	2,028
Depreciation	(468)
At 31 July 2023	1,560

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 20 years to 70 years.

The Group and the Company also leases buildings and hostels with lease terms of 6 years (2022: 6 years) and 2 years (2022: 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
2023	
Buildings	28,237
Long-term leasehold land	41,683
Long-term leasehold land and buildings	11,091
Long-term leasehold hotel properties	36,633
	117,644
2022	
Buildings	13,600
Long-term leasehold land	47,030
Long-term leasehold land and buildings	11,260
Long-term leasehold hotel properties	37,490
	109,380

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
Buildings	Sales comparison approach	Replacement cost of the buildings and other improvements	The higher the price per square feet, the higher the 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 RM36,071,000 (2022: 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	
	2023	2022
	RM'000	RM'000
Buildings	27,128	14,077
Long-term leasehold land	30,174	30,572
Long-term leasehold land and buildings	1,654	1,699
Long-term leasehold hotel properties	8,945	10,165
	67,901	56,513

6. INVESTMENT PROPERTIES

	Group	
	2023	2022
	RM'000	RM'000
At fair value:		
At beginning of the financial year	40,570	40,450
Net (loss)/gain arising from fair value adjustment	(170)	120
At end of the financial year	40,400	40,570

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

	Group	
	2023	2022
	RM'000	RM'000
Rental income	142	304
Direct operating expenses:		
- income generating investment properties	63	96
- non-income generating investment properties	139	206

NOTES TO THE FINANCIAL STATEMENTS

cont'd

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
2023	
Freehold land and buildings	13,380
Leasehold land and buildings	27,020
	40,400
2022	
Freehold land and buildings	13,550
Leasehold land and buildings	27,020
	40,570

There are no Level 1 investment properties or transfers between Level 1 and Level 2 during the financial year ended 31 July 2023 and 31 July 2022.

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. INVESTMENT PROPERTIES *cont'd*

(b) Fair value information *cont'd*

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.

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	
	2023	2022
	RM'000	RM'000
Non-current:		
Property held for development		
- Leasehold land	15	15
- Development costs	15	15
	30	30
Current:		
Raw materials	337	361
Work-in-progress	4,252	11,879
Finished goods	252	43
	4,841	12,283
	4,871	12,313

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM22,882,000 (2022: RM8,356,000).

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS

	Group			Total RM'000
	Goodwill RM'000	Computer software RM'000	Trademark RM'000	
Cost				
At 1 August 2021	-	1,280	-	1,280
Additions	64	-	-	64
At 31 July 2022	64	1,280	-	1,344
Additions	-	-	68	68
At 31 July 2023	64	1,280	68	1,412
Accumulated amortisation				
At 1 August 2021	-	1,208	-	1,208
Amortisation charge for the financial year (Note 23)	-	72	-	72
Impairment loss	64	-	-	64
At 31 July 2022	64	1,280	-	1,344
Amortisation charge for the financial year (Note 23)	-	-	7	7
At 31 July 2023	64	1,280	7	1,351
Carrying amount				
At 31 July 2022	-	-	-	-
At 31 July 2023	-	-	61	61

Impairment of goodwill

In the previous financial year, the management reviewed the business performance based on the type of products and services of the strategic business units which represented its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations was 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.

In the previous financial year, the impairment loss on goodwill was allocated on the CGU of Dynahealth Pte. Ltd., which is under the healthcare products segment, as the carrying amount of the goodwill is below its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
At cost		
Unquoted shares, at cost		
At beginning of the financial year	429,057	390,057
Additions	29,400	39,000
Less: Capital reduction	(61,600)	-
At end of the financial year	396,857	429,057
Accumulated impairment loss		
At beginning of the financial year	(245,203)	(237,632)
Charge for the financial year (Note 23)	(40,617)	(7,571)
At end of the financial year	(285,820)	(245,203)
	111,037	183,854

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023	2022	
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.	Malaysia	100%	100%	Property investment

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
		2023	2022	
William Jacks & Company (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Investment holding, provision of data processing services and trading of engineering and building material
Nature's Farm (Health Foods) Sdn. Bhd.	Malaysia	100%	100%	Trading in health foods and supplements
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

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
		2023	2022	
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
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

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
		2023	2022	
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%	100%	Inactive

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.

(a) Acquisition of Dynahealth Pte. Ltd.

In the previous financial year, 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 RM6 (equivalent to SGD2). The principal activity of the subsidiary is that of manufacturing and trading of medical disposables and surgical supplies. The subsidiary has been a dormant company since its incorporation.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Acquisition of Dynahealth Pte. Ltd. *cont'd*

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

In the previous financial year, the Company subscribed additional 39,000,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM39,000,000.

On 25 October 2022, the Company further subscribed for additional 1,200,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM1,200,000.

On 29 November 2022, the Company further subscribed for additional 2,400,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM2,400,000.

On 27 December 2022, the Company further subscribed for additional 8,400,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM8,400,000.

On 27 January 2023, the Company further subscribed for additional 3,000,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM3,000,000.

On 30 March 2023, the Company further subscribed for additional 14,400,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM14,400,000.

(c) Share capital reduction

On 3 May 2023, a subsidiary, Prestige Assets Sdn. Bhd. undertook a share capital reduction by RM61,600,000, paid partly in cash of RM27,408,000 and RM34,192,000 to be fully satisfied by set-off against the amount owing by the Company.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

(d) Non-controlling interests in subsidiaries

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

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000	Total RM'000
2023					
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	23,088	(966)	521	1,807	24,450
Loss allocated to NCI	(21,814)	(69)	(368)	(174)	(22,425)
Total comprehensive loss allocated to NCI	(21,439)	(69)	(368)	(726)	(22,602)
2022					
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)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES cont'd

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

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

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000
Summarised statement of financial position				
As at 31 July 2023				
Non-current assets	86,741	11,091	58,679	26,245
Current assets	15,173	31	11,539	-
Non-current liabilities	(718)	(1,040)	(11,990)	(6,133)
Current liabilities	(43,474)	(9,730)	(20,463)	(11,436)
Net assets	57,722	352	37,765	8,676
Summarised statement of comprehensive income				
Financial year ended 31 July 2023				
Revenue	8,367	-	4,620	-
Loss for the financial year	(54,534)	(230)	(1,840)	(1,162)
Total comprehensive loss	(53,596)	(230)	(1,840)	(4,841)
Summarised cash flow information				
Financial year ended 31 July 2023				
Net cash flows used in operating activities	(235)	(68)	(391)	(717)
Net cash flows (used in)/from investing activities	(47,104)	7	(772)	-
Net cash flows from financing activities	44,587	61	1,043	717
Net decrease in cash and cash equivalents	(2,752)	-	(120)	-
Dividends paid	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

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

	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

10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:					
Non-trade					
External parties	(a)	-	27,209	-	-
Current:					
Trade					
Amounts owing by related parties		42	36	-	-
External parties		62,454	77,819	-	-
		62,496	77,855	-	-
Less: Impairment losses for:					
- amounts owing by related parties		(3)	-	-	-
- External parties		(60,904)	(64,142)	-	-
	(b)	(60,907)	(64,142)	-	-
		1,589	13,713	-	-
Non-trade					
Amounts owing by subsidiaries	(c)	-	-	31,587	31,189
Amounts owing by related parties	(d)	7	11	7	11
Other receivables		39	14,767	60	37
Deposits		4,043	4,607	178	172
Prepayments		772	796	-	-
		4,861	20,181	31,832	31,409
Less: Impairment losses for:					
- amounts owing by subsidiaries	(c)	-	-	(10,027)	(11,732)
- other receivables	(e)	(11)	(11)	-	-
		4,850	20,170	21,805	19,677
Total trade and other receivables (current)		6,439	33,883	21,805	19,677
Total trade and other receivables (non-current and current)		6,439	61,092	21,805	19,677

NOTES TO THE FINANCIAL STATEMENTS

cont'd

10. TRADE AND OTHER RECEIVABLES *cont'd*

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

On 25 November 2022, the purchaser made a payment of RM15,000,000 to the subsidiary, Prestige Assets Sdn. Bhd..

On 16 January 2023, the remaining receivable has been fully settled for a sum of RM27,428,000 and the Group recorded a gain of RM480,000 arising from the settlement.

- (b) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (2022: 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	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	64,142	67,135
Charge for financial year		
- Individually assessed	2	51
Reversal of impairment loss	(3,199)	(3,049)
Written off	(79)	(22)
Exchange differences	41	27
At end of the financial year	60,907	64,142

The information about the credit exposures are disclosed in Note 29(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

10. TRADE AND OTHER RECEIVABLES *cont'd*

- (c) Amounts owing by subsidiaries represent advances to subsidiaries which are unsecured, subject to interest at 2.95% (2022: 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	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	11,732	10,833
Charge for financial year		
- Individually assessed	98	959
Reversal of impairment loss	(1,803)	(60)
At end of the financial year	10,027	11,732

- (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	
	2023	2022
	RM'000	RM'000
At beginning/end of the financial year	11	11

11. OTHER INVESTMENTS

	Group	
	2023	2022
	RM'000	RM'000
Financial assets at fair value through profit or loss		
At fair value:		
Quoted securities in Malaysia	11,205	12,620

NOTES TO THE FINANCIAL STATEMENTS

cont'd

12. TAX ASSETS

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

13. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	56,778	48,869	43,981	35,025
Deposit placed with licensed banks (Note (a))	442	201	-	-
Time deposits (Note (b))	156	153	-	-
Deposits, cash and bank balances as reported in the statements of financial position	57,376	49,223	43,981	35,025
Less: Time deposits	(156)	(153)	-	-
Cash and cash equivalents as reported in the statements of cash flows	57,220	49,070	43,981	35,025

(a) The deposit placed with a licensed bank of the Group bears interest at a rate of 1.85% (2022: 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 1.85% to 2.60% (2022: 1.50% to 1.85%) per annum.

Included in the time deposits placed with licensed banks of the Group is a deposit of RM110,000 (2022: RM110,000) pledged as security for bank guarantees granted to the subsidiary, Lumut Park Resort Sdn. Bhd..

14. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amounts	
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
Issued and fully paid up (no par value):				
At beginning/end of the financial year	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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. OTHER RESERVES

	Note	Group			Company	
		2023 RM'000	2022 RM'000	2021 RM'000 (Restated)	2023 RM'000	2022 RM'000
Exchange reserve	(a)	(2,729)	(2,786)	(996)	-	-
Revaluation reserve	(b)	12,818	15,381	13,138	-	-
Warrant reserve	(c)	15,963	15,963	15,963	15,963	15,963
		26,052	28,558	28,105	15,963	15,963

(a) Exchange reserve

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

(b) Revaluation reserve

	2023 RM'000	Group 2022 RM'000	2021 RM'000 (Restated)
At beginning of the financial year	15,381	13,138	78,393
Arising from revaluation of property, plant and equipment	(2,563)	3,212	(60,227)
Deferred tax relating to revaluation reserve (Note 17)	-	(969)	(5,028)
At end of the financial year	12,818	15,381	13,138

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. OTHER RESERVES *cont'd*

(c) Warrant reserve

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

The salient features of the warrants are as follows:

- (i) Each warrant carries the entitlement, at any time during the exercise period, to subscribe for one (1) new Johan share at the exercise price, subject to the adjustments in accordance with the provisions of the Deed Poll;
- (ii) The warrants may be exercised at any time within a period of 3 years commencing on and including the date of issuance of the warrants and ending at 5.00 p.m. in Kuala Lumpur, on the date preceding the 3rd anniversary of the date of issuance, or if such day is not a day on which Bursa Securities is open for trading in securities in Malaysia ("market day"), then it shall be the market day immediately preceding the said non-market day. Any warrant not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iii) The warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders are issued with new shares upon exercise of the warrants in accordance with the Deed Poll;
- (iv) All the Johan shares to be issued upon the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing Johan shares, save and except that the new Johan shares issued arising from the exercise of the warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment and issuance of such new Johan shares; and
- (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

cont'd

16. LOAN AND BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:				
Secured:				
Hire purchase payable	101	124	-	-
Unsecured:				
Lease liabilities	1,495	2,054	1,253	1,761
	1,596	2,178	1,253	1,761
Current:				
Secured:				
Hire purchase payable	24	24	-	-
Unsecured:				
Lease liabilities	558	497	508	422
	582	521	508	422
Total loan and borrowings:				
Hire purchase payable	125	148	-	-
Lease liabilities	2,053	2,551	1,761	2,183
	2,178	2,699	1,761	2,183

NOTES TO THE FINANCIAL STATEMENTS

cont'd

16. LOAN AND BORROWINGS *cont'd*

(a) Hire purchase payable

Hire purchase payable of the Group bears interest at 2.12% (2022: 2.12%) per annum and is secured by the Group's motor vehicle with carrying amount of RM142,000 (2022: RM168,000) under hire purchase arrangements as disclosed in Note 5.

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

	Group	
	2023 RM'000	2022 RM'000
Minimum lease payments		
Not later than 1 year	27	27
Later than 1 year and not later than 5 years	116	136
Later than 5 years	-	7
	143	170
Less: Future finance charges	(18)	(22)
Present value of minimum lease payments	125	148
Present value of minimum lease payments		
Not later than 1 year	24	24
Later than 1 year and not later than 5 years	101	118
Later than 5 years	-	6
	125	148
Less: Amount due within 12 months	(24)	(24)
Amount due after 12 months	101	124

NOTES TO THE FINANCIAL STATEMENTS

cont'd

16. LOAN AND BORROWINGS *cont'd*

(b) Lease liabilities

The incremental borrowing rate applied to lease liabilities range at 3.45% (2022: 3.45%) per annum.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum lease payments				
Not later than 1 year	619	576	559	490
Later than 1 year and not later than 5 years	1,562	2,101	1,302	1,861
Later than 5 years	-	80	-	-
	2,181	2,757	1,861	2,351
Less: Future finance charges	(128)	(206)	(100)	(168)
Present value of minimum lease payments	2,053	2,551	1,761	2,183
Present value of minimum lease payments				
Not later than 1 year	558	497	508	422
Later than 1 year and not later than 5 years	1,495	1,976	1,253	1,761
Later than 5 years	-	78	-	-
	2,053	2,551	1,761	2,183
Less: Amount due within 12 months	(558)	(497)	(508)	(422)
Amount due after 12 months	1,495	2,054	1,253	1,761

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. DEFERRED TAX LIABILITIES

	2023	Group 2022	2021
	RM'000	RM'000	RM'000 (Restated)
At beginning of the financial year	27,447	26,562	34,967
Recognised in profit or loss (Note 25)	(189)	(9)	(9,376)
Disposal of subsidiaries	-	-	(4,403)
Deferred tax relating to revaluation reserve (Note 15(b))	(865)	969	5,028
Exchange differences	(21)	(75)	346
At end of the financial year	26,372	27,447	26,562

(a) Presented after appropriate offsetting as follows:

	2023	Group 2022	2021
	RM'000	RM'000	RM'000 (Restated)
Deferred tax assets	1,573	1,425	1,210
Deferred tax liabilities	(27,945)	(28,872)	(27,772)
	(26,372)	(27,447)	(26,562)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. DEFERRED TAX LIABILITIES *cont'd*

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

	2023 RM'000	Group 2022 RM'000	2021 RM'000 (Restated)
Deferred tax assets			
Unabsorbed capital allowances	1,337	1,189	970
Provisions	233	233	233
Others	3	3	7
	1,573	1,425	1,210
Deferred tax liabilities			
Accrued interest income	(6,589)	(5,865)	(5,940)
Differences between the carrying amount of property, plant and equipment and their tax bases	(5,297)	(5,341)	(5,147)
Revaluation gain on investment properties	(2)	(19)	(1,531)
Revaluation surplus arising from revaluation of property, plant and equipment	(16,057)	(17,647)	(15,154)
	(27,945)	(28,872)	(27,772)
	(26,372)	(27,447)	(26,562)

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

cont'd

17. 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		
	2023	2022	2021
	RM'000	RM'000	RM'000
			(Restated)
Unabsorbed capital allowances	23,653	21,492	19,656
Unutilised tax losses	217,554	202,722	191,109
Unabsorbed investment tax allowances	17,504	17,504	17,504
Other temporary differences	86	149	-
	258,797	241,867	228,269
Potential deferred tax assets not recognised at 24% (2022: 24%)	62,111	58,048	54,785

	Company	
	2023	2022
	RM'000	RM'000
Unabsorbed capital allowances	344	292
Unutilised tax losses	21,262	21,155
	21,606	21,447
Potential deferred tax assets not recognised at 24% (2022: 24%)	5,185	5,147

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. DEFERRED TAX LIABILITIES *cont'd*

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

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

	Group 2023 RM'000	Company 2023 RM'000
2029	178,333	19,457
2030	8,367	782
2031	1,586	670
2032	12,528	245
2033	16,524	108
2034	216	-
	217,554	21,262

18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:					
Trade					
Third parties	(a)	1,131	10,610	-	-
Non-trade					
Amounts owing to subsidiaries	(b)	-	-	68,367	102,110
Other payables	(c)	36,497	40,482	1	1
Deposits		76	106	-	-
Accruals		10,344	6,422	298	300
		46,917	47,010	68,666	102,411
Total trade and other payables		48,048	57,620	68,666	102,411

NOTES TO THE FINANCIAL STATEMENTS

cont'd

18. TRADE AND OTHER PAYABLES *cont'd*

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 120 days (2022: 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 are amounts of RM31,889,000 (2022: RM35,289,000) owing to related parties. The amounts are non-trade in nature, unsecured, bear interest at rate of 5.50% (2022: 5.50%) per annum 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 29(b) (ii).

19. CONTRACT LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities relating to rendering of services	12	33
Contract liabilities relating to goods sold	742	168
	754	201

- (a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	2023	2022
	RM'000	RM'000
Group		
Revenue recognised that was included in contract liability at the beginning of the financial year	201	28
Increases due to advances received from customers, but revenue not recognised	(754)	(180)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

20. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract customers:				
At a point in time:				
Air ticketing and travel	(44)	(120)	-	-
Food and beverages	1,477	1,249	-	-
Sale of goods	15,805	17,252	-	-
Others	55	46	-	-
	17,293	18,427	-	-
Over time:				
Management fees	-	-	60	60
Management services	71	78	-	-
Resort operations	3,064	2,637	-	-
	3,135	2,715	60	60
Revenue from other sources:				
Dividend income from subsidiary	-	-	14,960	-
Dividend income from other investments	472	590	-	-
Rental income	142	304	-	-
	614	894	14,960	-
Total revenue	21,042	22,036	15,020	60

21. COST OF SALES

	Group	
	2023 RM'000	2022 RM'000
Air ticketing and travel	30	(84)
Resort operations	506	413
Purchase of goods	29,815	24,566
Others	122	156
	30,473	25,051

NOTES TO THE FINANCIAL STATEMENTS

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22. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amount owing to related parties	812	374	-	-
Hire purchase payable	4	3	-	-
Lease liabilities	79	96	67	82
Others	2	14	3	14
	897	487	70	96

23. 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	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	8	7	72	-	-
Auditors' remuneration					
- statutory audit					
- current year		373	257	90	80
- prior years		-	(14)	-	(10)
- non-statutory audit		5	5	5	5
Bad debts written off		12	31	-	-
Bad debts recovered		(137)	(224)	-	-
COVID-19 related rent concessions income		-	(72)	-	-
Depreciation of property, plant and equipment	5	5,111	3,784	528	591

NOTES TO THE FINANCIAL STATEMENTS

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23. 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*

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Employee benefits expense	24	13,934	13,985	3,676	3,526
Expenses relating to short-term leases		163	134	41	44
Expenses relating to lease of low value assets		11	9	-	-
Fair value loss/(gain) on investment properties	6	170	(120)	-	-
Fair value loss on other investments		1,415	3,892	-	-
Impairment of goodwill		-	64	-	-
Gain on early settlement		(480)	-	-	-
Loss on lease modification		7	-	-	-
Loss on disposal of property, plant and equipment		-	230	-	-
Impairment loss on property, plant and equipment		36,071	477	-	-
Impairment loss on:					
- amounts owing by subsidiaries		-	-	98	959
- investment in subsidiaries		-	-	40,617	7,571
- trade receivables		2	51	-	-
Interest income		(1,591)	(3,266)	(921)	(818)
Property, plant and equipment written off		1	38	-	-
Rental income		-	-	(108)	(101)
Reversal of impairment loss on property, plant and equipment		(477)	-	-	-
Reversal of impairment loss on trade receivables		(3,199)	(3,049)	(1,803)	(60)
Net forex exchange loss/(gain):					
- realised		33	376	-	-
- unrealised		(118)	(3,499)	(1)	(2)

NOTES TO THE FINANCIAL STATEMENTS

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24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	11,958	12,039	2,836	2,751
Defined contribution plan	1,131	1,157	231	221
Social security contribution	123	125	17	18
Other staff related expenses	722	664	592	536
	13,934	13,985	3,676	3,526

Included in employee benefits expenses are:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
Salaries, bonus and emoluments	2,160	2,160	1,620	1,620
Benefits-in-kind	107	41	107	41
	2,267	2,201	1,727	1,661
Non-executive:				
Fees	148	150	148	150
Allowances	19	19	19	19
	167	169	167	169
	2,434	2,370	1,894	1,830
Directors of subsidiaries				
Salaries, bonus and emoluments	597	259	-	-
Benefits-in-kind	9	9	-	-
	606	268	-	-
	3,040	2,638	1,894	1,830

NOTES TO THE FINANCIAL STATEMENTS

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25. TAX (CREDIT)/EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statements of comprehensive income				
Current income tax:				
Current income tax charge	96	37	-	-
Adjustment in respect of prior years	38	5	-	-
	134	42	-	-
Deferred tax (Note 17):				
Origination and reversal of temporary differences	(256)	(4)	-	-
Adjustment in respect of prior years	67	(5)	-	-
	(189)	(9)	-	-
Total (credit)/expense	(55)	33	-	-

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

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	(61,370)	(16,910)	(28,086)	(12,670)
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	(14,729)	(4,058)	(6,741)	(3,041)
Different tax rates in other countries	669	3,585	-	-
Income not subject to tax	(2,484)	(1,634)	(4,284)	(245)
Expenses not deductible for tax purposes	12,321	142	10,987	3,587
Utilisation of previously unrecognised deferred tax assets	(405)	(922)	-	(301)
Deferred tax assets not recognised during the financial year	4,468	2,920	38	-
Adjustment in respect of current income tax of prior years	38	5	-	-
Adjustment in respect of deferred tax of prior years	67	(5)	-	-
Tax (credit)/expense	(55)	33	-	-

NOTES TO THE FINANCIAL STATEMENTS

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26. LOSS PER SHARE

Basic loss per ordinary share

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

	Group	
	2023	2022
	RM'000	RM'000
Loss attributable to the owners of the Company	(38,890)	(11,384)
Weighted average number of ordinary shares for basic loss per share (unit'000)	1,168,028	1,168,028
Basic loss per share (sen)	(3.32)	(0.97)

Diluted earnings per ordinary share

The diluted loss per ordinary share of the Group for the financial year ended 31 July 2023 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

27. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2023	2022
	RM'000	RM'000
In respect of capital expenditure for property, plant and equipment:		
- Approved and contracted	90,776	670,932

NOTES TO THE FINANCIAL STATEMENTS

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28. 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	
	2023	2022
	RM'000	RM'000
Transactions with corporations in which certain directors of the Company are deemed related through their directorship and/or financial interest in George Kent (Malaysia) Berhad are as follows:		
- Interest paid/payable	813	374
- Purchase of goods and services	42,498	45,029
- Dividend processing fee received/receivable	(12)	(12)
- Share maintenance fee received/receivable	(44)	(46)
- Others	(5)	(8)

	Company	
	2023	2022
	RM'000	RM'000
Transactions with subsidiaries are as follows:		
- Dividend income	(14,960)	-
- Interest income	(15)	(26)
- Management fees received/receivable	(60)	(60)
- Rental income	(108)	(101)
- Secretarial fee paid/payable	101	102

NOTES TO THE FINANCIAL STATEMENTS

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28. RELATED PARTIES *cont'd*

(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employees benefits	3,544	3,331	2,459	2,523
Defined contribution plan	128	80	67	80
	3,672	3,411	2,526	2,603

29. 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
2023			
Financial assets			
Group			
Trade and other receivables, excluding prepayments	5,667	5,667	-
Deposits, cash and bank balances	57,376	57,376	-
Other investments	11,205	-	11,205
	74,248	63,043	11,205
Company			
Trade and other receivables	21,805	21,805	-
Deposits, cash and bank balances	43,981	43,981	-
	65,786	65,786	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

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

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
2023			
Financial liabilities			
Group			
Trade and other payables	48,048	48,048	-
Loan and borrowings	2,178	2,178	-
	50,226	50,226	-
Company			
Trade and other payables	68,666	68,666	-
Loan and borrowings	1,761	1,761	-
	70,427	70,427	-
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	-
Loan and borrowings	2,699	2,699	-
	60,319	60,319	-
Company			
Trade and other payables	102,411	102,411	-
Loan and borrowings	2,183	2,183	-
	104,594	104,594	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables). The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant.

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

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

Trade receivables

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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

Credit risk concentration profile

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

	2023		Group 2022	
	RM'000	%	RM'000	%
By country:				
Malaysia	1,584	100%	13,200	96%
Singapore	5	0%	513	4%
	1,589	100%	13,713	100%
By segment:				
Credit and charge cards business and hospitality	113	7%	772	6%
General trading	1,433	90%	12,893	94%
Healthcare products	12	1%	5	0%
Investment holding and secretarial services	31	2%	43	0%
	1,589	100%	13,713	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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29. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Trade receivables *cont'd*

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

	Gross carrying amount at default RM'000
Group	
At 31 July 2023	
Current	73
1-30 days past due	666
31-90 days past due	1
91-360 days past due	819
>360 days past due	30
	1,589
Impairment losses	60,907
	62,496

	Gross carrying amount at default RM'000
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
	13,713
Impairment losses	64,142
	77,855

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. 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 3.11(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 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

29. 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					
2023					
Financial liabilities:					
Trade and other payables	48,048	48,048	-	-	48,048
Hire purchase payable	125	27	116	-	143
Lease liabilities	2,053	619	1,562	-	2,181
	50,226	48,694	1,678	-	50,372
2022					
Financial liabilities:					
Trade and other payables	57,620	57,620	-	-	57,620
Hire purchase payable	148	27	136	7	170
Lease liabilities	2,551	576	2,101	80	2,757
	60,319	58,223	2,237	87	60,547
Company					
2023					
Financial liabilities:					
Trade and other payables	68,666	68,666	-	-	68,666
Lease liabilities	1,761	559	1,302	-	1,861
	70,427	69,225	1,302	-	70,527
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

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group 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"), United States Dollar ("USD") and Euro ("EUR"). 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 2023					
Ringgit Malaysia	-	280	1,850	10	2,140
United States Dollars	(20)	843	-	-	823
	(20)	1,123	1,850	10	2,963
At 31 July 2022					
Ringgit Malaysia	-	280	264	9	553
United States Dollars	(17)	759	-	-	742
	(17)	1,039	264	9	1,295

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss net of tax to reasonably possible change in the HKD, SGD, USD and EUR 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	
		2023 RM'000	2022 RM'000
Group			
- HKD	+ 5%	(1)	(1)
	- 5%	1	1
- SGD	+ 5%	43	39
	- 5%	(43)	(39)
- USD	+ 5%	70	10
	- 5%	(70)	(10)
- EUR	+ 5%	-	-
	- 5%	-	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. 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.

	Change in % of share price	Effect on loss for the financial year RM'000	Effect on equity RM'000
Group:			
31 July 2023	+ 5%	426	426
	- 5%	(426)	(426)
31 July 2022	+ 5%	480	480
	- 5%	(480)	(480)

(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 (2022: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS

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29. 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	
2023					
Financial assets					
Fair value through profit or loss					
- other investments	11,205	11,205	-	-	11,205
2022					
Financial assets					
Fair value through profit or loss					
- other investments	12,620	12,620	-	-	12,620

30. 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 Managing Director and Finance Manager for the purpose of making decisions about resource allocation and performance assessment.

The five 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 Managing Director and Finance Manager 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 Managing Director and Finance Manager.

NOTES TO THE FINANCIAL STATEMENTS

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30. SEGMENT INFORMATION cont'd

2023	Note	General trading	Property	Hospitality & card services	Investment holding & secretarial services	Healthcare products	Others	Adjustments and eliminations	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
Revenue from external customers	(a)	7,438	-	4,552	685	8,367	-	-	21,042
Inter-segment revenue	(b)	-	-	99	15,159	-	-	(15,258)	-
Total revenue		7,438	-	4,651	15,844	8,367	-	(15,258)	21,042
Results									
<i>Included in the measure of segment loss are:</i>									
Depreciation and amortisation	(b)	-	-	(2,189)	(528)	(2,401)	-	-	(5,118)
Finance costs		-	-	(11)	(85)	(816)	-	15	(897)
Fair value gain on investment properties		-	-	-	(170)	-	-	-	(170)
Fair value loss on other investments		-	-	-	(1,415)	-	-	-	(1,415)
Unrealised gain on foreign exchange		-	-	-	15	103	-	-	118
Gain on early settlement		-	-	-	(480)	-	-	-	(480)
Bad debts recovered		-	-	-	137	-	-	-	137
Bad debts written off		-	-	-	(12)	-	-	-	(12)
Impairment loss on trade and other receivables		(5)	-	-	(49,079)	-	-	49,082	(2)

NOTES TO THE FINANCIAL STATEMENTS

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30. SEGMENT INFORMATION cont'd

2023	cont'd	Note	General trading	Property	Hospitality & card services	Investment holding & secretarial services	Healthcare products	Others	Adjustments and eliminations	Total
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results										
<i>Included in the measure of segment loss are:</i>										
<i>cont'd</i>										
			-	-	-	-	(36,071)	-	-	(36,071)
			72	3	28	1,203	285	-	-	1,591
			-	-	(1)	-	-	-	-	(1)
			-	-	-	-	477	-	-	477
			-	-	3,117	82	-	-	-	3,199
			(172)	(153)	(1,135)	(37,619)	(54,584)	(19)	32,312	(61,370)
			-	(2)	184	(127)	-	-	-	55
			(172)	(155)	(951)	(37,746)	(54,584)	(19)	32,312	(61,315)
Assets:										
			-	-	834	8	47,104	-	-	47,946
			1,483	67,735	87,838	1,237,366	101,913	-	(1,212,320)	284,015
Liabilities:										
			10,736	25,181	88,912	762,524	44,330	879	(855,210)	77,352

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. SEGMENT INFORMATION cont'd

2022	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Healthcare products RM'000	Others 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	505	-	(273)	22,036
Results									
<i>Included in the measure of segment loss are:</i>									
Depreciation and amortisation		-	-	(2,325)	(591)	(953)	-	13	(3,856)
Finance costs		-	-	(10)	(122)	(378)	-	23	(487)
Fair value gain on investment properties		-	-	-	120	-	-	-	120
Fair value gain on other investments		-	-	-	(3,892)	-	-	-	(3,892)
Unrealised gain 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

30. SEGMENT INFORMATION cont'd

2022	Note	General trading	Property	Hospitality & card services	Investment holding & secretarial services	Healthcare products	Others	Adjustments and eliminations	Total
cont'd		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results									
<i>Included in the measure of segment loss are:</i>									
<i>cont'd</i>									
Impairment loss on property, plant and equipment		-	-	-	-	(477)	-	-	(477)
Interest income		-	3	17	3,149	97	-	-	3,266
Property, plant and equipment written off		-	-	(38)	-	-	-	-	(38)
Reversal of impairment loss on trade receivables		-	-	2,954	95	-	-	-	3,049
Segment profit/(loss)		69	(214)	(1,540)	(69,452)	(12,907)	(12)	67,146	(16,910)
Tax (expense)/credit		(6)	-	21	(48)	-	-	-	(33)
Profit/(Loss) for the financial year		63	(214)	(1,519)	(69,500)	(12,907)	(12)	67,146	(16,943)
Assets:									
Additions to non-current assets	(c)	-	-	549	1	79,453	-	-	80,003
Segment assets	(d)	12,956	66,967	93,099	1,376,402	105,315	-	(1,315,711)	339,028
Liabilities:									
Segment liabilities	(e)	22,037	51,466	62,291	778,343	42,967	860	(869,997)	87,967

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. 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

	2023 RM'000	2022 RM'000
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	21,042	22,036

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

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

	2023 RM'000	2022 RM'000
Intangible assets	68	-
Property, plant and equipment	47,878	80,003
	47,946	80,003

(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.

Geographical information

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

	Revenue RM'000	Non-current assets RM'000
2023		
Malaysia	21,042	203,797
2022		
Malaysia	22,127	230,631
Singapore	(91)	-
	22,036	230,631

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. SEGMENT INFORMATION *cont'd*

Geographical information *cont'd*

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

	2023	2022
	RM'000	RM'000
Property, plant and equipment	163,306	162,822
Investment properties	40,400	40,570
Inventories	30	30
Intangible assets	61	-
Other receivable	-	27,209
	203,797	230,631

31. 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 years ended 31 July 2023 and 31 July 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. CAPITAL MANAGEMENT cont'd

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loan and borrowings	2,178	2,699	1,761	2,183
Trade and other payables	48,048	57,620	68,666	102,411
Deposits, cash and bank balances	(57,376)	(49,223)	(43,981)	(35,025)
Net (cash)/debt	(7,150)	11,096	26,446	69,569
Equity attributable to the owners of the Company				
Total capital	182,213	223,609	107,964	136,050
Capital and net debt	175,063	234,705	134,410	205,619
Gearing ratio	*	5%	20%	34%

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

32. COMPARATIVE FIGURES

As disclosed in Notes 15 and 17 to the financial statements, there were adjustment of deferred tax liabilities arising from the revaluation of long-term leasehold land under taken in the previous financial years. Accordingly, the financial statements for the previous financial years included herein as comparative have been restated.

The audited financial statements of the Group for the financial period ended 31 July 2021 and financial year ended 31 July 2022 were restated during the financial year as follows:

Group	As previously reported RM'000	Adjustment RM'000	As restated RM'000
2021			
Statements of financial position			
Equity attributable to owners of the Company			
Revaluation reserve	20,680	(5,299)	15,381
Non-current Liability			
Deferred tax liabilities	21,263	5,299	26,562

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 63 to 158 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 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of directors:

DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF
Director

PUAN SRI DATIN TAN SWEE BEE
Director

Kuala Lumpur

Date: 8 November 2023

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 63 to 158 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 8 November 2023.

Before me,

ONG SIEW KEE (No. W839)
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 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 158.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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 carrying amount of property, plant and equipment of RM86,679,000 as at 31 July 2023 relates 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 based on information provided and the valuation performed by an external independent valuer which requires significant judgement by directors in key assumptions used.

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;
- 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.

Valuation of investment properties (Notes 4(b) and 6 to the financial statements)

The carrying amount of investment properties is RM40,400,000 as at 31 July 2023. The Group estimated the fair value of the investment properties 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 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 carrying amount of the inventories of the Group is RM4,871,000 as at 31 July 2023. 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.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

cont'd

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

- As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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: 8 November 2023

Ng Zu Wei
No. 03545/12/2024 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

As at 31 October 2023

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	%
104	1.47	Less than 100 shares	3,190	0.00
1,879	26.49	100 to 1,000 shares	1,679,875	0.14
3,031	42.74	1,001 to 10,000 shares	13,437,288	1.15
1,514	21.35	10,001 to 100,000 shares	60,859,774	5.21
560	7.90	100,001 to less than 5% of issued shares	523,309,729	44.81
4	0.05	5% and above of issued shares	568,738,584	48.69
7,092	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	CIMB GROUP NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR DBS BANK LTD (SFS-PB)</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 2023

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>	7,023,400	0.60
14	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR LGT BANK AG (FOREIGN)</i>	5,700,000	0.49
15	TING CHEW PEH	4,683,000	0.40
16	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	4,251,300	0.36
17	LAI THIAM POH	3,062,700	0.26
18	LOH NYOU CHOO	3,000,000	0.26
19	HK WONG HOLDINGS SDN BHD	3,000,000	0.26
20	ACO-BINA SDN BHD	2,700,000	0.23
21	LIM POH FONG	2,647,600	0.23
22	YICK HOE FERROUS STEEL SDN. BHD.	2,500,000	0.21
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>HUON CHEK NGIE</i>	2,500,000	0.21
24	CHOON SIEW WAH	2,398,500	0.21
25	CHAN TIN WAI	2,300,000	0.20
26	SITI MUNAJAT BINTI MD GHAZALI	2,250,000	0.19
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOO SAY GUAN (LOO0121C)</i>	2,222,000	0.19
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG(E-TMR)</i>	2,103,700	0.18
29	CHONG YEW MUN	2,100,000	0.18
30	TAN GAIK SUAN	1,994,300	0.17
		906,766,534	77.64

ANALYSIS OF SHAREHOLDINGS

As at 31 October 2023

cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2023

(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 2023

(as per the Register of Directors' Shareholdings)

Name of Director	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
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Tan Poh Meng	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-

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

Name of Director	Direct Interest	No. of Ordinary Shares		
		%	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 2023

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	%
7	0.92	Less than 100 Warrants B	377	0.00
87	11.40	100 to 1,000 Warrants B	65,259	0.02
254	33.29	1,001 to 10,000 Warrants B	1,277,383	0.33
247	32.37	10,001 to 100,000 Warrants B	10,558,967	2.71
165	21.63	100,001 to less than 5% of issued Warrants B	187,861,300	48.25
3	0.39	5% and above of issued Warrants B	189,579,527	48.69
763	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 Shareholders	No. of Shares Held	%
1	MUSTIKA MANIS SDN BHD	116,802,713	30.00
2	KURNIA MENANG SDN BHD	37,138,306	9.54
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	4.81
5	CIMB GROUP NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR DBS BANK LTD (SFS-PB)</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 2023

cont'd

LIST OF THIRTY LARGEST WARRANT B HOLDERS *cont'd*

(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares 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	3,855,000	0.99
15	RCI VENTURES SDN BHD	2,775,000	0.71
16	TAN YEE MING	2,400,000	0.62
17	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>CHIN KIAM HSUNG</i>	2,100,000	0.54
18	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GAN KIN HOON</i>	1,785,000	0.46
19	CHIA GUAN SENG	1,484,600	0.38
20	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	1,417,100	0.36
21	EWE HONG KHOON	1,280,300	0.33
22	ADLINA HO BINTI ABDULLAH	1,150,000	0.30
23	TEO AH SENG	1,126,800	0.29
24	ANG SAW PENG	1,116,100	0.29
25	CHIN KIAM HSUNG	1,100,000	0.28
26	CHIN FOO LONG	1,100,000	0.28
27	LEOW HO KENG	1,097,300	0.28
28	YAP MUN HUAT	1,040,000	0.27
29	LOH DE KIANG	1,000,000	0.26
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>HUON CHEK NGIE</i>	1,000,000	0.26
		328,678,877	84.44

ANALYSIS OF WARRANT B HOLDINGS

As at 31 October 2023

cont'd

DIRECTORS' INTEREST IN WARRANTS B AS AT 31 OCTOBER 2023

(as per the Register of Directors' Warrant Holdings)

Name of Director	Direct Interest	No. of Warrants B		%
		%	Deemed Interest	
Tan Sri Dato' Tan Kay Hock	-	-	236,225,527*	60.67
Puan Sri Datin Tan Swee Bee	-	-	236,225,527*	60.67
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Tan Poh Meng	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-

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 2023

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	11,091	30	2022	1996
Lot 1025 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	13,167	Leasehold – Expiring 14.1.2092	36,633	30	2022	1992
Lot No. 15096 & Lot No. 15098 Pulau Pangkor Mukim Lumut Daerah Manjung	Leasehold land	58.73 acres	Leasehold – Expiring 4.5.2094	26,245	-	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	43,676	22	2023	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	5,950	-	2023	2019
PT 348 No. 1 Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	685	Freehold	7,430	6	2023	2019
PT 2529, No 16, Jalan 22/5, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	251	Leasehold – Expiring 6.8.2113	2,550	6	2023	2019
PT 2519, No 29, Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	287	Leasehold – Expiring 6.8.2113	3,085	6	2023	2019

LIST OF PROPERTIES HELD

As at 31 July 2023

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 Daruk Ridzuan	Leasehold land	6,857	Leasehold – Expiring 14.1.2092	6,275	-	2023	1993
Lot 1100 Town of Lumut District of Manjung Perak Daruk Ridzuan	Leasehold land	2,585	Leasehold – Expiring 14.1.2092	2,785	-	2023	1993
Lot 1106 & 1107 Town of Lumut District of Manjung Perak Daruk Ridzuan	Leasehold land	20,236	Leasehold – Expiring 21.12.2094	12,325	-	2023	1995

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Eighth Annual General Meeting (“98th AGM”) of the Company will be conducted virtually on Thursday, 18 January 2024 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 2023 and the Directors’ and Auditors’ Reports thereon. *(Please refer to Note A)*

2. (i) To re-elect the following Directors, who retire pursuant to Clause 97 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - (a) Tan Poh Meng *Ordinary Resolution 1*
 - (b) Mahathir Bin Mahzan *Ordinary Resolution 2*

- (ii) To re-elect Puan Sri Datin Tan Swee Bee who retires by rotation pursuant to Clause 90 of the Constitution of the Company and being eligible, offer herself for re-election. *Ordinary Resolution 3*

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 2024. *Ordinary Resolution 4*

4. To re-appoint Baker Tilly Monteiro Heng PLT, as External Auditors of the Company for the financial year ending 31 July 2024 and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

SPECIAL BUSINESS

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

5. **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.”

NOTICE OF ANNUAL GENERAL MEETING

cont'd

- 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 2023

Notes:-

- 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.*
- 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.
- 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., Tuesday, 16 January 2024. Members may also submit questions in typed texts through the online meeting platform during the live-streamed AGM.*
- 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.*
- 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.*
- 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).*
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 January 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Explanatory Notes

1. Ordinary Resolutions 1 and 2 - Proposed Re-election of Directors in accordance with Clause 97 of the Company's Constitution

Pursuant to Clause 97 of the Company's Constitution, Mr Tan Poh Meng ("Mr Tan") and Mr Mahathir Bin Mahzan ("Mr Mahathir") who were newly appointed as Directors of the Company on 16 January 2023, shall hold office until the conclusion of 98th AGM and shall be eligible for re-election.

Mr Tan and Mr Mahathir had offered themselves for re-election at the 98th AGM. The Board through the Nominating Committee, had assessed the performance of the Directors, including Mr Tan and Mr Mahathir and was satisfied with their performance and effectiveness. The Board had recommended the re-election of Mr Tan and Mr Mahathir as Directors, subject to shareholders' approval at the 98th AGM. Mr Tan and Mr Mahathir had abstained from deliberation and decision on the respective Nominating Committee and Board resolutions pertaining to their eligibility and suitability to stand for re-election. The profile of Mr Tan and Mr Mahathir are set out in the Profile of Directors of the Annual Report 2023.

2. Ordinary Resolution 3 - Proposed Re-election of Director in accordance with Clause 90 of the Company's Constitution

Pursuant to Clause 90 of the Company's Constitution, Puan Sri Datin Tan Swee Bee ("Puan Sri Tan") is due for retirement by rotation at the AGM.

Puan Sri Tan had offered herself for re-election at the 98th AGM. The Board through the Nominating Committee, conducted an annual performance evaluation of the Directors including Puan Sri Tan and was satisfied with her performance and effectiveness. The Board had recommended the re-election of Puan Sri Tan as Director, subject to shareholders' approval at the 98th AGM. Puan Sri Tan had abstained from deliberation and decision on the Board resolution pertaining to her own eligibility and suitability to stand for re-election. The profile of Puan Sri Tan is set out in the Profile of Directors of the Annual Report 2023.

3. Ordinary Resolution 4 - Directors' Fees and Benefits

The estimated Directors' fees and benefits payable to the Non-Executive Directors for financial year ending 31 July 2024 is 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 2023 amounted to RM167,000, as compared to the sum of RM169,000 approved by shareholders at the last AGM held on 11 January 2023.

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 ten per cent (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 at a general meeting, will expire at the next Annual General Meeting of the Company.

The Company has not issued any new shares under this general authority which was approved at the last AGM held on 11 January 2023 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.

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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-Eighth 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 Thursday, 18 January 2024 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 Mr Tan Poh Meng as a Director		
2	Re-election of Mr Mahathir Bin Mahzan as a Director		
3	Re-election of Puan Sri Datin Tan Swee Bee as a Director		
4	Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 July 2024		
5	Re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 July 2024 and to authorise the Board of Directors to fix their remuneration		
6	Authority to allot and issue shares pursuant to the Companies Act, 2016		

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

Dated this _____ day of _____

Signature / Common Seal

* Strike out whichever is not relevant.

Notes:-

1. *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., Tuesday, 16 January 2024. 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 proxies to attend and vote instead of him. Where a member appoints two 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 10 January 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

