



JAYCORP Berhad
199801003663 (459789-X)

20

24

**BUILDING VALUE,
INNOVATING GROWTH**

ANNUAL REPORT



Investment



Manufacturing



Packaging



Renewable Energy



Construction



26th

Annual General Meeting of
Jaycorp Berhad



Meeting Room 3, Level 2, Holiday Inn Melaka,
Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia.

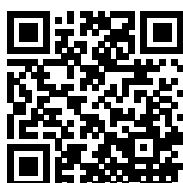


12 December 2024, Thursday, 10:30 a.m.

OUR STORY

JAYCORP BERHAD was incorporated as **YEO AIK RESOURCES BERHAD** in 2002 when it was listed in Bursa Malaysia Securities Berhad. Subsequently, in 2006 it changed its name to **JAYCORP BERHAD**.

The logo symbolises Jaycorp Berhad's efforts to reach greater heights as a responsible corporate entity. Jaycorp Berhad is an investment holding company while its subsidiaries' principal activities are wooden furniture manufacturing, pressure treatment and kiln drying of wood, biomass, corrugated carton packaging, general trading, property letting, investment holding, general construction and civil engineering works.



Go paperless to help our environment. Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code or download at www.jaycorp.com.my.



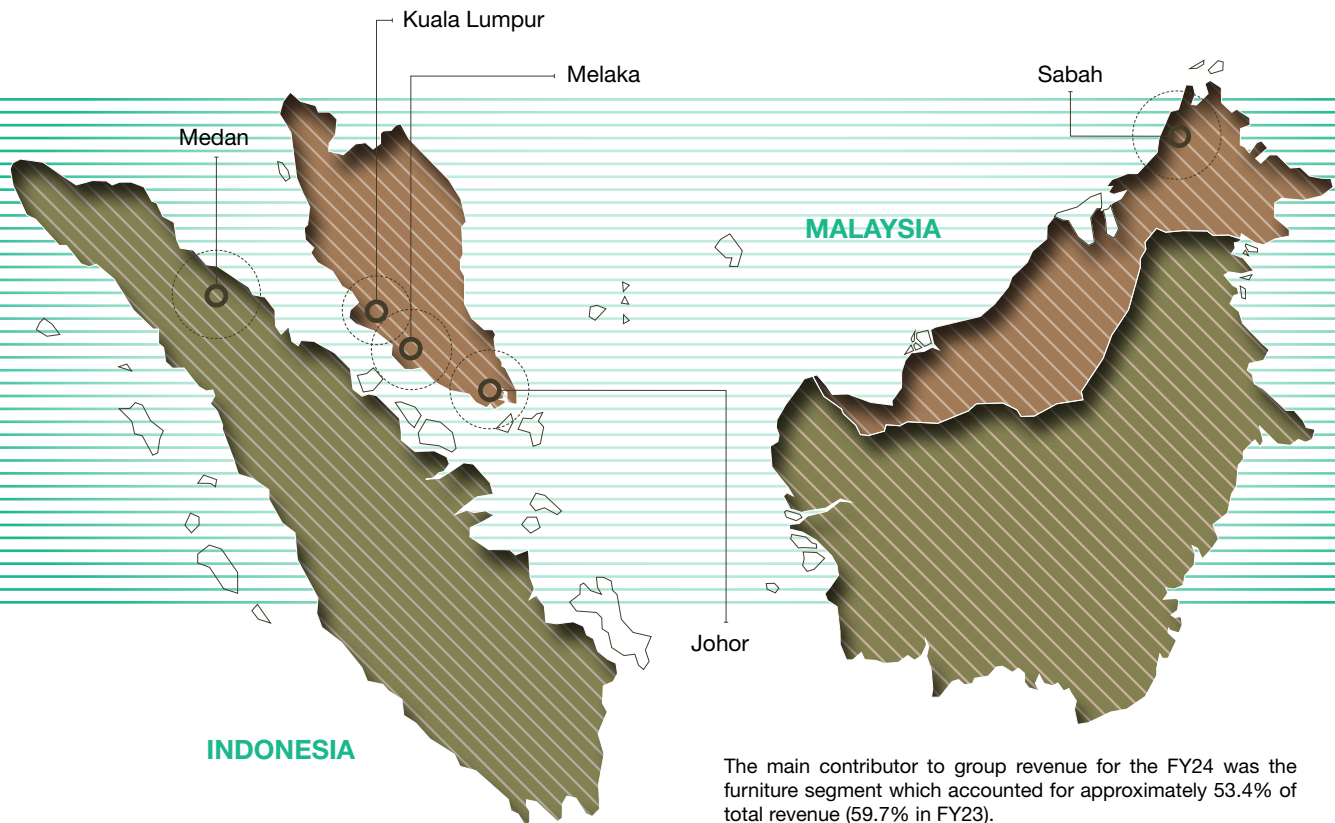
VISION

To conscientiously and continuously seek knowledge and improvement of our people and processes. To constantly pursue our goal of working in harmony with the environment for the good of future generations.



MISSION

To be a leader in all the businesses that we undertake.



The main contributor to group revenue for the FY24 was the furniture segment which accounted for approximately 53.4% of total revenue (59.7% in FY23).

The Group's operations are located in Kuala Lumpur, Melaka, Johor, Sabah and Medan (Indonesia).

OPERATIONAL OVERVIEW



Furniture

manufacture and sale of furniture (mainly rubberwood furniture)



Packaging

conversion of corrugated boards into carton boxes



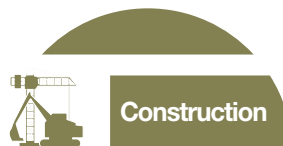
Wood Processing

pressure treatment and kiln-drying of wood



Renewable Energy

renewable energy, biomass and environmentally friendly waste treatment



Construction

general construction and civil engineering works



Others

general trading, property letting, transportation and printing

KEY METRICS



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BUSINESS REVIEW

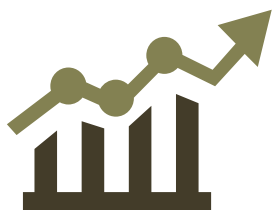
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Earnings Per Share



RM0.05

Profit Before Taxation



RM19
million

Net Assets Per Share



RM0.71

Dividend Per Share



RM0.04*

* A first single tier interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 July 2024 was paid on 29 April 2024. The Board has recommended a final single tier dividend of 2 sen per ordinary share for the financial year ended 31 July 2024, which will be tabled at the forthcoming Annual General Meeting.

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Proxy Form



CORPORATE INFORMATION

BOARD OF DIRECTORS



Tan Sri Datuk (Dr.) Abdul Majid Khan
Executive Chairman

Yeo Ayk Ke
Managing Director

Yeo Aik Tan
Executive Director

Lim Poh Teot
Executive Director

Muaz bin Jema Anton Khan
Executive Director

Nadja binti Jema Khan
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Ivan Oh Boon Wee

Members

Bianca Daniella Lind
Patricia Ubing @ Magdalene Edward

REMUNERATION COMMITTEE

Chairman

Ivan Oh Boon Wee

Members

Yeo Ayk Ke
Bianca Daniella Lind

NOMINATION COMMITTEE

Chairperson

Bianca Daniella Lind

Members

Ivan Oh Boon Wee
Patricia Ubing @ Magdalene Edward

INVESTMENT COMMITTEE

Chairman

Muaz bin Jema Anton Khan

Members

Yeo Ayk Ke
Lim Poh Teot
Yeo Aik Tan
Bianca Daniella Lind
Patricia Ubing @ Magdalene Edward

BOARD RISK MANAGEMENT COMMITTEE

Chairman

Ivan Oh Boon Wee

Members

Muaz bin Jema Anton Khan
Patricia Ubing @ Magdalene Edward

ENTERPRISE RISK MANAGEMENT COMMITTEE

Chairman

Muaz bin Jema Anton Khan

Members

Yeo Ayk Ke
Yeo Aik Tan

Corporate Information

Ivan Oh Boon Wee

Independent Non-Executive Director

Bianca Daniella Lind

Independent Non-Executive Director

Patricia Ubung @ Magdalene Edward

Independent Non-Executive Director

COMPANY SECRETARIES

Lim Seck Wah (MAICSA 0799845)
(SSM PC NO. 202008000054)

Kong Mei Kee (MAICSA 7039391)
(SSM PC NO. 202008002882)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

JA 1880, Batu 22½ Parit Perawas
Sungai Rambai, 77400 Melaka

Website : www.jaycorp.com.my
Email : inquiry@jaycorp.com.my
Tel : 606-265 0111
Fax : 606-265 9999

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
[Registration No. 199601006647 (378993-D)]

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : 603-7890 4700
Fax : 603-7890 4670

PRINCIPAL BANKERS

AmBank (M) Berhad

[Registration No. 196901000166 (8515-D)]

HSBC Bank Malaysia Berhad

[Registration No. 198401015221 (127776-V)]

Malayan Banking Berhad

[Registration No. 196001000142 (3813-K)]

OCBC Bank (Malaysia) Berhad

[Registration No. 199401009721 (295400-W)]

PT. Bank Mandiri (Persero) Tbk, Indonesia

[Registration No. S99FC5733G]

AUDITORS

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Melaka Office

52 Jalan Kota Laksamana 2/15

Taman Kota Laksamana

Seksyen 2 75200 Melaka

Website : www.crowe.com.my

Tel : 606-282 5995

Fax : 606-283 6449

ADVOCATES & SOLICITORS

Mark Law Chambers

Blok K, Unit 3-1 Ground Floor

Aeropod Commercial Centre

Jalan Aeropod Off Jalan Kepayan

88200 Kota Kinabalu, Sabah

Tel : 6016-830 8223

MahWengKwai & Associates

Level 10-1, Tower B, Menara Prima

Jalan PJU 1/39, Dataran Prima

47301 Petaling Jaya

Selangor Darul Ehsan

Tel : 603-7887 2702

Fax : 603-7887 2703

STOCK EXCHANGE LISTING

Main Market of

Bursa Malaysia Securities Berhad

STOCK NAME : **JAYCORP**

STOCK CODE : **7152**

WEBSITE

www.jaycorp.com.my

CORPORATE STRUCTURE



JAYCORP Berhad
(Registration No. 199801003663 (459789-X))



FURNITURE

100%

Yeo Aik Wood Sdn Bhd

Manufacturing and selling of furniture

100%

Winshine Holdings Sdn Bhd

Investment holding, provision of management services and property renting

100%

Winshine Industries Sdn Bhd

Manufacturing and selling of furniture

87%

Instyle Sofa Sdn Bhd

Manufacturing of sofa sets and upholstery work

60%

Honsoar Jaycorp Cabinetry Sdn Bhd (*Joint Venture Company*)

Manufacturing, trading, import and export all kind of furniture and related products



WOOD PROCESSING

100%

Yeo Aik Hevea (M) Sdn Bhd

Pressure treatment, processing and kiln-drying of wood and manufacturing of furniture parts

80%

Jaycorp LVL Sdn Bhd

Processing of veneer sheet and manufacturing bent LVL pieces for furniture from veneer sheets

62.3%

PT Tiga Mutiara Nusantara (*Joint Venture Company*)

Manufacturing and selling of finger jointed finished gesso coated and primed moulding products



PACKAGING

100%

Pine Packaging (M) Sdn Bhd

Conversion of corrugated boards into carton boxes



RENEWABLE ENERGY

60%

Jaycorp Green Energy Sdn Bhd

Renewable energy, biomass and environmentally friendly waste treatment



CONSTRUCTION

60%

Jaycorp Engineering & Construction Sdn Bhd

General construction and civil engineering works



INVESTMENT HOLDING

100%

Jaycorp Properties Sdn Bhd

Investment holding

60%

Bongawan Solo Sdn Bhd

Investment holding



TRADING & OTHERS

100%

Jaycorp Trading Sdn Bhd

General trading, property letting, transportation and printing

70%

Jaycorp Limited

(Dormant)

DIRECTORS' PROFILE



Age 81
Gender Male
Nationality Malaysian

TAN SRI DATUK (DR.) ABDUL MAJID KHAN

Executive Chairman
Non-Independent Executive Director

Board Committee Membership

- None

Tan Sri Datuk (Dr.) Abdul Majid Khan was appointed to the Board on 6 November 2003.

Tan Sri is an established businessman and a well-known entrepreneur. He has vast experience in banking, corporate sectors, politics and public service. He served as Political Secretary to the late Tun Fuad Stephens from 1964 to 1965. He was the Information Chief of Party Berjaya Sabah from 1979 to 1985. From 1981 to 1985, he was a member of Sabah State Legislative Assembly. He was the Chairman of the Sabah Timber Association from 1978 to 1985. He was also the Founder, Director and Chairman of Sabah Development Bank (1978 to 1985), Founder and Director of Sabah Bank Berhad (1979 to 1985) and Chairman of Sabah Finance Berhad (1977 to 1985). Tan Sri sat on the Board of Directors of Malaysian Airline System Berhad from 1980 to 1985. He was the former Chairman of Ranhill Power Berhad from 2004 to 2015. He was the Chairman and Director of Dunham-Bush Holdings Berhad from 2009 to 2013. Currently, Tan Sri Datuk (Dr.) Abdul Majid Khan is the Chairman of Jawala Corporation Sdn Bhd.

Tan Sri attended all five (5) Board meetings held in the financial year 2024.

He is not a Director of any other public company.

He is the grandfather of Muaz bin Jema Anton Khan (Executive Director) and Nadja binti Jema Khan (Non-Independent Non-Executive Director) and father of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).



Age 55
Gender Male
Nationality Malaysian

YEO AYK KE ("YEO AK")

Managing Director
Non-Independent Executive Director

Board Committee Membership

- Member of Remuneration Committee
 - Member of Investment Committee
 - Member of Enterprise Risk Management Committee

Yeo AK was appointed to the Board on 19 July 2002 and re-designated to Managing Director on 10 February 2020.

Yeo AK started his career as Marketing Executive with Pioneer Packing Industries in 1990. He joined Yeo Aik Wood Sdn Bhd as Marketing Manager in 1992. Since then, he has been involved in developing the marketing master plan for the Group's products, especially in penetrating the overseas market. His great interpersonal skills have enabled him to build up strong relationships with the customers. He has travelled extensively to participate in trade fairs and to meet up with customers overseas. This has given him wide exposure to furniture trade designs, customers buying patterns, trends and behaviours in various countries. He oversees the marketing plan and strategies for the Group. His extensive marketing network enables him to lead the marketing function for the Group's furniture products.

Yeo AK attended all five (5) Board meetings held in the financial year 2024.

He is not a Director of any other public company.

He is the brother of Yeo Aik Tan (Executive Director).

In financial year 2023, a penalty was imposed on him by the Companies Commission of Malaysia ("CCM") for late disclosure in respect of the changes in his indirect substantial shareholdings in the Company. The penalty imposed amounted to RM50,000.00 (after reduction granted by the CCM).

Directors' Profile



Age	61
Gender	Male
Nationality	Malaysian

YEO AIK TAN ("YEO AT")

Non-Independent Executive Director

Board Committee Membership

- Member of Investment Committee
- Member of Enterprise Risk Management Committee

Yeo AT was appointed to the Board as an Alternate Director to Yeo Ayk Ke on 16 April 2007 and was appointed as Non-Independent Executive Director of the Company on 10 February 2020.

He started his career as a Western Cook with Genting Highland Hotel in 1980. Two years later, he joined Apollo Hotel as a Western Cuisine Chef for two years. He joined his brother in setting up the family's packaging business, Pioneer Packing Industries in 1985. His involvement in the well-established organisation in the hospitality industry has trained him to be disciplined in delivering products that meet customers' expectations. This skill has enabled him to handle the customer service and marketing roles for the packaging business effectively. His drive to continuously find solutions to improve the operational efficiency and enhance productivity has prompted him to computerise the company's production planning and control function, and apply the cutting-edge technology in block making and tracking system.

He attended all five (5) Board meetings held in the financial year 2024.

He is not a Director of any other public company.

He is the brother of Yeo Ayk Ke (Managing Director).



Age	60
Gender	Male
Nationality	Malaysian

LIM POH TEOT

Non-Independent Executive Director

Board Committee Membership

- Member of Investment Committee

Lim Poh Teot was appointed to the Board on 19 July 2002.

He graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Management Accounting) in 1987. In 1988, he attained his Professional Accountancy Certificate from the Chartered Institute of Management Accountants ("CIMA"). He has been a member of the Malaysian Institute of Accountants ("MIA") since 1991 and has been a Fellow of CIMA ("FCMA") and is a certified Chartered Global Management Accountant ("CGMA") since 9 April 1992 by the Association of International Certified Professional Accountants ("AICPA").

He started his career in 1987 as an Assistant Accountant with Perusahaan Chan Choo Sing Sdn Bhd ("PCCS"). In 1989, he was responsible in setting up Harta Packaging Industries Sdn Bhd ("Harta"), the packaging operation of the PCCS group of companies. Subsequently, in 1992, he was promoted to Deputy Managing Director of Harta. In 1995, he was appointed as Group General Manager of PCCS Group Berhad when it was listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). In 1997, he was involved in the listing of Harta on the Second Board of Bursa Securities. Subsequently, he left the PCCS Group in 1999. He was the Chairman of the Batu Pahat Furniture Association from 2004 to 2010 and Vice President of the Johor Furniture Association ("JFA") for the same period. During that period, he was also the Governing Committee of the Malaysia Furniture Industry Council ("MFIC") and the Joint Council of MFIC and Malaysia Furniture Entrepreneur Association's ("MFEA") Head of Market Development Sub Committee. In January 2010, he was appointed by the Johor State Government as the Ex Officio representing the Batu Pahat Chinese Chamber of Commerce to the Majlis Perbandaran Batu Pahat for a period of 5 years. Currently, he is the Honorary President of the Batu Pahat Chinese Chamber of Commerce and the Batu Pahat Hoon Jiao Tong Association.

He attended five (5) Board meetings held in the financial year 2024.

He is not a Director of any other public company.

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Directors' Profile



Age	34
Gender	Male
Nationality	Malaysian

MUAZ BIN JEMA ANTON KHAN

Non-Independent Executive Director

Board Committee Membership

- Chairman of Investment Committee
- Chairman of Enterprise Risk Management Committee
- Member of Board Risk Management Committee

Muaz bin Jema Anton Khan was appointed to the Board on 24 June 2016.

Muaz graduated from University College London (UCL) with a BS.c. (Honours) in Human Genetics in 2011. He started his career as an associate in CIMB Private Equity Sdn Bhd in 2012. In 2013, he joined Jaycorp Berhad as Head of Business Development and was subsequently appointed as an Executive Director in 2016.

He attended all five (5) Board meetings held in the financial year 2024.

During the financial year 2024, Muaz was appointed as a Non-Independent Non-Executive Director of Jawala Inc, a company listed on the Catalist Board of the Singapore Exchange.

Muaz is the grandson of Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman), brother of Nadja binti Jema Khan (Non-Independent Non-Executive Director) and son of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).



Age	36
Gender	Female
Nationality	Malaysian

NADJA BINTI JEMA KHAN

Non-Independent Non-Executive Director

Board Committee Membership

- None

Nadja binti Jema Khan was appointed to the Board as Director cum Chief Financial Officer on 27 September 2018 and was re-designated to Non-Independent Non-Executive Director on 1 November 2019.

Nadja graduated from Imperial College London with a BS.c. (Honours) in Biomedical Sciences in 2010. She started her career in the audit department in Deloitte LLP, UK in September 2010. Nadja stayed in the audit department for three (3) years and spent this time auditing privately-owned and listed businesses across a range of industries. Subsequently, Nadja was transferred to the tax advisory department in Deloitte LLP where she spent four (4) years advising large businesses (privately-owned and listed) and their owners on both corporate and personal tax issues. During this time, Nadja's main areas of focus included Mergers and Acquisitions, IPOs, group reorganisations and international expansion.

Nadja left Deloitte LLP, UK, as an Associate Director in 2017 and moved back to Malaysia to join Jaycorp Berhad as Group Financial Controller on 4 September 2017. Nadja is a member of the Institute of Chartered Accountants in England and Wales ("ICAEW") and Chartered Institute of Taxation ("CIOT") (UK).

She attended three (3) out of five (5) Board meetings held in the financial year 2024.

During the financial year 2024, Nadja ceased to be a Non-Independent Non-Executive Director of Jawala Inc, a company listed on the Catalist Board of the Singapore Exchange. Currently, she is not a Director of any other public company.

Nadja is the granddaughter of Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman), sister of Muaz bin Jema Anton Khan (Executive Director) and daughter of Datuk Jema Anton Khan (deemed substantial shareholder and major shareholder of the Company).

Directors' Profile



Age	44
Gender	Female
Nationality	Malaysian

BIANCA DANIELLA LIND

Independent Non-Executive Director

Board Committee Membership

- Chairperson of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee
- Member of Investment Committee

Bianca Daniella Lind was appointed to the Board as an Independent Non-Executive Director on 1 January 2020.

She graduated from Oxford Brookes University with an LLB (Honours) in law in 2000. She obtained the Certificate of Legal Practice qualification in 2003 and an LLM Master of Laws in Intellectual Property Law from Monash University in 2005. She was admitted as an Advocate and Solicitor to the High Court of Malaya in 2006.

Bianca started her career in Kuala Lumpur with Azman Davidson & Co. where she completed her pupillage and went onto to head the Intellectual Property department. Her interest in corporate law continued at Lee Hishamuddin Allen and Gledhill where she had significant exposure to Shahriah compliant transactions.

Bianca moved to the Corporate sector when she joined Navis Capital in the KL office as in-house counsel. There, she had exposure in Mergers and Acquisitions, public listings, corporate take overs and fund raising. The transactions encompassed many industries from cosmetics, packaging, educational institutes to industrial safety footwear.

She attended all five (5) Board meetings held in the financial year 2024.

She is not a Director of any other public company.

She does not have any family relationship with any Directors and/or major shareholders of the Company.



Age	59
Gender	Male
Nationality	Malaysian

IVAN OH BOON WEE

Independent Non-Executive Director

Board Committee Membership

- Chairman of Audit Committee
- Chairman of Remuneration Committee
- Chairman of Board Risk Management Committee
- Member of Nomination Committee

Ivan Oh Boon Wee was appointed to the Board as an Independent Non-Executive Director on 20 October 2022.

He began his career with PricewaterhouseCoopers in 1985; spanning over fourteen (14) years which included Assurance and Corporate Advisory services.

He has over thirty-seven (37) years of total working experience with in-depth knowledge and capabilities in his areas of responsibilities whilst extensively familiar with listing requirements and corporate governance. He is also experienced in certain specialised functions such as tax planning and compliance including cross border transactions, corporate restructuring of distressed companies and corporate finance work including fund raising and mergers & acquisitions. He is a Certified Public Accountant of Malaysian Institute of Accountants ("MIA") as well as Malaysian Institute of Public Accountants ("MICPA").

He attended all five (5) Board meetings held in the financial year 2024.

He is not a Director of any other public company.

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Directors' Profile



Age	64
Gender	Female
Nationality	Malaysian

PATRICIA UBING @ MAGDALENE EDWARD

Independent Non-Executive Director

Board Committee Membership

- Member of Audit Committee
- Member of Nomination Committee
- Member of Board Risk Management Committee
- Member of Investment Committee

Patricia Ubung @ Magdalene Edward was appointed to the Board on 9 June 2023.

She has over 30 years of experience in banking sector comprising areas of corporate and investment banking, consumer banking, and wealth management.

Patricia has worked for Maybank Malaysia for past 21 years. She held position of Head of Corporate and Commercial Business, Regional Manager for Sabah/FT Labuan, and also the Group Head of Private Banking. She had served BNP Paribas Wealth Management as Managing Director, Head of Malaysia and as Managing Director for Deutsche Bank Wealth Management, Singapore. During the period from 2009 to 2016, Patricia was the Managing Director of Tridium Consultant Pte Ltd.

She attended all five (5) Board meetings held in the financial year 2024.

She is also a Director and Chief Executive Officer of Sabah Development Bank Bhd.

She does not have any family relationship with any Directors and/or major shareholders of the Company.

Other Information:

1. Directors' Shareholdings

Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

2. Conflict of Interest or Potential Conflict of Interest with the Group

None of the Directors of the Company have any conflict of interest or potential conflict of interest with the Group.

3. Convictions for Offences

Save as disclosed above, none of the Directors of the Company have been convicted of any offences (other than traffic offences, if any) within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 July 2024.

KEY SENIOR MANAGEMENT PROFILE

TAN SRI DATUK (DR.) ABDUL MAJID KHAN

Executive Chairman

Age 81
Gender Male
Nationality Malaysian

Please refer to his Director's profile on page 7 of the Annual Report 2024.

MUAZ BIN JEMA ANTON KHAN

Executive Director

Age 34
Gender Male
Nationality Malaysian

Please refer to his Director's profile on page 9 of the Annual Report 2024.

YEO AYK KE

Managing Director

Age 55
Gender Male
Nationality Malaysian

Please refer to his Director's profile on page 7 of the Annual Report 2024.

TAN CHUN KOON

Group Financial Controller

Age 46
Gender Male
Nationality Malaysian

Board Committee Membership

- None

Tan Chun Koon is a Chartered Certified Accountant, a member of the Association of Chartered Certified Accountant ("ACCA") and Malaysian Institute of Accountants ("MIA"). He began his career as an auditor with Y.C. Chong & Co in January 2002 before joining Jaycorp Berhad as the Group Accountant in March 2007. In February 2016, he resigned from the Company and worked as Finance Manager of another public listed company. He re-joined the Company as the Group Accountant on 1 April 2017 and was promoted to Group Financial Controller on 1 November 2019.

He is not a Director of any public company. He does not have any family relationship with any Directors and/or major shareholders of the Company.

He has no conflict of interest or potential conflict of interest with the Group and has never been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

YEO AIK TAN

Executive Director

Age 61
Gender Male
Nationality Malaysian

Please refer to his Director's Profile on page 8 of the Annual Report 2024.

LIM POH TEOT

Executive Director

Age 60
Gender Male
Nationality Malaysian

Please refer to his Director's profile on page 8 of the Annual Report 2024.

CHAIRMAN'S STATEMENT

Dear Shareholders,

“On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Company for the financial year ended 31 July 2024 (“FY24”).”

FY24 has been a challenging year for the Group, as we navigated a complex economic landscape both globally and locally. The persistent conflicts in Russia-Ukraine and the Middle East created an environment of uncertainty and volatility in global markets. On the domestic front, we faced rising production costs and will soon contend with the effects of new government policies, including the increase in minimum wages slated for February 2025.

In spite of these challenges, the Group has remained resilient, continuing to sustain profitability while adapting to external pressures. The Group recorded revenue of RM194.4 million in FY24, down from RM222.7 million in FY23. Profit before tax stood at RM19.3 million, compared to RM26.3 million in FY23, reflecting decreases of 12.7% in revenue and 26.6% in profit before tax.

The furniture segment's revenue experienced a 20.5% decline, driven largely by reduced customer demand across key markets. However, the appreciation of the US Dollar (“USD”) against the Malaysian Ringgit (“MYR”) provided a competitive edge for the Group, offering some relief amidst the weaker demand. Moving forward, we will intensify our focus on strategic marketing initiatives, improving operational efficiency, and reinforcing cost control to strengthen the performance of the furniture segment.

TAN SRI DATUK (DR.) ABDUL MAJID KHAN

Executive Chairman

Non-Independent Executive Director



Chairman's Statement

The packaging segment was a bright spot in FY24, delivering a 13.6% increase in revenue, supported by demand from other Malaysian furniture exporters. This growth underscores the segment's resilience and adaptability in a challenging environment. Moving forward, we plan to strengthen this segment by exploring new markets, improving operational efficiency, and further integrating automation to enhance productivity.

In contrast, the renewable energy segment faced a decline in revenue of 9.9%. We will focus on expanding our customer base and enhancing boiler efficiency by adopting advanced technologies and best practices to improve revenue and profitability in the coming years. Through these initiatives, we are committed to positioning the renewable energy segment for a stronger recovery and sustainable growth in the future.

The construction segment saw a 21.4% drop in revenue due to lower percentage completion on existing and new projects. Given the highly competitive nature of the construction industry, profit margins have been impacted as we adjusted pricing to secure new projects. In response, we are determined to adopt a more proactive approach in bidding for new projects while maintaining a balance between competitiveness and profitability.

Our Malaysia joint venture experienced a challenging year, with losses due to the learning curve associated with new upstream activities. Despite these initial setbacks, we are optimistic about the future, as our two new operational lines are expected to significantly improve shipment volumes and contribute positively to the Group's overall performance.



In Indonesia, our joint venture has successfully moved past the initial learning phase, with shipment volumes increasing towards the end of the financial year. We expect to benefit from the technical expertise of our joint venture partner and are confident that this venture will contribute positively to the Group's bottom line going forward.

As we look to the future, the Group remains committed to strengthening its core businesses while seeking new avenues for growth. Our solid balance sheet and low gearing levels provide us with the flexibility to pursue expansion opportunities and make strategic investments that will drive long-term value for our shareholders.

On behalf of the Board of Directors, I wish to extend our appreciation to members of our management team and employees of the Group. Congratulations on another successful Financial Year. Your effective execution of the Group's strategies through hard work, focus, and determination are very much appreciated and continue to contribute to the Group's success.

Our sincere gratitude goes to our shareholders, customers, joint venture partners, business associates, suppliers, bankers and government authorities for their confidence and support to the Board and Management.

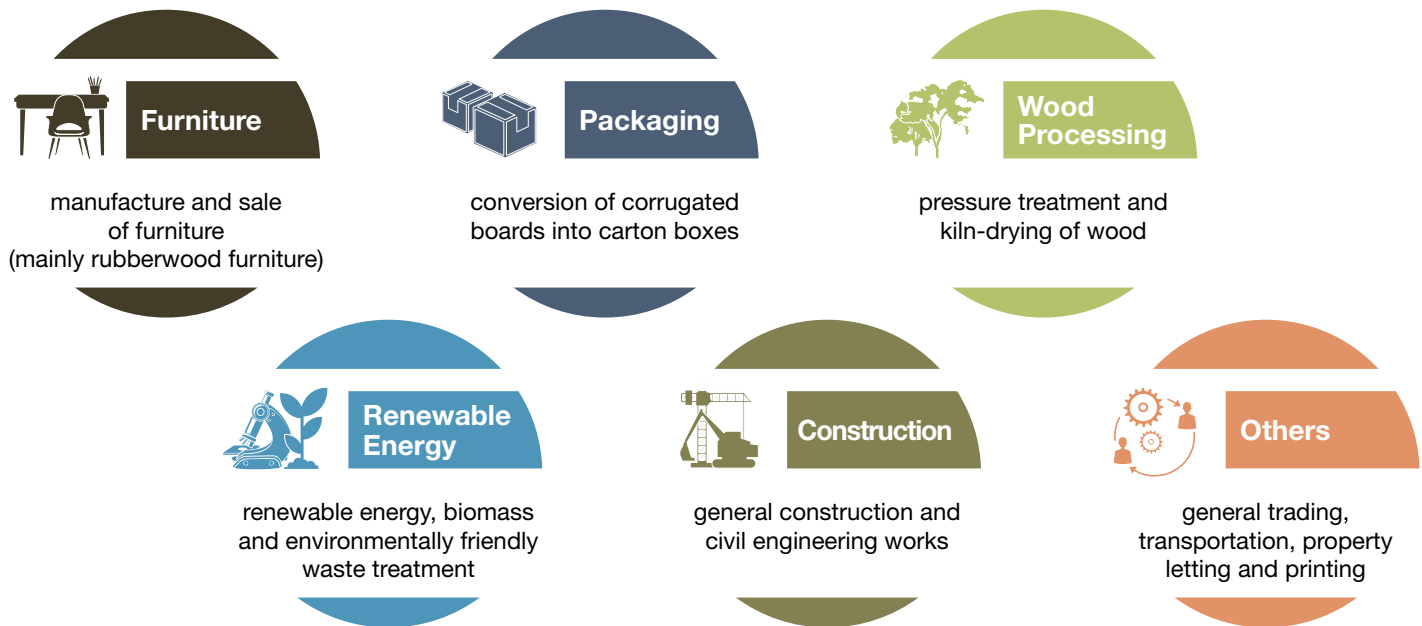
Finally, to my fellow Board members, thank you for your guidance, dedication, and valuable contributions, which have been instrumental in steering the Group through these challenging times.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE JAYCORP GROUP'S BUSINESS AND OPERATIONS

Business and operations

The Jaycorp group ("the Group") operates six main business segments as follows:

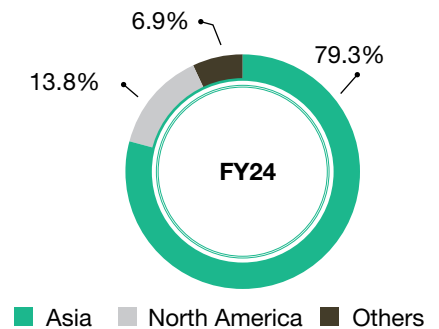


The main contributor to group revenue for the FY24 was the furniture segment which accounted for approximately 53.4% of total revenue (59.7% in FY23).

The Group's operations are located in Kuala Lumpur, Melaka, Johor, Sabah, and Medan (Indonesia).

Key markets

The Group's key markets are Asia and North America, which contributed 79.3% and 13.8% of revenue in FY24 respectively.



Objectives and strategy

The Group's primary objective is to enhance shareholder value by nurturing sustainable growth in all businesses the Group undertakes.

The Group's strategy continues to focus on controlling costs and improving operational efficiency to achieve better profits. Furthermore, the Group continues to explore new markets for its products, develop new products, and expand its customer base to facilitate business growth and deliver maximum value to its shareholders.

Management Discussion and Analysis

OVERVIEW OF THE JAYCORP GROUP'S BUSINESS AND OPERATIONS (CONTINUED)

Highlights of the Group's financial information for the past 5 financial years

Financial	2020	2021	2022	2023	2024
1. Revenue (RM'000)	309,348	353,034	305,691	222,735	194,416
2. Profit before taxation (RM'000)	24,928	37,994	30,196	26,339	19,327
3. Profit after taxation (RM'000)	16,831	28,490	21,387	20,729	13,566
4. Shareholders' equity (RM'000)	164,189	177,562	186,472	192,128	190,634
5. Total assets (RM'000)	260,301	263,306	279,388	251,072	251,924
6. Borrowings (RM'000)	20,508	22,578	19,987	14,197	13,461
7. Debt/Equity (%)	12.49	12.72	10.72	7.39	7.06
8. Earnings per share (sen) *	6.45	11.03	7.99	7.49	5.26
9. Net assets per share (RM) *	0.61	0.66	0.69	0.71	0.71

* For comparative purpose, the earnings per share and net assets per share had been adjusted to reflect the bonus issue of 1 for every 1 existing ordinary share which was completed on 17 January 2022.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Segmental results

The Group's revenue in FY24 was lower than in FY23 due to an overall decline in demand from the Asian and European markets as well as the local market, and the disposal of a subsidiary (Digital Furniture Sdn Bhd) in March 2023.

The financial results for the Group (split into its six main segments) are as follows:

FY24

	Furniture RM'000	Packaging RM'000	Wood processing RM'000	Renewable energy RM'000	Construction RM'000	Others RM'000	RM'000
Revenue	116,987	43,863	22,731	10,873	19,010	5,656	194,416
Segment result	16,023	3,877	1,727	875	(795)	148	23,319

FY23

	Furniture RM'000	Packaging RM'000	Wood processing RM'000	Renewable energy RM'000	Construction RM'000	Others RM'000	RM'000
Revenue	147,169	38,595	21,303	12,065	24,178	3,266	222,735
Segment result	19,007	2,068	392	1,726	897	108	25,191

Management Discussion and Analysis

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONTINUED)

Segmental results (continued)



Furniture Segment

The revenue and segment results in the furniture segment decreased from RM147.2 million and RM19.0 million in FY23 to RM117.0 million and RM16.0 million in FY24 respectively. The decrease in revenue and segment results were due to lower sales to Asia, Europe and local markets, as well as the disposal of a subsidiary (Digital Furniture Sdn Bhd) in March 2023.



Packaging Segment

The revenue and segment results in the packaging segment increased from RM38.6 million and RM2.1 million in FY23 to RM43.9 million and RM3.9 million in FY24 respectively. The higher revenue and segment result in this segment were attributed to higher demand from existing external customers in the furniture industry.



Wood Processing Segment

The wood processing segment recorded RM22.7 million in revenue and a segment result of RM1.7 million in FY24, compared with revenue of RM21.3 million and a segment result of RM0.4 million in FY23. The higher revenue was due to higher intercompany sales to the furniture segment. The segment result increase was due to increase in revenue and improved operational efficiency.



Renewable Energy Segment

The revenue and segment results in the renewable energy segment decreased from RM12.1 million and RM1.7 million in FY23 to RM10.9 million and RM0.9 million in FY24 respectively. The lower revenue and segment results were due to lower offtake from customers in FY24 due to temporary plant closure to fix issues relating to combustion and emissions.



Construction Segment

The construction segment registered RM19.0 million in revenue and a segment result of RM0.8 million (loss) in FY24, compared with revenue of RM24.2 million and segment results of RM0.9 million in FY23. The lower revenue in FY24 was due to lower percentage completion on existing and new projects. The lower segment result was due to lower revenue, decrease in overall construction margins and additional project expenses.



Others Segment

The revenue and segment result in the “others” segment increased from RM3.3 million and RM0.1 million in FY23 to RM5.7 million and RM0.1 million in FY24 respectively. The increased revenue was attributed to increased activity in respect of the general trading business. The increase in segment result was disproportionate to the increase in revenue due to higher cost to upkeep the properties.



Joint Venture Company

The share of profit from the joint venture companies decreased from RM0.5 million in FY23 to RM0.9 million (loss) in FY24. This was due to new operation line in the Malaysian joint venture company still in the start-up phase, which has yet to reach profitability. Meanwhile, the Indonesian joint venture company suffered foreign exchange losses and higher write down of inventories.

Management Discussion and Analysis

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONTINUED)

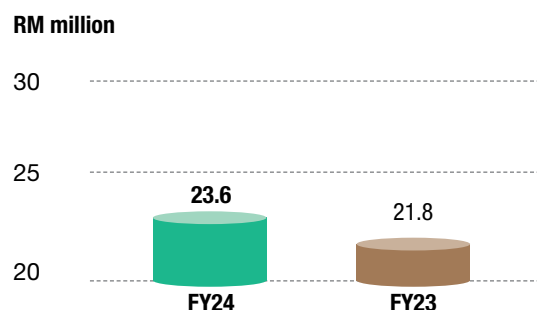
Significant balances

Trade Receivables

Trade receivables increased from RM20.9 million in FY23 to RM21.9 million in FY24. This was due to higher Group revenue in July 2024 compared to July 2023.

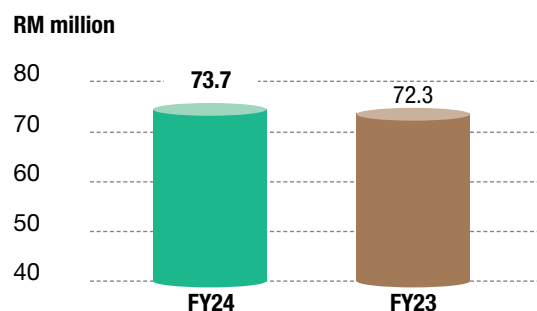
Inventories

Inventories increased to RM23.6 million in FY24 from RM21.8 million in FY23. This was due to higher inventories level in the furniture segment as certain customers postpone shipments due to high sea freight costs.



Cash & Bank

Cash & bank increased from RM72.3 million in FY23 to RM73.7 million in FY24 due to net cash generated from operations and better working capital management.



Trade Payables

Trade payables increased from RM15.5 million in FY23 to RM17.3 million in FY24, mainly due to higher purchases of raw materials in July 2024 compared to July 2023 for the order preparation work in the subsequent months.

Borrowings

Group borrowings decreased to RM13.5 million in FY24 from RM14.2 million in FY23, reflecting the Group's stronger cash and bank position and net cash generated from operations.

The Group's gearing ratio decreased from 7.39% in FY23 to 7.06% in FY24.

ANTICIPATED OR KNOWN RISKS

The Group is exposed to a number of risks which could impact the Group's business and operating performance. The Group has processes in place to identify, assess and manage these risks. An Enterprise Risk Management Committee ("ERMC") meets regularly and key management ("Management") work together with the ERMC to:

- identify the risks relevant to the Group;
- design, implement and monitor the risk management framework; and
- identify changes to risks or emerging risks, take actions as appropriate and promptly bring these to the attention of the Board Risk Management Committee ("BRMC"). The BRMC subsequently reports to the Board.

Risks that are considered material and specific to the Group are set out below:

Availability and cost of raw materials

Shortage of raw materials and fluctuating costs for these materials are a key risk throughout the Group because the Group purchases raw materials from suppliers without any long-term supply arrangements. The Group continues to monitor pricing and sourcing of raw materials and maintains good relationships with its suppliers.

Environmental factors such as the weather and the amount of rainfall may also affect the supply of rubberwood. Furthermore, introduction of additional government regulations (such as restrictions on logging) may limit supply.

Management Discussion and Analysis

ANTICIPATED OR KNOWN RISKS (CONTINUED)

Availability and cost of labour

There was no worker shortage during the financial year due to weaker customer demand. Factories were unable to operate at optimum levels, resulting in lower worker productivity. Labour-related costs are rising and any changes in government policy related to foreign workers, such as restrictions on hiring foreign workers or increases in the foreign workers' levy or minimum wages could affect the Group's operations and business performance.

To minimise the risk, certain manufacturing processes are outsourced to subcontractors. We work with subcontractors to ensure timely delivery of parts according to our production schedules and to ensure parts produced meet our quality requirements. In addition to this, the Group is continuously evaluating the implementation of practical automation solutions in relevant manufacturing processes.

Foreign currency exchange rates

As a large proportion of revenue is derived from export sales, there is a risk that significant fluctuations in the Malaysian Ringgit ("MYR") to United States Dollar ("USD") exchange rate will affect the results of the Group. Exchange rates are difficult to predict given the number of factors that contribute in determining them. However, the Group hedges accordingly to minimise exposure to significant fluctuations in the MYR to USD exchange rate. In FY24, the USD strengthened by approximately 2% against MYR.

Competition

The furniture markets for the Group's products are highly competitive. The Group competes in those markets on a number of factors, including price and quality of products.

To remain competitive, the Group remains focused on cost control (including sourcing of raw materials) and operational efficiency. The Group also continues to explore new markets and invest in research and development in order to meet ever-changing consumer tastes.



Environment

The Group is subject to strict environmental laws and regulations. This includes regulation around air pollution, noise pollution, dust levels and waste disposal. Compliance with environmental laws and regulations is a key part of the Group's risk management framework.

The Group is also committed to ensuring that operations are managed in a sustainable way that will cause minimal harm to the community and environment.

Operational risks associated with the construction segment

The construction and property development market in Sabah is very competitive, the Group will face larger competitors already established in the industry.

As the construction segment expands, the Group will be exposed to risks that are unique to the construction and property development industry. These risks include:

- low demand or over-supply of properties;
- price fluctuations on the costs of building materials;
- delay in scheduled completion due to unforeseen circumstances; and
- compliance within the legal and environmental framework in which the construction and property industry operates.

The Group's risk management has been extended to address the construction and property development risks. In addition, key personnel in the construction segment have extensive experience and proven track records in managing such risks.

Management Discussion and Analysis

BUSINESS OUTLOOK

Manufacture and sale of furniture

The global economy continues to expand, though it remains vulnerable to downside risks, primarily stemming from escalating geopolitical tensions, volatile financial markets and a potential slowdown in major economies.

Malaysia's economy grew by 5.1% in the first half of 2024, fueled by strong domestic spending and increased exports. However, the Group's profit margin faced challenges due to weaker customer demand, a stronger Malaysian Ringgit against the United State Dollar and rising operating costs.

The furniture segment remains the Group's core business. While its financial performance is expected to be challenging due to sluggish orders from customers and rising operating costs, the Group will prioritise cost control, market expansion and product development to enhance profitability and growth.

Manufacture and sale of carton boxes

The packaging segment remains highly competitive and challenging. The strength of this segment is building long-term relationships with customers, which puts us in a unique position where our customers value and trust us. However, the Group will continue to strengthen its market position and expand its customer base. Additionally, the Group will continue to focus on controlling production costs and upgrading machinery to improve operational efficiency.

The Group has acquired nine (9) acres of leasehold land at Muar Furniture Park in Bakri, Johor. This acquisition provides the Group with an opportunity to sell carton boxes to furniture manufacturers at Muar Furniture Park in the future.

Renewable energy

In FY24, the renewable energy segment has taken several steps to enhance boiler efficiency and strengthen preventive maintenance to increase offtake by customers and improve the biomass-to-steam conversion ratio. Therefore, good prospects for improving profitability of this segment in the future.

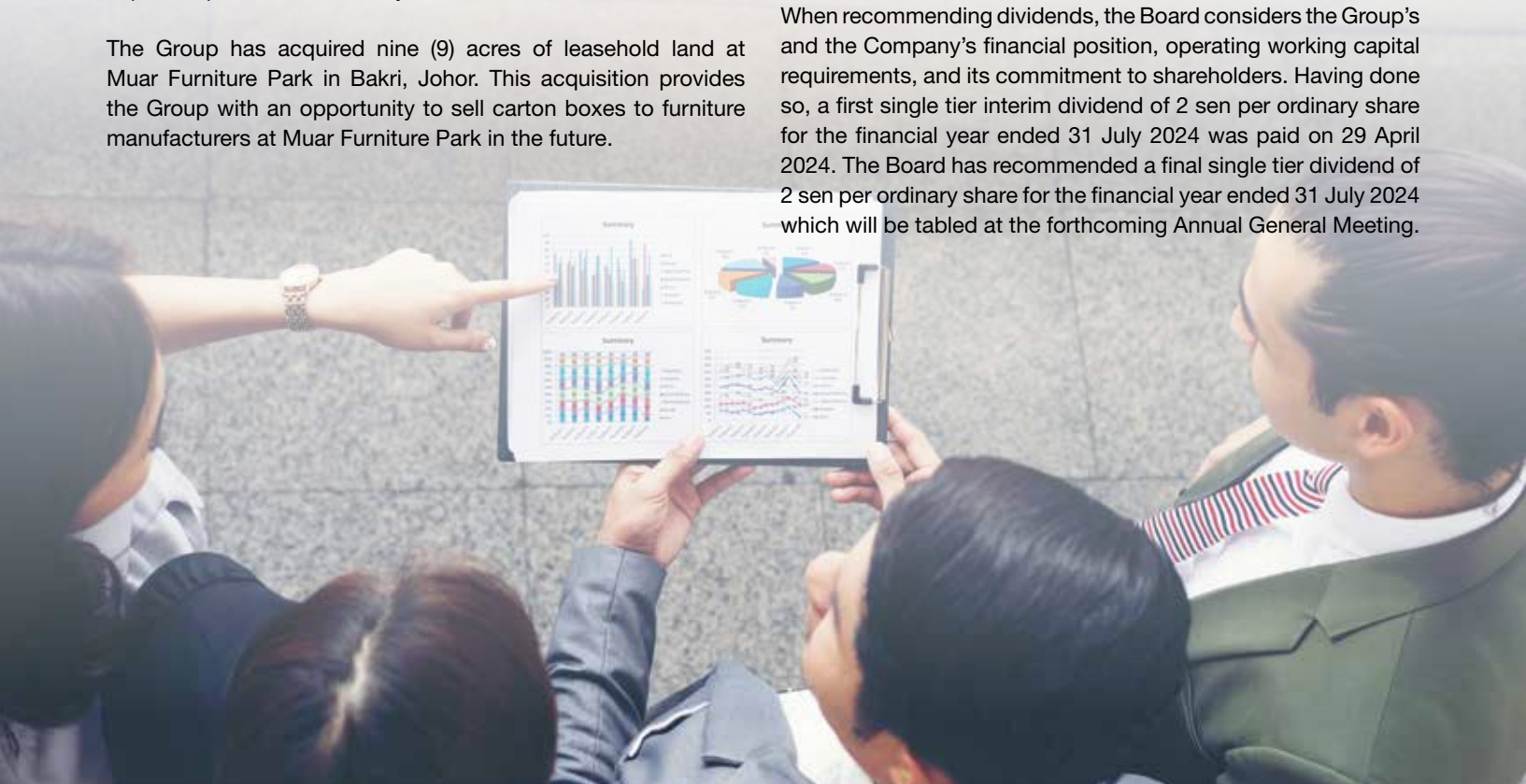
Construction and property development

The Group's construction segment is currently concentrated in Sabah. In addition to infrastructural development and tourism-driven improvements, the federal government allocates fund to the Sabah state government for infrastructure project such as rural road construction, upgrading of dilapidated schools and health clinic development to benefit Sabah's people, and we anticipate that Jaycorp Engineering & Construction Sdn Bhd will capitalise on these opportunities to improve the Group's future earnings.

The Group also owns some land ("the Bongawan Land") through its 60% indirect subsidiary, Bongawan Solo Sdn Bhd. Management believes that the Bongawan Land holds potential for the construction and development of resorts, residential properties, and other tourism-related infrastructure, which it intends to pursue at the appropriate time.

Dividend

When recommending dividends, the Board considers the Group's and the Company's financial position, operating working capital requirements, and its commitment to shareholders. Having done so, a first single tier interim dividend of 2 sen per ordinary share for the financial year ended 31 July 2024 was paid on 29 April 2024. The Board has recommended a final single tier dividend of 2 sen per ordinary share for the financial year ended 31 July 2024 which will be tabled at the forthcoming Annual General Meeting.



SUSTAINABILITY STATEMENT



INTRODUCTION

This Sustainability Statement (“**Statement**”) reflects Jaycorp Berhad and its subsidiaries (“**Jaycorp**”, the “**Group**”, “**we**” and “**us**”) efforts and performance in managing its material Economic, Environmental and Social (“**EES**”) risks and opportunities.

REPORTING FRAMEWORK

In preparing this Statement, we have been guided by Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and taking into consideration the sustainability reporting framework by Global Reporting Initiative (“GRI”).

REPORTING SCOPE

This Statement covers the Group’s furniture, packaging, wood processing operations in Malaysia and Indonesia, renewable energy, construction and other business segments for the financial year ended 31 July 2024 (“FY24”).

Where relevant, we included data from previous years to track year-on-year progress and to provide additional context. Our data excludes Digital Furniture Sdn Bhd and Digital Dorm Sdn Bhd given its disposal in March 2023.

This Statement addresses our response to the material sustainability matters which impact our business and our ability in meeting our stakeholders’ needs and expectations.

OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability is rooted in integrating sustainability practices into our organisational culture, strengthening core operations, and fostering a high-performance organisation.

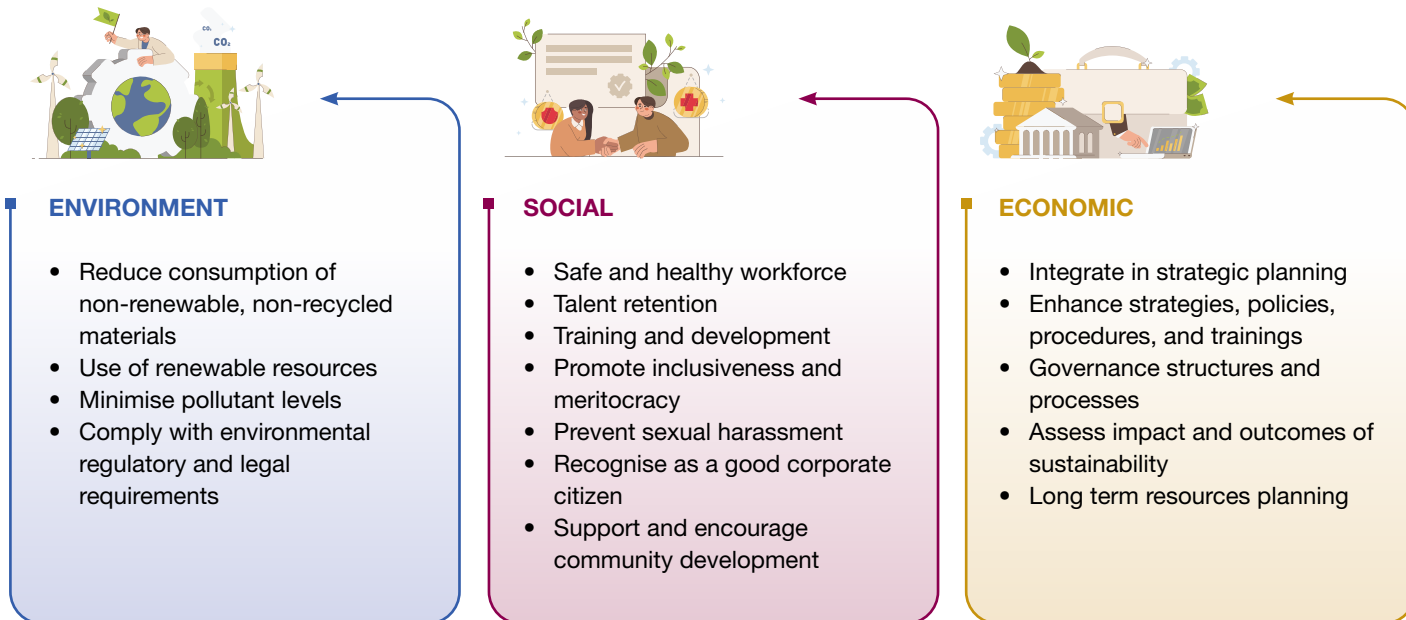
Here at Jaycorp, a Sustainability Policy was developed to guide us through this, encompassing all aspects of ethical business practice, and addressing the relevant EES issues responsibly and profitably. Our overall objectives of our Sustainability Policy can be found below. A copy of the policy is also available on the corporate website at www.jaycorp.com.my.

Objectives of Sustainability Policy:

- Endeavour to integrate the principles of sustainability into the Group’s strategies, policies and procedures;
- Promote sustainable practices;
- Ensure that the Board and senior management are involved in the implementation of this policy and review the sustainability performance; and
- Create a culture of sustainability within the Group and communicate this, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

Sustainability Statement

Our aims and focus on sustainability can be summarised as follows:



SUSTAINABILITY GOVERNANCE

The Group's sustainability governance is seamlessly integrated into our corporate governance and Enterprise Risk Management ("ERM") framework. The Board of Directors ("the Board") holds ultimate responsibility for overseeing the Group's sustainability efforts and performance. During the current reporting year, two (2) key committees support this oversight: the Board Risk Management Committee ("BRMC") and the Enterprise Risk Management Committee ("ERMC").

The ERMC comprises Executive Directors and selected representatives from subsidiaries. Each subsidiary has its own risk management team that comprises of risk coordinator and risk owner which assists the ERMC in identifying key risks, providing and collecting information and overseeing the integration of risk management into business processes.

Board of Directors

- Responsible in ensuring adequate oversight on management of sustainability matters.

Board Risk Management Committee

- Comprises two (2) Independent Non-Executive Directors and an Executive Director.
- Review management of key risks and sustainability matters through periodic update on key/principal risks and sustainability related matters.

Enterprise Risk Management Committee

- Management working committee - consists of Executive Directors and representatives from subsidiaries.
- Spearheads the implementation of Jaycorp's risk management function which includes management of material sustainability matters.

Sustainability Statement

STAKEHOLDER ENGAGEMENT

We integrate stakeholder feedback to ensure our sustainability initiatives align with stakeholder interests. This involves ongoing engagement with both internal and external stakeholders. By maintaining open communication, we identify their needs and expectations, which directly impact our operations. This dialogue involves regular discussions with top management and Board.

We continuously monitor our business environment and engage stakeholders regularly to ensure we properly address and manage key sustainability issues.

The table below lists our key stakeholders' groups and their respective areas of interest as well as methods by which we engage them.

Stakeholders	Focus Areas	Engagement Approach	Frequency
Customers	<ul style="list-style-type: none"> Product quality and pricing Market demand Product development and innovation Customer satisfaction After-sales services Quality assurance 	<ul style="list-style-type: none"> Marketing plan Product promotions Customer feedback and surveys Customer/factory visits Regular meetings and visits 	<ul style="list-style-type: none"> Continuously Continuously Continuously Continuously Continuously
Employees	<ul style="list-style-type: none"> Employee occupational health and safety Career development and advancement Remuneration package Performance review 	<ul style="list-style-type: none"> Performance appraisals Team building activities Social events with employees Meetings and discussions Trainings 	<ul style="list-style-type: none"> Annually Continuously Continuously Continuously Continuously
Vendors & suppliers	<ul style="list-style-type: none"> Material and service quality Suppliers' service and complaints resolution Legal compliance Contract terms and conditions review 	<ul style="list-style-type: none"> Supplier performance evaluations Meeting and discussions Factory visits Quality audit Contract negotiations 	<ul style="list-style-type: none"> Annually Continuously Continuously Continuously Continuously
Shareholders & investors	<ul style="list-style-type: none"> Financial performance Regulatory compliance Corporate governance Ethical business conduct Internal control and risk management 	<ul style="list-style-type: none"> Financial announcement and reporting Annual & Extraordinary General Meetings Bursa announcements Corporate website Annual Report 	<ul style="list-style-type: none"> Annually/Quarterly Continuously Continuously Continuously Annually
Government regulators/ authorities etc	<ul style="list-style-type: none"> Regulatory compliance Approvals and permits Standards and certifications Bursa listing requirements 	<ul style="list-style-type: none"> Meetings and consultations Training programmes and dialogue Audit and verification 	<ul style="list-style-type: none"> Continuously Continuously Continuously
Local communities	<ul style="list-style-type: none"> Community wellbeing Community investment Job opportunities Corporate Social Responsibilities ("CSR") activities 	<ul style="list-style-type: none"> Media announcements Annual report Company website Community events 	<ul style="list-style-type: none"> As and when necessary Annually Continuously Continuously
Financial institutions	<ul style="list-style-type: none"> Financial performance Compliance with terms & conditions 	<ul style="list-style-type: none"> Periodic reporting Loan covenant compliance reporting 	<ul style="list-style-type: none"> Continuously Continuously

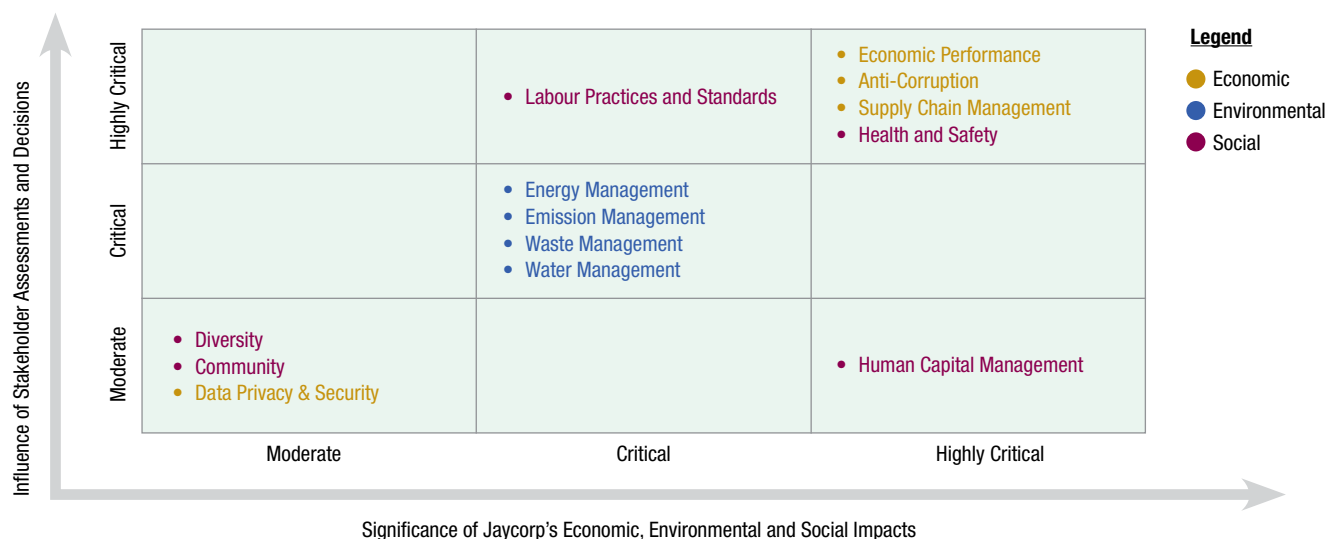
Sustainability Statement

MATERIALITY ASSESSMENT

Through stakeholder engagement, Jaycorp has identified, assessed, and prioritised significant topics crucial to the Group's operations and in influencing stakeholders' decisions.

Our prioritisation of material sustainability matters is illustrated by way of materiality matrix, for the reporting year – which the Board via the BRMC has reviewed.

The following materiality matrix below illustrates material topics aligned along the horizontal axis to indicate the significance of our EES impact on our business and the vertical axis to reflect their influence on stakeholder assessment decisions concerning our business engagements.



The following is a list of material topics and key indicators.

No.	Material Topic	GRI Reference	Indicators
1	Economic Performance	201-1	Direct economic value generated and distributed
2	Anti-Corruption	205-1	Percentage of operations assessed for corruption-related risks
		205-2	Percentage of employees that have received training on anti-corruption by employee category
		205-3	Confirmed incidents of corruption and action taken
3	Supply Chain Management	204-1	Proportion of spending on local suppliers
4	Data Privacy and Security	418-1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
5	Health and Safety	403-5	Number of employees trained on health and safety standards
		403-9	Number of work-related fatalities
		403-9	Lost time incident rate
6	Labour Practices and Standards	N/A	Number of substantiated complaints concerning human rights violations
7	Diversity	405-1	Percentage of employees by gender and age group for each employee category
		405-1	Percentage of directors by gender and age group

Sustainability Statement

MATERIALITY ASSESSMENT (CONTINUED)

The following is a list of material topics and key indicators (continued).

No.	Material Topic	GRI Reference	Indicators
8	Human Capital Management	401	Percentage of employees that are contractors or temporary staff
		401-1	Total number of employee turnover by employee category
		404	Total hours of training by employee category
9	Community	201-1	Total amount invested in the community where the target beneficiaries are external
		201-1	Total number of beneficiaries of the investment in communities
10	Energy Management	302-1	Total energy consumption
11	Emissions Management	305-1 305-2 N/A	(i) Scope 1 emissions in tonnes of CO ₂ e (ii) Scope 2 emissions in tonnes of CO ₂ e (iii) Reduction of GHG Emissions, in tonnes of CO ₂ e (iv) Number of non-compliance to environmental laws
12	Water Management	303-3 303-4 303-5	Total volume of water used
13	Waste Management	306-3 306-4 306-5	Total waste generated and a breakdown of: (i) Total waste diverted from disposal (ii) Total waste directed to disposal

ASSURANCE STATEMENT

The information in this Statement has been reviewed by Jaycorp's BRMC and the Board. However, this Statement, in full or in part, has not been assured by an internal auditor or an external assurer.

The Board through management will reassess the necessity to obtain assurance on selected information disclosed in the Statement through engagement with key stakeholders

ECONOMIC



Economic Performance

Jaycorp's economic performance remains a primary concern for our key stakeholders. Our target is to generate and sustain financial returns for our shareholders and lenders, continue to provide job opportunities for our direct and indirect employees, and pay our fair taxes to local authorities.

A summary of economic value generated during the reporting year and prior years are as follows:

(RM'000)	FY24	FY23	FY22
Economic Value Generated	194,416	194,045	246,827

The economic value distributed to our key stakeholders is summarised as follows:

(RM'000)	FY24	FY23	FY22
Payment to employees - salaries and other staff costs	34,469	30,815	39,075
Payment to government - income tax	5,761	5,396	9,238
Payment to investors - dividend	16,124	16,124	12,765
Payment to lenders - interest	566	582	876
Payment to suppliers	111,241	111,078	141,043

Sustainability Statement

ECONOMIC (CONTINUED)

Economic Performance (continued)

We believe that the economic success of Jaycorp stems from our commitment to customer satisfaction and the consistent delivery of high-quality products. To this end, we are continuously engaging our customers in order to address their needs.

For a detailed discussion of our economic performance and challenges, please refer to the Management Discussion and Analysis (“MD&A”) section in this Annual Report.

Anti-Corruption

As a responsible business, we understand that the negative consequences of not maintaining a strong compliance environment go beyond legal penalties under anti-corruption laws. These consequences include losing trust within the community we serve and failing to deliver value to our shareholders. We are aware of, and exercise heightened vigilance; in ensuring we do not encourage any crime.

Our anti-corruption policy and procedures are shaped by our corruption risk assessments and undergo continuous improvement. These assessments are conducted annually and updated periodically by the Risk and Compliance Department and reviewed by ERM and BRMC to address key risks.



100%

**Percentage of operations
assessed for corruption
risks for FY24**

1. Our risk assessment is performed at the group level which applies to our subsidiaries.
2. We continuously review and improve our corruption risk assessment and management.

To foster adherence to our anti-corruption policy and procedures internally, we provide training for all employees to uphold the integrity of our control environment. The following table illustrates the extent of participation by employee categories in our formal anti-corruption training for FY24.

Percentage of employees that have received training on anti-corruption by employee category	FY24 (%)
Top Management	33
Management	100
Executive	100
Non-Executive	100

Top managements consist of Executive Directors of the company and the Group Financial Controller.

Notwithstanding, we are dedicated to ensuring communication and awareness initiatives. These include regular compliance monitoring and feedback sessions led by top management and the Board, alongside discussions and meetings at the executive level.

As a result of our continuous assessment, monitoring, and communication, we are pleased to report no confirmed incidents of corruption were noted for this reporting year.



None

**Number of confirmed
incidents of corruption and
action taken for FY24**

Sustainability Statement

ECONOMIC (CONTINUED)

Supply Chain Management

Responsible sourcing

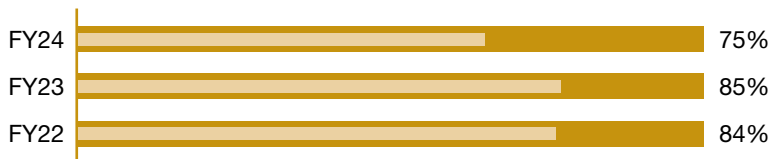
As a company involved in wood processing, packaging and furniture manufacturing, we are cognisant of requirements to ensure that all our raw materials are sourced responsibly. We understand this is an evolving area and will continuously engage relevant stakeholders in improving our value proposition.

In this context, rubberwood, the main type of wood used in our furniture, is considered environmentally friendly compared to other types of wood. Rubberwood (*Hevea brasiliensis*) comes from logs harvested from rubber plantations primarily cultivated for latex production. These trees are typically cut down when they reach about 20 years old, as they become less profitable for latex production, and replanting is necessary. Therefore, rubberwood is seen as a sustainable use of resources from rubber estates.

Local Sourcing Policy

Our policy is to prioritise local suppliers, provided local suppliers meet our price, quality, performance, and ethical standards. The following is a summary of the proportion of spending on local suppliers.

Proportion of spending on local suppliers



Additionally, we also have a Procurement Standard Operating Procedure in place. Before suppliers are included in our Approved Supplier List, they undergo a selection and qualification process.

We regularly evaluate supplier performance to maintain the quality of products and services that meet our standards. Feedback from these evaluations is provided to suppliers to support their ongoing improvement efforts. Building and sustaining strong supplier relationships is crucial for Jaycorp, as we rely on them for our raw materials without long-term supply agreements.

We are aware of the growing scrutiny by some stakeholders with respect to labour rights and compliance with environmental laws with respect to our value chain. As a matter of general principle, we expect our vendor to comply with local laws.

Supply Chain Continuity

We acknowledge the importance of ensuring supply chain continuity to our business. To this end, we continuously assess our vulnerability to these risks and have begun to put in contingency measures, such as alternative suppliers and improvement to sourcing practices in order to mitigate these risks.

Data Privacy and Security

At Jaycorp, we are aware of data privacy laws, such as the Personal Data Protection Act 2010. Our exposure to this risk is moderate because our business does not involve the collection or processing of significant or sensitive personal data from our customers.

In FY24, we are pleased to announce that we did not receive any complaints from regulatory or official bodies regarding breaches of customer privacy or loss of customer data.



None

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FY24, FY23 and FY22

Sustainability Statement

SOCIAL



Health and Safety

We aim to ensure the safety of all our direct and indirect employees, ensuring they return home safely every day. This commitment drives us to prevent and minimise workplace incidents, maintaining a record of zero fatal incidents.

We are aware that the nature of our work involves intricate processes, stringent safety standards, and the potential for unforeseen challenges. As we navigate this demanding environment, our focus remains on continuous improvement and proactive measures, which include the vital roles played by our Health, Safety & Environment department in compliance monitoring and maintaining continuous communication through training.

The following is a summary of number of employees trained on health and safety standards.

Number of employees trained on health and safety standards



Despite our best efforts and ongoing awareness initiatives, we are unable to fully mitigate workplace incidents. This is inherent to our business - manufacturing and construction, where handling raw materials and machinery carries higher risks to health and safety.

Loss Time Incident Rate (“LTIR”)



- 1. Loss time incident rate refers to the loss of productivity associated with accidents or injuries arising out of or in the course of work.
- 2. LTIR is calculated as a rate, where the number of lost time incidents during the reporting period is expressed per the total number of hours worked as at the end of the reporting period, subsequently multiplied by 200,000. The value of 200,000 represents the standardized value of hours that 100 employees work weekly for 40 hours for 50 weeks.
- 3. The total number of hours worked is based on the number of working hours for an average employee across the group in the reporting year.
- 4. The number of loss time injuries/incidents is as follows: 8 (FY24), 9 (FY23) and 12 (FY22).

We take all incidents seriously and conduct investigations to understand their root causes. Corrective and preventive actions, where appropriate, are implemented to ensure that similar incidents do not recur.

FY24
FY23
FY22

Nil

Number of work-related fatalities

Sustainability Statement

SOCIAL (CONTINUED)

Labour Practices and Standards

Here at Jaycorp, we acknowledge the growing concerns and scrutiny surrounding labour practices, particularly from mature export markets on manufacturing companies in Malaysia.

We endeavour to ensure compliance with local labour laws and our customers' requirements concerning labour and human rights. Additionally, we are externally audited by our customers from furniture segment to ensure adherence to these standards. We also enforce these standards among our vendors and subcontractors. Additionally, we have established a whistleblowing channel to address any allegations of misconduct effectively.

These measures ensure that our policies are free from forced labour practices, aligning with the standards set by the International Labour Organization ("ILO"). An overview of our key policy is as follows:

Policy	Description
Equal Benefits	• Ensure non-discrimination with respect to benefits between our employees.
No Recruitment Fees Policy	• Ensure that fees are not paid by our workers to any agents or subcontractors with respect to securing their employment with us.
Passport Handling	• Ensure passports are held by their rightful owners, not by any of our employees or agents.
Employee Accommodation	• Certified with a Certificate of Accommodation, in compliance with the Employee's Minimum Standards of Housing and Amenities Act 2019.
Minimum Wages	• Ensured compliance with local laws where Jaycorp operates (minimum wages requirement).
Overtime, Leaves	• Our practices, at minimum, are compliant with requirements under local labour laws.

As a result of our continuous engagement and monitoring, we are pleased to report that we have not noted any substantiated complaints concerning human rights violations in our value chain for the past 3 years.



None

Number of substantiated complaints concerning human rights violations for FY24, FY23 and FY22

Diversity

Here at Jaycorp, we are committed to offering equal opportunities to both existing and prospective employees, assessing them based on merit and potential for growth. Therefore, we do not establish specific policy or targets for diversity.

The following tables provide an overview of age and gender diversity amongst our employees, by employee category.

Percentage of employees by gender and employee category	% for FY24		% for FY23		% for FY22	
	Male	Female	Male	Female	Male	Female
Top Management	100	Nil	100	Nil	100	Nil
Management	69	31	69	31	66	34
Executive	49	51	53	47	51	49
Non-Executive	76	24	75	25	74	26

Sustainability Statement

SOCIAL (CONTINUED)

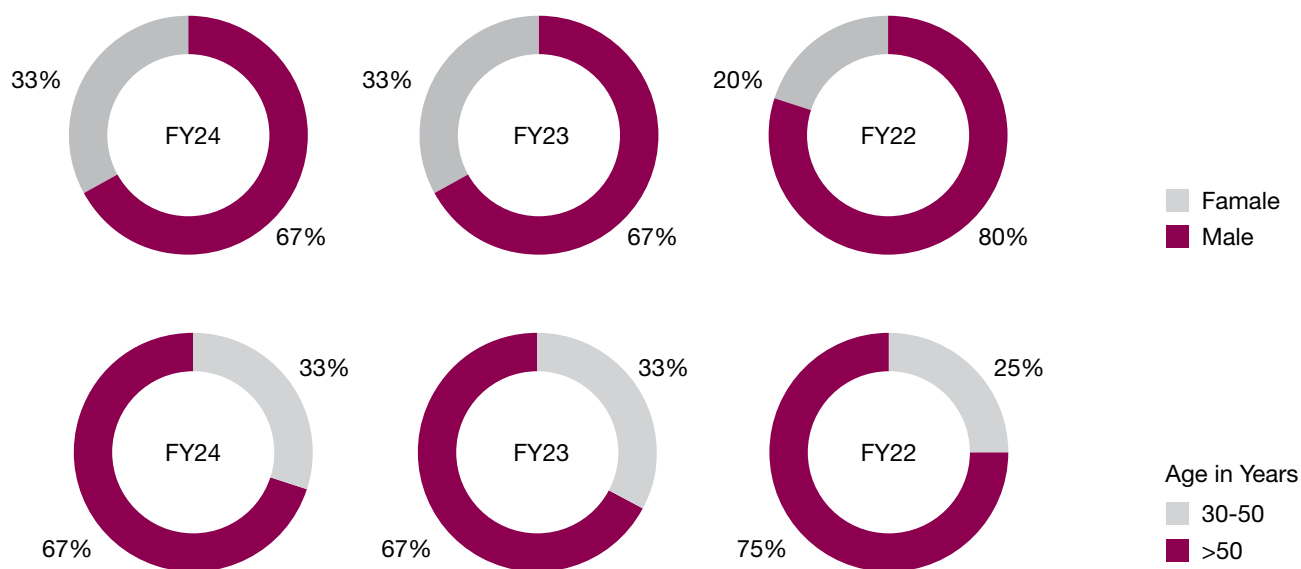
Diversity (continued)

The following tables provide an overview of age and gender diversity amongst our employees, by employee category (continued).

Percentage of employees by age and employee category	Age in Years (%)								
	FY24			FY23			FY22		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Top Management	Nil	33	67	Nil	33	67	Nil	33	67
Management	4	66	30	4	63	33	4	60	36
Executive	17	66	17	17	67	16	16	67	17
Non-Executive	35	60	5	29	66	5	29	66	5

Board Diversity

We recognise the importance of gender and age diversity at decision-making level to our stakeholders. At the date of this report, the diversity in gender and age for the Board are as follows:



Human Capital Management

At Jaycorp, we recognise that our employees are essential to our identity and success, as we depend on them to create and deliver value to our customers. Our goal is to attract, develop, and retain skilled employees to ensure the sustainability of our workforce and, consequently, our business.

Training and Education

We promote the skills and knowledge of our employees to help them achieve their full potential. Our employees' training programs encompass both technical and non-technical aspects, including regulatory training sessions that cover industry-specific regulations, which are especially pertinent to the nature of our business.

Sustainability Statement

SOCIAL (CONTINUED)

Human Capital Management (continued)

Training and Education (continued)

A breakdown of training hours by the Group broken down by employee category can be found tabulated below.

Total hours of training by employee category	FY24 (Hours)	FY23 (Hours)	FY22 (Hours)
Top Management	182	59	59
Management	419	611	425
Executive	542	633	467
Non-Executive	1,713	2,059	1,133
Overall Composition	2,856	3,362	2,084

Employee benefits

Employee benefits help in employee retention as well as in demonstrating our commitment to our workforce. By supporting and valuing our employees, we in turn contribute to their health and well-being. Here at Jaycorp, we continuously benchmark against industry standards to maintain a competitive compensation package. The key benefits that we offer include:

Types of Benefits	Description
Insurances	Group hospitalisation and surgical plan, personal accident insurance
Leaves	Paid study and examination leave, annual leave, medical/sick leave, maternity and paternity leave, compassionate leave, prolonged illness leave, marriage leave
Allowances	Travelling allowance (including mileage and subsistence allowance), handphone allowance, overseas training/work allowance, medical allowance

Utilisation of temporary/contractor staff

To support our business operations, we recognise the importance of hiring both permanent and temporary staff, particularly as we rely on a significant percentage of foreign workers. All our foreign workers are on temporary contract, in line with the validity of their work permits.

The following table illustrates the trend in contractors/temporary staff hiring within the group.

Employment Type	% for FY24	% for FY23	% for FY22
Temporary/contractor staff	61	65	66

* Our temporary/contractor staff mainly consist of foreign workers, who are temporary staff – given their employment are subject to management's periodic renewal and validity of their working permits.

Jaycorp understands the significance of fair treatment across our workforce, including our temporary workers. We ensure that they receive fair compensation and benefits, providing a positive working experience, which is at minimum in line with local laws.

Employee retention

Employee retention allows for the continuous uninterrupted delivery of our value proposition. Jaycorp does this by implementing measures to retain our current employees, such as our employee benefits package.

However, some level of turnover at the management level is unavoidable in a free labour market and to account for voluntary resignation and retirement. Notwithstanding, a healthy level of turnover can be beneficial as the company can hire new talent who can bring different perspectives or enhanced capabilities to an organisation, at a more competitive rate. To this end, we aim to continue to maintain a delicate balance between continuity, rejuvenation and cost competitiveness.

Sustainability Statement

SOCIAL (CONTINUED)

Human Capital Management (continued)

Employee retention (continued)

The following is a breakdown of the number of employee turnover at the end of the reporting period:

Employee Category	Number of Employee Turnover					
	FY24		FY23		FY22	
	Number	Percentage	Number	Percentage	Number	Percentage
Top Management	Nil	Nil	Nil	Nil	Nil	Nil
Management	4	7.3%	1	2.0%	1	2.1%
Executive	10	12.0%	19	21.8%	11	12.9%
Non-Executive*	147	14.6%	184	19.8%	222	24.3%

1. The high turnover amongst the non-executives is in part due to foreign worker's permit expiry. Notwithstanding, the nature of business which is manufacturing, and construction contributes to inherently high turnover.
2. The employee turnover is based on the number of employees at the year-end.

Community

We are aware of the importance of giving back to the society at large, supporting our employees and communities. During the current reporting period, we donated a total of RM108,000 to the local communities where we operate, benefiting an estimated 10,350 recipients.

	FY24	FY23	FY22
Total amount invested in an external community (RM'000)	108	24	54
The total number of individuals who benefited	10,350	47	943

The total number of individuals who benefited is based on the management's rough estimate.

ENVIRONMENT

Energy Management

Here at Jaycorp, we recognise that our operations are energy intensive. With rising energy costs and increasing uncertainty regarding energy sources due to climate change, our operational costs are under increasing pressure. Hence, we continuously monitor our energy consumption and explore ways to enhance efficiency.

The following efforts represent our existing practices to achieve efficiency in energy consumption across our operations. We continue to monitor its implementation in order to ensure its efficacy.

1. Three (3) of our production sites are installed with solar photovoltaic ("PV") system, with a total capacity of 1.8 MWp, which contributes approximately 40% of our electricity source at those sites.
2. Enhanced biomass steam plant assets to increase utilisation capacity and plant availability. Improvements aimed to enhance the thermal conversion of biomass into energy.
3. Adopted energy-efficient technologies and practices:
 - a. Use of LED lighting.
 - b. Switching off lights and air-conditioning during rest times and after working hours.
 - c. Upgraded photocopy machines, computers, and laptops with power-saving features.



Sustainability Statement

ENVIRONMENT (CONTINUED)

Energy Management (continued)

A breakdown of the Group's energy consumption for FY24 can be found tabulated below.

Total Energy Consumption (Megawatt)		FY24	FY23	FY22
Fuel Consumption (i.e. diesel and petrol)		3,959	3,391	4,317
Electricity Consumption	Malaysia	10,209	9,103	10,749
	Indonesia	5,343	3,211	5,042
Total		19,511	15,705	20,108

1. The energy conversion factors used for fuel consumption are derived from the UK Government GHG Conversion Factors for Company Reporting for FY24, FY23, and FY22. For FY24, the energy conversion factors used are 10.56 kWh/litre for diesel and 9.73 kWh/litre for petrol, both of which are 100% mineral oil.
2. For FY24, approximately 18% of our group-wide energy consumption is from solar photovoltaic panels on our properties

Emission Management

Emission Contributed

We have not yet established an emission management framework and program. Therefore, we currently do not have specific targets or roadmaps for achieving emission reductions. However, we have tracked our Scope 1 and Scope 2 Greenhouse Gas ("GHG") emissions - in line with regulatory requirements, as disclosed below.

Emission Type	Locations	FY24 (tCO ₂ e)	FY23 (tCO ₂ e)	FY22 (tCO ₂ e)
Direct GHG Emission (Scope 1)	Overall	988	847	1,087
Indirect GHG Emission (Scope 2)	Malaysia	4,569	4,190	4,830
	Indonesia	5,049	3,034	4,765
	Overall	9,618	7,224	9,595
Total GHG Emissions		10,606	8,071	10,682

1. Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the Group. The Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting FY24, FY23 and FY22, based on petrol/diesel which are 100% mineral oil.
2. Our disclosure of Scope 1 emissions is limited to the fuel consumption of our vehicles/machineries only. It excludes any other emissions as a result of our production process at our sites.
3. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. The emission conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by the Malaysian Green Technology Corporation. using the Combined Margin (C.M.) emission factor of 0.585 tCO₂/MWh for Peninsular Malaysia and 0.525 tCO₂/MWh for Sabah. For Indonesia, the emission factor is 0.945 tCO₂/MWh, as stated in the Ministry of Energy and Mineral Resources of Indonesia No. 163.K/HK.02/MEM.S/2021 for Sumatera Utara.

Emission Reduction

The following are emissions reduced or avoided as a result of the power generated from our solar photovoltaic (PV) system, which we have implemented in three (3) of our production sites or factories.

Emissions Reduced	FY24	FY23	FY22
tCO ₂ e	1,402	1,135	1,457

1. Our emission reduction is with respect to our Scope 2 emissions, as our purchased electricity consumption from the grid is reduced due to energy generated and consumed from the solar photovoltaic system which we own and operate.
2. Our calculation is based on our internal records of electricity consumption-derived solar photovoltaic systems and emission factors for purchased electricity in Peninsular Malaysia.

Sustainability Statement

ENVIRONMENT (CONTINUED)

Emission Management (continued)

Air Pollution

Our operations involve processes that release pollutants into the atmosphere. One type of air emission is dust, which results from our cutting, planing, and sanding processes in our furniture and wood processing businesses. These dust emissions are managed through continuous monitoring of existing dust extraction systems, ensuring acceptable air quality levels throughout 100% of our factories. Our HSE team also conducts pre-planned maintenance on these systems to ensure their efficiency and safety.

Another significant source of air emissions is associated with our renewable energy operations, which involve the combustion of biomass for renewable energy production. Although we strive to monitor and minimise environmental risks resulting from this, we regret to report one (1) incident in FY24 involving non-compliance with environmental laws regarding air quality. This incident led to the temporary closure of our production facility in order to enhance our emissions control equipment. This included the successful installation of an electrostatic precipitator (ESP) and a continuous emissions monitoring system (CEMS) which have now been fully operational, complying with local environmental regulations and reducing the environmental impact. We did not incur any fines or penalties in relation to this incident.

Number of non-compliance to local environmental laws	FY24	FY23	FY22
	1	1	Nil

Water Management

Challenges posed by global water supply issues and climate change-induced disruptions have reduced the reliability of our water supply chain. The Group acknowledges the critical role of water across its operations, particularly in sectors that are more water-intensive, such as renewable energy and furniture.

A breakdown of the Group’s total water consumption for FY24 can be found in the table below.

Total Water Consumption (Megalitres/MI)



1.
- The Group’s water consumption is equivalent to our water withdrawal, given that we have zero water discharge.

We prioritise responsible water management practices due to our understanding of their crucial role in conserving water for the environment and local communities, regardless of our immediate needs. Although our current operations benefit from readily available water supplies, we acknowledge the potential for water scarcity in certain regions. Therefore, we implement water-saving practices wherever possible to minimise our overall consumption.

Waste Management

With respect to waste management, we are guided by local laws in ensuring appropriate waste management and disposal procedures are adhered to. Our business operations generate both non-hazardous and hazardous waste. Therefore, the Group ensures that its business operations are in accordance with the Environmental Quality Act 1974. We also adhere to the waste storage and disposal regulations enforced by the Department of Environment (“DOE”) for all of our operations.

Sustainability Statement

ENVIRONMENT (CONTINUED)

Waste Management (continued)

The following is a summary of the total waste generated by our Group, which consists of waste diverted from disposal and directed to disposal.

Category	FY24 (Tonnes)	FY23 (Tonnes)	FY22 (Tonnes)
Waste directed to disposal:			
Hazardous Waste	27	22	19
Non-Hazardous Waste	42	5	4
Overall Waste diverted to disposal	69	27	23
Add: Waste diverted from disposal	383	134	1,892
Total Waste Generated	452	161	1,915

1. Waste diverted from disposal includes waste that is reused, recycled, or subject to other recovery positions.
2. Recovery refers to an operation wherein products, components of the products or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose.
3. With respect to waste generated, we continuously improving data collection. This remains a work in progress with respect to enhancing waste monitoring and reporting for key subsidiaries.
4. With respect to non-hazardous waste: For FY24, we have included Winshine Industries Sdn Bhd (albeit for May 2024 to July 2024 only) alongside Jaycorp Green Energy Sdn Bhd. For FY23 and FY22 – the information is limited to Jaycorp Green Energy Sdn Bhd only.

Waste Directed to Disposal

Jaycorp understands the importance of properly disposing of scheduled waste generated by our operations to help mitigate the adverse risks associated with its hazardous characteristics on public health and the environment.

Therefore, in accordance with legal requirements, we engage appointed licensed external disposal service contractors to handle the appropriate disposal of our scheduled waste.

In FY24, we have generated a total of 27 tonnes of scheduled waste, where a breakdown of it can be found tabulated below.

	SW Code*	Scheduled Waste Generated	Total Hazardous Waste
FY24	SW409	2	27
	SW410		
	SW416	25	
FY23	SW410	1	22
	SW416	21	
FY22	SW410	1	19
	SW416	18	

1. SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.
2. SW 410 - Rags, plastics, papers or filters contaminated with scheduled wastes.
3. SW 416 - Sludges of inks, paints, pigments, lacquer, dye or varnish.

Sustainability Statement

ENVIRONMENT (CONTINUED)

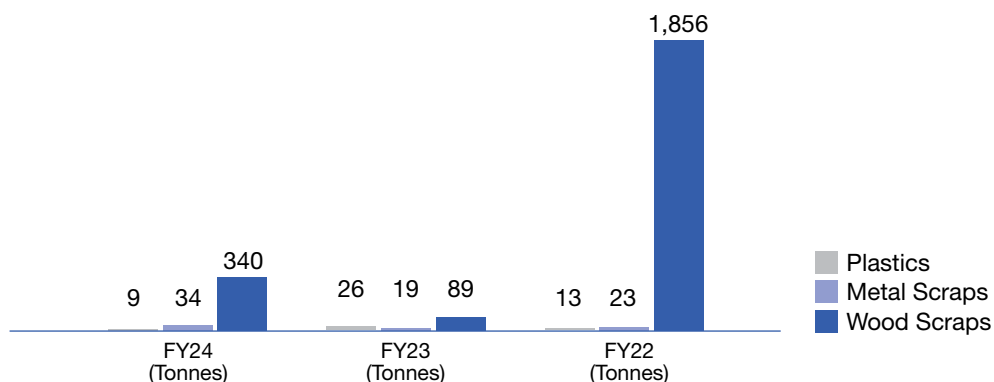
Waste Management (continued)

Waste Diverted from Disposal

Increasing waste diverted from disposal is important in reducing our reliance on landfills, which can have run-off effects on our surrounding environments. As such, Jaycorp has adopted the 3Rs approach – Reduce, Reuse, Recycle, inculcating it across our operations.

For the reporting year, the Group managed to divert 383 tonnes of waste consisting of plastics, metal scraps and wood scraps.

Diverted Waste



1. Our diverted waste is based on sales information of our waste to third-party buyers.

Preparing for The Future

Acknowledging sustainability as an ongoing journey, we are focused on continuously review our sustainability practices, as new regulatory requirements on sustainability are introduced by the authorities. As we progress, we will continue to enhance stakeholder engagement to stay aligned with evolving needs and the broader sustainability landscape.

Task Force on Climate-Related Financial Disclosures (“TCFD”) Realignment

While we have always recognised climate risks as part of our risk management, FY24 marks our first effort to provide a dedicated section for climate-related disclosures in alignment with TCFD recommendations.

Our Board and management are continuously monitoring developments in this area. While we acknowledge the changing risks and opportunities of climate change, our response will be dependent and limited to our financial performance, the feasibility of any climate initiatives, and the effectiveness of various government policies aimed at a low-carbon and climate-resilient economy.

The table below illustrates Jaycorp’s approach to addressing the TCFD disclosure recommendations:

Recommendations	Our Responses
Governance	
a) Describe the Board’s oversight of climate-related risks and opportunities.	Climate change issues are overseen through the Sustainability Governance framework detailed in the “Sustainability Governance” section of our Sustainability Statement.
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	We recognise the interconnected nature of climate change with other sustainability concerns, including economic performance, health and safety, water security, energy security, and impact to nature (e.g. clean air). We continue to monitor the development in this area.

Sustainability Statement

ENVIRONMENT (CONTINUED)

Task Force on Climate-Related Financial Disclosures (“TCFD”) Realignment (continued)

The table below illustrates Jaycorp’s approach to addressing the TCFD disclosure recommendations (continued):

Recommendations	Our Responses
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>We have not conducted scenario analysis for physical and transitional climate risks. We are cognisant the growing importance of this area and will continue to monitor and assess our ability in performing a scenario analysis in order to assess and disclose the resilience of our business activities and strategy against climate risk.</p> <p>As part of our commitment towards enhanced disclosure to meet stakeholder needs, we have endeavoured to provide a descriptive overview of key risks and opportunities arising from climate change.</p> <p><u>Risks posed by climate change:</u></p> <p>a) Security of People and Property</p> <p>The increased risk in extreme weather events such as floods and prolonged heat waves, poses a potential threat to the safety and security of our people and property.</p> <p>Impact: Damage to properties and the increased likelihood of accidents during operations could potentially cause injuries to employees and third parties.</p> <p>Mitigation Plan:</p> <ul style="list-style-type: none"> Regular property inspections and maintenance schedules. Continuous monitoring by management personnel on weather, in order to mitigate untoward incidents. <p><i>Refer: Health and Safety section of our Sustainability Statement</i></p> <p>b) Supply Chain Disruption</p> <p>Supply chain disruption as a result of the absence or lack of (critical) raw materials or manpower within our operating sites or our vendors.</p> <p>Impact: Production/construction delays</p> <p>Mitigation plan:</p> <ul style="list-style-type: none"> Diversifying suppliers and maintaining open and transparent communication with clients. Periodic review of buffer stocks and manpower practices, when required. <p><i>Refer to: Supply Chain Management Section of our Sustainability Statement.</i></p> <p><u>Opportunities posed by climate change:</u></p> <p>a) Renewable energy</p> <p>Recognising growing emphasis on renewable energy due to the following trifecta:</p> <ol style="list-style-type: none"> increase in energy costs and energy security concerns given Malaysia’s high reliance on (imported) non-renewable energy sources; Malaysia’s Net Zero Aspirations; and technological advancement in green technology enabling wider adoption due to lower cost. <p>Jaycorp is continuously considering integrating renewable energy systems (i.e. solar panels) into other properties and production sites. Currently, significant portion of the energy mix in three (3) of our factories is from renewable sources.</p> <p>b) Improving cost competitiveness vis a vis our competitors</p> <p>Opportunity in terms of enhancing our competitive advantage through a more competitive cost base, in view of rising energy cost – through enhanced inspections, maintenance and review of our asset enhancement initiative.</p> <p>Refer Energy Management Section of our Sustainability Statement.</p>
b) Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning.	
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	

Sustainability Statement

ENVIRONMENT (CONTINUED)

Task Force on Climate-Related Financial Disclosures (“TCFD”) Realignment (continued)

The table below illustrates Jaycorp’s approach to addressing the TCFD disclosure recommendations (continued):

Recommendations	Our Responses
Risk Management	
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	Our Enterprise Risk Management (“ERM”) framework provides a framework for identifying, assessing and managing enterprise-level risks across our all-business functions. We will continuously review and enhance our ERM, in order to consciously and proactively integrate climate-related risks into our risk assessment and management
b) Describe the organisation’s processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	
Metrics and Targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the ‘Energy Management’ and ‘Emissions Management’ section of our Sustainability Statement for our material metrics regarding this topic, which include energy consumption, Scope 1 and Scope 2 GHG emissions. We have excluded the information on Scope 3 GHG emissions, given that we have yet to put in place a requirement to collate emission information from our suppliers, customers and employees.
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Group has not established any targets to manage climate-related risks and opportunities, however, we will continue to monitor our emissions and emphasise on energy efficiency to mitigate rising electricity costs, which also adversely affect our operating costs.

Sustainability Statement

PERFORMANCE DATA

Indicator	Measurement Unit	FY24
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	33
Management	Percentage	100
Executive	Percentage	100
Non-Executive	Percentage	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	75
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.79
Bursa C5(c) Number of employees trained on health and safety standards	Number	517
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Top Management	Hours	182
Management	Hours	419
Executive	Hours	542
Non-Executive	Hours	1,713
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	61
Bursa C6(c) Total number of employee turnover by employee category		
Top Management	Number	0
Management	Number	4
Executive	Number	10
Non-Executive	Number	147
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Sustainability Statement

PERFORMANCE DATA (CONTINUED)

Indicator	Measurement Unit	FY24
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 30	Percentage	0
Top Management Between 30-50	Percentage	33
Top Management Above 50	Percentage	67
Management Under 30	Percentage	4
Management Between 30-50	Percentage	66
Management Above 50	Percentage	30
Executive Under 30	Percentage	17
Executive Between 30-50	Percentage	66
Executive Above 50	Percentage	17
Non-Executive Under 30	Percentage	35
Non-Executive Between 30-50	Percentage	60
Non-Executive Above 50	Percentage	5
Gender Group by Employee Category		
Top Management Male	Percentage	100
Top Management Female	Percentage	0
Management Male	Percentage	69
Management Female	Percentage	31
Executive Male	Percentage	49
Executive Female	Percentage	51
Non-Executive Male	Percentage	76
Non-Executive Female	Percentage	24
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67
Female	Percentage	33
Under 30	Percentage	0
Between 30-50	Percentage	33
Above 50	Percentage	67
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	108,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	10,350
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	19,511
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	224

Internal assurance	External assurance	No assurance	(*)Restated
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Jaycorp Berhad (“Jaycorp” or “the Company”) is committed to cultivating a responsible organisation by instilling corporate conscience through excellence in Corporate Governance (“CG”) standards at all times. This includes accountability and transparency which is observed throughout the Group as a fundamental part of building a sustainable business and discharging its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

The Board believes that good governance will help to realise long-term shareholders value, whilst taking into account the interest of other stakeholders. The Board evaluates and continue to enhance the existing corporate governance practices in order to remain relevant with developments in market practice and regulations.

The Board is pleased to set out below the manner in which the Group has applied the three (3) main principles in the Malaysian Code on Corporate Governance (“MCCG”) known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) and the application of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) throughout the financial year ended 31 July 2024.

This CG Overview Statement should be read together with the Company’s CG Report for the financial year ended 31 July 2024, which is available on Bursa Securities’s website at <http://www.bursamalaysia.com>. The CG Report has disclosed the extent the Company has applied the Practices set out in the MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

1.0 Every company is headed by a Board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company.

- 1.1 The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Group to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders’ values.

The Board has assumed the following principal responsibilities in discharging its fiduciary duties:

- a. reviewing and adopting a strategic plan for the Group, addressing the sustainability of the Group’s business;
- b. overseeing the conduct of the Group’s businesses and evaluating whether or not its businesses are being properly managed and sustained;
- c. identify principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address and manage such risks;
- d. ensuring that all candidates appointed to Senior Management positions are of sufficient caliber, including the orderly succession of Senior Management personnel;
- e. reviewing the adequacy and integrity of the Group’s internal control and Management Information Systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- f. carrying out periodic review of the Group’s financial performance and operating results and major capital commitments; and
- g. reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Responsibilities (continued)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (continued)

- 1.1 The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Group to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders' values. (continued)

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:

- a. Audit Committee ("AC")
- b. Nomination Committee ("NC")
- c. Remuneration Committee ("RC")
- d. Board Risk Management Committee ("BRMC")
- e. Investment Committee ("IC")

- 1.2 All Committees have written Terms of Reference. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company and the Group.

- 1.3 The Executive Chairman leads the Board and is responsible for the effective performance of the Board. He ensures that all relevant issues and quality information to facilitate decision making and effective running of the Group's business are included in the meeting agenda.

The positions of Executive Chairman and Managing Director are held by different individuals. The Chairman is an Executive member of the Board.

The roles of the Executive Chairman and Managing Director as well as Terms of Reference of the Committees are spelt out in detail in the Board Charter which is made available for reference at the Company's website at www.jaycorp.com.my.

- 1.4 The Board has delegated to the Managing Director, the authority and responsibility for implementing of the Board policies, strategies and decisions adopted by the Board. The Managing Director takes on primary responsibility to spearhead and manage the overall business activities of the various business divisions of the Group. The Managing Director is assisted by Executive Directors, Key Senior Management and head of each division in implementing and running the Group's day-to-day business operations.

The presence of the Independent Directors fulfills a pivotal role of corporate accountability. They provide unbiased and independent advice, alternative viewpoints, challenge perceptions and judgment as appropriate to take account of the interest of the Group, shareholders, employees and any party with whom the Group conducts business.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Responsibilities (continued)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (continued)

- 1.5 The Board is supported by qualified and competent Company Secretaries who facilitate overall compliance with the MMLR of Bursa Securities and other laws and regulations. The secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretaries carry out the following tasks:

- a. attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting ("AGM"), Extraordinary General Meeting and any other meetings that require the attendance of Company Secretary and ensure that meetings are properly convened;
- b. ensure that the quarterly financial results, audited financial statements, annual reports, circulars and all relevant announcements are announced to Bursa Securities on a timely basis;
- c. ensure that deliberations at the meetings are well captured and minuted;
- d. ensure that the Company complies with the MMLR and the requirements of the relevant authorities;
- e. inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;
- f. remind the Directors and principal officers to refrain from dealings in the Company's securities during the closed period;
- g. ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents;
- h. assist the Chairman to organise and co-ordinate in all the Board, Board Committee and General meetings;
- i. attend all the Board, Board Committee and General meetings;
- j. to upkeep and update the statutory records;
- k. to liaise with internal and external auditors to furnish them with the statutory records for audit purposes;
- l. as the adviser to the Board and compliance officer of the Company; and
- m. to discharge duties in compliance with Companies Act 2016, Bursa Securities Listing Requirement, Securities Commission Act, MCCG and any other relevant regulatory bodies.

The appointment and removal of the Company Secretaries are matter of the Board as a whole.

- 1.6 The Board meets on quarterly basis, with additional meetings convened as and when necessary.

All Directors are notified with the notice of Board Meetings at least 7 days in advance. The agenda and a set of board papers were issued at least 3 days from the date of Board Meetings so as to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary, to expedite the decision-making process effectively.

During the financial year ended 31 July 2024, five (5) Board Meetings were held. A brief profile of each member of the Board are set out in the Directors' Profile section of this Annual Report.

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Responsibilities (continued)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (continued)

1.6 The Board meets on quarterly basis, with additional meetings convened as and when necessary. (continued)

The Executive Directors and/or other relevant Board members will furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision-making. In addition, the Board members are updated on the Company's activities and its operations on a regular basis.

External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Senior Management team from different business units are also invited to participate at the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the Senior Management team.

All proceedings at the Board meetings are properly minuted and signed by the Chairman of the meetings. The Board also resolved and approved the Company's matters through circular resolutions during the financial year.

Every Director also has unhindered access to the advice and services of the Company Secretaries as and when required to enable them to discharge their duties effectively.

There is a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity to take independent professional advice at the Group's expense, where necessary in furtherance of their duties.

2.0 There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its Committees and individual Directors.

The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors and Managements; and issues and decisions reserved for the Board.

The Board will periodically review the Board Charter and make any changes whenever necessary. The Board Charter is published on the Company's corporate website at www.jaycorp.com.my. The Board Charter was last reviewed and adopted.

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 The Board has formalised the Code of Ethics and Conduct that set out the basic principles to guide all the Directors, employees and its subsidiaries and associate companies. The Board shall observe and adhere to the Group's Code of Ethics and Conduct for Directors which provide guidance regarding ethical and behavioral considerations or actions in discharging their duties and responsibilities.

The Board will periodically review the Code of Ethics and Conduct to ensure it remains relevant and appropriate. The details of the Code of Ethics and Conduct are available for reference at the Company's website at www.jaycorp.com.my. The Code of Ethics and Conduct was reviewed and adopted.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Responsibilities (continued)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.2 The Board has put in place an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions taken where required.

The details of the Whistleblowing Policy are available for reference at the Company's website at www.jaycorp.com.my. The Whistleblowing Policy was reviewed and adopted.

3.3 The Board has adopted the Sustainability Policy which aims to integrate the principles of sustainability into the Group's strategies, policies and procedures, ensure that the Board and Senior Management are involved in implementing sustainability practices and monitoring the sustainability performance. This policy also aims to create a culture of sustainability within the Group, and the community, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

The Sustainability Policy is available on the Company's website at www.jaycorp.com.my. The Sustainability Policy was reviewed and adopted.

3.4 The Board has adopted the Anti-Bribery and Anti-Corruption Policy across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which was implemented on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every Director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.jaycorp.com.my. The Anti-Bribery and Anti-Corruption Policy was reviewed and adopted.

II Board Composition

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

4.1 As at to date, the Board consists of nine (9) members; comprising of one (1) Executive Chairman, one (1) Managing Director, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director, and three (3) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Securities. The individual profile of each Director is presented in this Annual Report.

The Directors comprise of diversified expertise, ranging from business, legal, manufacturing, marketing, finance, audit and banking. The Board acknowledges that a well-balanced board will benefit the Group in promptly appraising matters and to competently arrive at decisions which will enhance the performance of the Group.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (continued)

- 4.1 The Group is led and controlled by an experienced Board, many of whom have vast knowledge of the business. There is a clear division of responsibility between the Executive Chairman and the Managing Director to ensure that there is a balance of power and authority. The Executive Chairman is responsible to set the Company's direction, ensuring the Board's effectiveness and conduct, monitoring the monthly result so as to ensure it meets the budget and goals. The Managing Director, with the assistance of the Executive Directors, is responsible for the day-to-day management of the business as well as the implementation of the Board's policies and decisions.

Tan Sri Datuk (Dr.) Abdul Majid Khan is the Executive Chairman of the Board whilst the Group Managing Director is Yeo Ayk Ke.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls and provide unbiased and independent views to safeguard the interest of the shareholders. Together with the Executive Directors who have in-depth knowledge of the business, the Board constitutes of individuals who are committed to business coupled with integrity and professionalism in all its activities.

The Board considers that the current size of the Board is adequate and facilitates effective decision making. The NC has reviewed the present composition of the Board and the three (3) main existing committees and is satisfied that they have adequately carried out their functions within their scope of work.

- 4.2 The Board recognises the importance of independence and objectivity in the decision making process. The Board is committed to ensure that the Independent Directors are capable of exercising independence judgment and acting in the best interests of the Group. The Independent Directors of the Company fulfill the criteria of "Independence". They act independently of management and are not involved in any other relationship with the Group that may impair their independent judgment and decision making. Each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest in relation to any material transactions. The Director is required to immediately disclose to the Board and to abstain from participating in discussions, deliberations and decisions of the Board on the respective matters.

The Board, via NC and guided by the Corporate Governance Guide – Towards Boardroom Excellence has developed the criteria to assess independence and formalised the current independence assessment practice. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board Meeting held thereafter. Each Independent Director abstained from deliberation on his own assessment. The NC was satisfied that the Independent Directors still maintain their independence.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

- 4.3 The Board appoints its members through a formal and transparent selection process, in line with the provision in the MCCG. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will interview, select and shortlist the right candidate to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that legal and regulatory requirements are met.

The appointment process of a new Director is summarised as follows:

- i. the NC recommends the needs for additional Board member(s) or when there is a vacancy arise;
- ii. to go through the assessment process guided by the Directors' Fit and Proper Policy;
- iii. the management through their contacts search for the suitable candidates in related industries who has exposure and relevant experience to contribute to the Group;
- iv. in evaluating the suitability of candidates to the Board, the NC considers, inter-alia, the required mix of skills, expertise, experience, time commitment and contribution of the candidates;
- v. for candidates proposed for appointment as Independent Non-Executive Directors, the NC assesses the candidate's independence in accordance with Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities;
- vi. recommendation to be made by NC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- vii. decision to be made by the Board on the proposed new appointment including appointment to the various Board committees.

The appointment of new Board Members and Senior Management will be guided by the diversity in skills, competencies, experience, commitment and integrity of the candidate. The assessment is on merit base.

- 4.4 The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. Though there is no formal gender diversity policy, the Board currently has three (3) female Directors which the Board is of the view, is in line with the gender diversity recommended by MCCG.

The Group does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workplace. The evaluation on the suitability of candidates as the new Board member or as a member of the workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender and race.

The Group gives an equal opportunity to all its employees. The appointment of Board members and employees are based on objective criteria, merit, experience and credibility on a continuing basis and, may not limit to gender, age, ethnicity, religion and culture background.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (continued)

- 4.5 The Constitution of the Company provides that all Directors of the Company are subject to retirement. At least one-third (1/3) of the Directors for the time being, or the number nearest to one-third (1/3), shall retire from office and shall be eligible for re-election. The Constitution further provides that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates. Newly appointed directors shall hold office only until the next AGM and shall be eligible for re-election.

Prior to tabling of the re-election/re-appointment of Director(s) to the shareholders, the NC will review of their performance and their contribution to the Board through their skills, experience, qualities and ability to act in the best interests of the Company in decision making. The evaluation process was carried out through a set of questionnaires to be completed by each NC member in respect to each of Director seeking for re-election and eligible for re-appointment. The evaluation process is guided by the Directors' Fit & Proper Policy, details are available for reference at the Company's website at www.jaycorp.com.my. Recommendation from the NC would then be considered by the Board as support of their re-election/re-appointment by the shareholders at the AGM.

The election of each Director is voted separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and their shareholdings in the Group of each Director standing for re-election are furnished in the Annual Report Statement Accompanying the Notice of AGM.

The NC assessed and was satisfied and made recommendations to the Board for re-election/retention/re-appointments with regards to the following:

- i. the re-election of the Director, Yeo Ayk Ke, who is due to retire but shall be eligible for re-election pursuant to Clause 125 of the Company's Constitution at the forthcoming 26th AGM;
- ii. the re-election of the Director, Nadja binti Jema Khan, who is due to retire but shall be eligible for re-election pursuant to Clause 125 of the Company's Constitution at the forthcoming 26th AGM; and
- iii. the re-election of the Director, Lim Poh Teot, who is due to retire but shall be eligible for re-election pursuant to Clause 125 of the Company's Constitution at the forthcoming 26th AGM.

The profiles of these Directors are set out on pages 7 to 9 of the Annual Report.

- 4.6 All Directors of the Company do not hold more than five (5) directorships in public listed companies under paragraph 15.06 of the MMLR.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. The Board met five (5) times for the financial year ended 2024. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, policies and strategy planning, re-appointment of internal and external auditors are discussed and decided by the Board.

The dates scheduled for Board meetings, Board Committee meetings and AGM are set in advance and circulated to the Directors to facilitate the Directors' time planning. The Directors' Circular Resolutions are used for determination of urgent matters arising in between meetings. In accordance with Clause 147 of the Constitution of the Company, a signed and approved resolution by a majority of the Directors present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (continued)

- 4.6 The Company Secretaries issues a notice of meeting prior to each Board meeting together with relevant Board papers and any corporate announcement for release to Bursa Securities. Management and professional advisors may be invited by the Board, if there is a need, for information or advice on matters that require expert knowledge.

During the financial year ended 31 July 2024, the Board held five (5) meetings and the details of each Director's attendance are set out below:

Name of Directors	Designation	Meetings attended	Percentage (%)
TAN SRI DATUK (DR.) ABDUL MAJID KHAN	Executive Chairman	5/5	100
YEO AYK KE	Managing Director	5/5	100
YEO AIK TAN	Executive Director	5/5	100
LIM POH TEOT	Executive Director	5/5	100
MUAZ BIN JEMA ANTON KHAN	Executive Director	5/5	100
NADJA BINTI JEMA KHAN	Non-Independent Non-Executive Director	3/5	60
BIANCA DANIELLA LIND	Independent Non-Executive Director	5/5	100
IVAN OH BOON WEE	Independent Non-Executive Director	5/5	100
PATRICIA UBING @ MAGDALENE EDWARD	Independent Non-Executive Director	5/5	100

The attendance of all the Directors at Board meetings held during the financial year ended 31 July 2024 surpassed the minimum requirements stipulated under the MMLR of Bursa Securities.

- 4.7 During the financial year under review, all Directors have completed the Part 1 of Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. Three (3) Directors have completed Part II of the MAP, with the remaining Directors scheduled to complete it on or before 1 August 2025. Besides that, the Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast of various issues facing the changing business environment within which the Group operates. Directors are also encouraged to evaluate their own training needs on a continuous basis and recommend to the Board for the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board by actively participate in Board deliberation and effectively discharge their duties.

During the financial year under review, Directors have attended in the following training programmes:

Name of Directors	Date	Training attended
TAN SRI DATUK (DR.) ABDUL MAJID KHAN	6 & 7 November 2023	• Global Chinese Economic & Technology Summit (GCET)
	26 July 2024	• Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
YEO AYK KE	6 & 7 November 2023	• Global Chinese Economic & Technology Summit (GCET)
	26 July 2024	• Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
	30 July 2024	• Awareness: Anti-Bribery & Anti-Corruption
YEO AIK TAN	26 July 2024	• Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (continued)

4.7 During the financial year under review, Directors have attended in the following training programmes: (continued)

Name of Directors	Date	Training attended
LIM POH TEOT	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
MUAZ BIN JEMA ANTON KHAN	6 & 7 November 2023	<ul style="list-style-type: none"> Global Chinese Economic & Technology Summit (GCET)
	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
NADJA BINTI JEMA KHAN	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
BIANCA DANIELLA LIND	14 September 2023	<ul style="list-style-type: none"> Audit Committee Conference 2023 Audit Committees: Catalysts of Change
	5-6 February 2024	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact
	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
IVAN OH BOON WEE	14 September 2023	<ul style="list-style-type: none"> Audit Committee Conference 2023 Audit Committees: Catalysts of Change
	25 October 2023	<ul style="list-style-type: none"> FTSE4Good ESG Ratings for All PLCs
	26 October 2023	<ul style="list-style-type: none"> Budget 2024: Unleash the T.I.G.E.R.
	1 November 2023	<ul style="list-style-type: none"> Baker Tilly Malaysia Tax & Budget Webinar
	5-6 February 2024	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact
PATRICIA UBING @ MAGDALENE EDWARD	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework
	26-27 September 2023	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I
	5-6 February 2024	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact
	26 July 2024	<ul style="list-style-type: none"> Recent Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework

All the Executive Directors have been with the Company for many years and are familiar with their duties and responsibilities as Directors. Wherever a new Board member is appointed, he/she will be given briefings and orientation by Executive Directors and Senior Management on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

The Directors are regularly updated on new statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities. In addition, the Directors also receives briefings and updates on the Group's businesses and operations, risk management activities and technology initiatives on a regular basis.

The Company Secretaries also update the Board Members on the amended Bursa Securities MMLR, MCGG, the impact on Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and Anti-Money Laundering Act 2001.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

The Company conducts an annual assessment to evaluate the effectiveness of the Board and the Board Committees as well as the performance of each individual Director through the NC.

The NC of the Company comprises exclusively Independent Non-Executive Directors and its composition is as follows:

- Bianca Daniella Lind (Chairperson)
- Ivan Oh Boon Wee (Member)
- Patricia Ubing @ Magdalene Edward (Member)

The NC held one (1) meeting during the financial year ended 31 July 2024. The details of the Terms of Reference of NC are available for reference at the Company's website at www.jaycorp.com.my. The Terms of Reference of NC was reviewed and adopted.

The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluations are guided by the Corporate Governance Guide – Towards Boardroom Excellence. The NC carried out its evaluation with the view to maximise the performance of the individual committees in the interest of the Company. The evaluation process involved self-review assessment, where Directors will assess their own performance. These assessments and comments were summarised and discussed at the NC meeting which were then reported to the Board at the Board Meeting held thereafter. The NC evaluated all the above Assessment Forms at the NC Meeting held on 30 September 2024 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Directors.

During the financial year under review, the NC carried out the following assessments and were satisfied with the results of the assessments:

- i. reviewed and discussed the Board's composition;
- ii. reviewed and assessed the structure, size, required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole and the Board Committees;
- iii. reviewed and assessed the contribution of each individual Director based on the criteria stipulated in the Directors Fit & Proper Policy;
- iv. reviewed the term of office and performance of the AC and each of its members to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference;
- v. assessed the independence of each of the existing Independent Directors with each Director abstaining from deliberation on his/her own assessment; and
- vi. reviewed, assessed and recommended to the Board the Directors who are due for retirement at the AGM in accordance with the Company's Constitution but are eligible for re-election.

The Directors' Assessment Policy which sets out the procedures and criteria used in the assessment of the Board, Board Committees, Directors and independence of Independent Directors is available on the Company's website at www.jaycorp.com.my. The Directors' Assessment Policy was reviewed and adopted.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration

6.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

6.1 The RC of the Company comprises both Executive and Independent Non-Executive Directors, majority of whom are the latter and its composition is as follows:

- Ivan Oh Boon Wee (Chairman)
- Yeo Ayk Ke (Member)
- Bianca Daniella Lind (Member)

The RC held one (1) meeting during the financial year to carry out its function as stated within the Terms of Reference. The details of the Terms of Reference of RC are available for reference at the Company's website at www.jaycorp.com.my. The Terms of Reference of RC was reviewed and adopted.

6.1 Below is a summary of the key activities undertaken by the RC in discharging of its duty:

- i. to recommend to the Board the remuneration of the Executive Directors and Non-Executive Directors in all its forms. The determination of remuneration packages of Executive Directors and Non-Executive Directors, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration;
- ii. to assist the Board in assessing the responsibility and commitment undertaken by the Board membership; and
- iii. to assist the Board in ensuring the remuneration of the Directors reflects the responsibility and commitment of the Director concerned.

6.2 The primary function of the RC is to set up and review the policy of remuneration framework and recommend to the Board the remuneration packages of all the Directors according to the skills, level of responsibilities, experience and performance of the Directors.

The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC reviews the Board remuneration policy and terms of conditions of service of each Director annually taking into consideration market conditions and comparisons, responsibilities held, business strategy, long term objectives and the overall financial performance of the Group.

The RC is also responsible for reviewing the remuneration packages of the Non-Executive Directors of the Company and thereafter making recommendations to the Board for their consideration. Non-Executive Directors are paid by way of fixed monthly fees and a meeting allowance for each day of attending the meeting. Individual Directors are not allowed to participate in discussion of his/her own remuneration.

The Board will then recommend the Directors' fees and other benefits payable to Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

The Directors' Remuneration Policy, which aims to attract, develop and retain high performing and motivated Directors with a competitive remuneration package is available on the Company's website at www.jaycorp.com.my. The Directors' Remuneration Policy was reviewed and adopted.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (continued)

7.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Company's performance.

- 7.1 The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 July 2024 amounted to RM1,105,000 and RM4,411,000 respectively. Details of the individual Director's Remuneration from the Company and the Group are set out under Practice 8.1 of the Corporate Governance Report, which is uploaded on the Company's website at www.jaycorp.com.my.
- 7.2 The Board is of the view that the disclosure of Senior Management's remuneration on a named basis will not be in the best interest of the Group, as it will give rise to recruitment and talent retention issues and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance. Alternatively, the Group and the Company have disclosed the aggregate total remuneration of Senior Management personnel for the financial year ended 31 July 2024, under Note 22(b) to the Financial Statements of the Company's Annual Report 2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statement is a reliable source of information.

- 8.1 The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

The AC comprises of all Independent Directors. The composition of the Committee is as follows:

- Ivan Oh Boon Wee (Chairman)
- Bianca Daniella Lind (Member)
- Patricia Ubing @ Magdalene Edward (Member)

The details of the Terms of Reference of AC are available for reference at the Company's website at www.jaycorp.com.my. The Terms of Reference of AC was reviewed and adopted.

The Chairman of the AC is not the Chairman of the Board, to uphold objectivity on the Board's review of the AC's findings and recommendation remains intact.

- 8.2 The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that Applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Securities have been applied.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates where applicable.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I Audit Committee (continued)

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statement is a reliable source of information. (continued)

- 8.2 The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

The Board is assisted by the AC to oversee the Group's financial reporting process and the quality of its financial reporting.

The AC Report is presented and separately set out in this Annual Report.

- 8.3 An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the Listing Requirements. The Board through its AC, reviews and reports to the Board any related party transactions (including recurrent related party transactions) and conflict of interest or potential conflict of interest situations that may arise within the Company or the Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

Further details of these transactions are set out in the Recurrent Related Party Transactions Circular to Shareholders dated 20 November 2024.

- 8.4 The AC assesses the suitability and independence of the External Auditors on an annual basis. Areas of assessment including amongst others, the External Auditor's objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs/opinions from the Company's personnel who had constantly contacted with the external audit team throughout the year would also be used as a tool in the judgment of the suitability of the external auditor.

The External Auditors, in supporting their independence, will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such declaration in their annual audit plan presented to the AC of the Company during the financial year.

The External Auditors of the Company fulfill an essential role on behalf of Company's shareholders in giving an assurance to the shareholders on the reliability of the financial statements of the Company and the Group.

The External Auditors have an obligation to bring to the attention of the Board of Directors, the AC and Company management any significant defects in the Group's systems of reporting, internal control and compliance with Applicable Approved Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The External Auditors of the Company are invited to attend at least two (2) meetings with the AC a year to discuss their audit plan and audit findings on the Company's yearly financial statements. In addition, the AC will also have private sessions with the External Auditors without the presence of the Management to enable exchange of views on issues requiring attention.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I Audit Committee (continued)

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statement is a reliable source of information. (continued)

- 8.4 During the financial year, the amount of audit fee and non-audit fee paid or payable to the External Auditors of the Company during the financial year ended 31 July 2024 were as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	195	35
Non-audit Fees	5	5
Total	200	40

The non-audit fees were paid to External Auditors for the review of Statement on Risk Management and Internal Control.

In considering the nature and scope of non-audit fees, the AC was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

The AC and the Board are satisfied with the performance, competence and independence of the External Auditors and the Board had recommended their re-appointment for shareholders' approval at the forthcoming 26th AGM.

The key features underlying the relationship of the AC with External Auditors are included in the AC's Terms of Reference.

II Risk Management and Internal Control Framework

9.0 The Group makes informed decisions on the risk appetite and implement necessary controls to pursue its objectives. The Board is provided with reasonable assurance that any adverse impacts arising from foreseeable future events are identified on a timely basis and managed/mitigated appropriately.

- 9.1 The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Company formed a BRMC to oversee the strategies, policies, initiatives, targets and performance of the Group and the Enterprise Risk Management Committee ("ERMC") to oversee the implementation of risk management. The BRMC is chaired by an Independent Non-Executive Director and the ERMC is chaired by an Executive Director.

BRMC held three (3) meetings during the financial year to carry out its function as stated within the Terms of Reference. The details of the Terms of Reference of BRMC are available for reference at the Company's website at www.jaycorp.com.my. The Terms of Reference of BRMC was reviewed and adopted.

The BRMC members and their attendance at the BRMC meetings held during the financial year ended 31 July 2024 are as follows:

Members of Board Risk Management Committee	No. of meeting attended
Ivan Oh Boon Wee (Chairman)	3/3
Muaz bin Jema Anton Khan (Member)	3/3
Patricia Ubung @ Magdalene Edward (Member)	3/3

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

II Risk Management and Internal Control Framework (continued)

9.0 The Group makes informed decisions on the risk appetite and implement necessary controls to pursue its objectives. The Board is provided with reasonable assurance that any adverse impacts arising from foreseeable future events are identified on a timely basis and managed/mitigated appropriately.

- 9.1 There was no ERM meeting held during the financial year but all the ERM members attended all three (3) BRMC meetings to discuss and deliberate on Group risk management matters. The details of the Terms of Reference of ERM are available for reference at the Company's website at www.jaycorp.com.my. The Terms of Reference of ERM was reviewed and adopted.

The representatives from key operating subsidiaries and joint venture companies attended the ERM meetings upon invitation.

The Board is ultimately responsible for the establishment of a sound framework to manage risks. The ERM is responsible to implement risk management policies and strategy. It monitors and manages principal risk exposures by ensuring Management has taken necessary steps to mitigate such risks and recommends actions, where necessary.

The periodic updated key risk profile of the Group would be reviewed by the BRMC and ERM prior to table to the Board.

The Statement on Risk Management and Internal Control set out on pages 66 and 68 of this Annual Report provides an overview of the state of risk management activities within the Group.

- 9.2 The primary responsibility and purpose of the BRMC and ERM are to assist the Board in fulfilling its responsibility for the ongoing evaluating, reviewing and monitoring the Group's risk management framework and activities. The BRMC reports to the Board regarding the Group's risk exposures, including reviewing the risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's Business Unit.

The key features of the Enterprise Risk Management Framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on page 66 of this Annual Report.

10.0 The Group has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The internal audit function is outsourced to a professional firm (Internal Auditors) who reports directly to the AC.

The Internal Auditors review and monitor the compliance of the internal control system, governance and risk management and operational assessments by carrying out audit checks on such control processes and provide feedback on its effectiveness and compliance at the operating level. Any weaknesses reported by the Internal Auditors to the AC will include management's response and actions that are required to rectify the weaknesses.

The Internal Auditors assisted the AC in discharging its duties and responsibilities with respect to adequacy and integrity of internal controls within the Group and undertook the following activities:

- carrying out the internal auditing of the subsidiaries and joint venture companies;
- facilitating the improvement of business processes within the Group;
- establishing a follow up process in monitoring the implementation of audit recommendation to Management; and
- monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

II Risk Management and Internal Control Framework (continued)

10.0 The Group has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework. (continued)

The Statement on Risk Management and Internal Control is furnished on pages 66 and 68 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures of material information relating to the Company and the Group to be made to the regulators, shareholders and stakeholders. On this basis, the Board has formalised pertinent policies and procedures not only to comply with the disclosure requirements as stipulated in the MMLR of Bursa Securities, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

The release of material information will be made publicly via Bursa Securities. Members of the public can also obtain the full financial results and the Company's announcements from the Bursa Securities' website.

The Company's website at www.jaycorp.com.my is regularly updated and provides relevant information on the Company which is accessible to the public to make informed investment decision.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders.

In addition to shareholders participation at general meetings, the Board also encourages other channel of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Audit Committee Chairman, Mr Ivan Oh Boon Wee at the contact details set out in the Corporate Information section of this Annual Report.

The Board and Management ensure timely dissemination of information on the Company's performance and other matters affecting shareholders' interests to shareholders and investors through appropriate announcement (where necessary), quarterly announcements, relevant circulars, press releases and distribution of annual reports.

The Company recognises the importance of accountability to shareholders and effective communication between the Company and investors. In compliance with Para 9.21 of the MMLR of Bursa Securities, the Company has established its own website at www.jaycorp.com.my which contains vital information concerning the Group and is updated on a regular basis. Shareholders and investors are able to direct their queries to the Company through the Company's website.

The Company is not categorised as large company under the MCGG and has not adopted the integrated reporting based on a globally recognised framework.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

II Conduct of General Meetings

12.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

- 12.1 The last AGM was held on 14 December 2023. The AGM is the principal forum for dialogue and interaction with shareholders.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the AGM. It is also a requirement for the Company to send the Notice of the AGM and related circular to its shareholders at least twenty-one (21) days before the meeting. At the AGM, shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general to seek more information. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM.

- 12.2 Pursuant to Paragraph 8.29(A) of MMLR of Bursa Securities, the Company must ensure that any resolution set out in the Notice of any general meeting is to be voted by poll.

The Board will continue to adopt poll voting for all resolutions set out in the Notice of the AGM of which the votes cast will be validated by an Independent Scrutineer. The Board make announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation.

COMPLIANCE STATEMENT

Save as disclosed above, the Board is satisfied that throughout the financial year ended 31 July 2024, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

The Board is required to present the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, the results and cash flows of the Group and of the Company.

The Board is satisfied that the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable prudent judgment and estimates, adopted to include new and revised MFRSs where applicable, in preparing the financial statements of the Group and of the Company for the financial year ended 31 July 2024. The Board is also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Board has also taken all such necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This CG Overview Statement is made in accordance with a resolution of the Board dated 6 November 2024.

ADDITIONAL DISCLOSURE REQUIREMENTS

Pursuant to the Listing Requirements of Bursa Securities

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

During the financial year, there was no proceed raised by the Company from any corporate exercise.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Company and the Group which involved Directors' and Major Shareholders' interest subsisting as at the end of the financial year ended 31 July 2024 other than those disclosed under notes to financial statements.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The Group has Shareholders' Mandate on RRPT at the last Annual General Meeting held on 14 December 2023.

Detailed below the RRPT conducted pursuant to the shareholders' mandate during the financial year ended 31 July 2024:

Jaycorp Group	Name of Related Parties	Type of Transaction	Actual value of transaction for the financial year ended 31 July 2024 (RM'000)	Interested Related Parties and the Relationship
i) Jaycorp Berhad ("Jaycorp")	Jawala Corporation Sdn Bhd ("Jawala")	i) Rental of Lot 17.03, 17 th Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur to Jaycorp	90	Jawala is a Major Shareholder of Jaycorp.
ii) Yeo Aik Hevea (M) Sdn Bhd ("YAHSB")		ii) Receipt of commission income from YAHSB for assisting YAHSB to successfully tender of rubber wood	-	<p>Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman and Major Shareholder of Jaycorp via interest in Jawala)</p> <p>Tan Sri Datuk (Dr.) Abdul Majid Khan is a Director and Major Shareholder of Jawala.</p> <p>Muaz bin Jema Anton Khan (Executive Director of Jaycorp) Muaz bin Jema Anton Khan is the grandson of Tan Sri Datuk (Dr.) Abdul Majid Khan and a shareholder of Jawala.</p> <p>Nadja binti Jema Khan (Non-Independent Non-Executive Director of Jaycorp) Nadja binti Jema Khan is the granddaughter of Tan Sri Datuk (Dr.) Abdul Majid Khan and a shareholder of Jawala.</p>

Additional Disclosure Requirements

Pursuant to the Listing Requirements of Bursa Securities

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") (CONTINUED)

Jaycorp Group	Name of Related Parties	Type of Transaction	Actual value of transaction for the financial year ended 31 July 2024 (RM'000)	Interested Related Parties and the Relationship
<u>Joint Venture Company</u> Honsoar Jaycorp Cabinetry Sdn Bhd ("HJCSB")	i) Honsoar New Building Material Co. Ltd ("HNBMCCL"), China	i) Sales of furniture parts, board material and hardware to HJCSB	19,363	Sun Guan Jun, China citizen, is a Director of and having an indirect interest in HJC. Sun Guan Jun is a Director and having an indirect interest in HNBMCCL, SHCCL, HIL and HHUI.
	ii) Shandong Honsoar Cabinetry Co. Ltd. ("SHCCL"), China	ii) Sales of furniture parts, board material and hardware to HJCSB	-	
	iii) Honsoar International Limited ("HIL"), Hong Kong	iii) Purchase of kitchen cabinets and bathroom vanity cabinets from HJCSB	59,920	
	iv) Honsoar Home USA Inc. ("HHUI"), USA	iv) Purchase of kitchen cabinets and bathroom vanity cabinets from HJCSB	-	
i) Winshine Industries Sdn Bhd ("WISB")	HJCSB	a) Rental of three (3) units of factories located at No. 6, 6-1, Jalan Wawasan 14, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WISB	1,200	Yeo Ayk Ke (Managing Director of Jaycorp) Yeo Ayk Ke is a Director of HJCSB, JTSB, PPSB, WHSB and WISB. Lim Poh Teot (Executive Director of Jaycorp) Lim Poh Teot is a Director of HJCSB, WHSB and WISB.
		b) Rental of a single storey factory building cum three storey office building located at No. 2, Jalan Wawasan 12, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WISB	540	
		c) Purchase and sub-contract work of furniture part from WISB	1,464	

Additional Disclosure Requirements

Pursuant to the Listing Requirements of Bursa Securities

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”) (CONTINUED)

Jaycorp Group	Name of Related Parties	Type of Transaction	Actual value of transaction for the financial year ended 31 July 2024 (RM'000)	Interested Related Parties and the Relationship
ii) Winshine Holdings Sdn Bhd (“WHSB”) iii) Pine Packaging (M) Sdn Bhd (“PPSB”) iv) Jaycorp Trading Sdn Bhd (“JTSB”)	HJCSB	ii) Rental of a single storey detached factory building cum double storey office building located at No. 1, Jalan Wawasan 12, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor from WHSB iii) Purchase of carton boxes from PPSB iv) Purchase of assembly instruction (“AI”) from JTSB. AI is included in HJCSB’s product to show visually and with words on how to assemble the HJCSB’s product	483 2,859 -	Yeo Ayk Ke (Managing Director of Jaycorp) Yeo Ayk Ke is a Director of HJCSB, JTSB, PPSB, WHSB and WISB. Lim Poh Teot (Executive Director of Jaycorp) Lim Poh Teot is a Director of HJCSB, WHSB and WISB.
<u>Joint Venture Company</u> PT Tiga Mutiara Nusantara (“PTTMN”)	Weston Wood Solutions Inc (Weston Wood), Canada	Purchase of finger jointed finished gesso coated primed moulding products and LVL moulding and millwork products from PTTMN.	24,399	Alan Stuart Lechem, Canada citizen, is a Director of and having an indirect interest in PTTMN. Alan Stuart Lechem is also a Director and shareholder of Weston Wood.
JTSB	PTTMN	Purchase of indirect material i.e. coating glue, calcium carbonate powder and machinery spare parts from JTSB.	1,391	Tan Sri Datuk (Dr.) Abdul Majid Khan (Executive Chairman of Jaycorp) Tan Sri Datuk (Dr.) Abdul Majid Khan is a Director of JTSB and PTTMN.

Note:

None of the actual value of transaction for the financial year ended 31 July 2024 has exceeded the estimated aggregate value of transactions disclosed in Circular to Shareholders dated 21 November 2023 by 10%.

The Group will seek for Shareholders’ Mandate on the RRPT at the forthcoming Twenty-Sixth Annual General Meeting to be held on 12 December 2024.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee (“AC”) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting process and internal control system.

The AC has adopted practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company’s shareholders.

MEMBERSHIP

The AC is appointed by the Board and comprise exclusively of Independent Non-Executive Directors:

Chairman	Ivan Oh Boon Wee
Members	Bianca Daniella Lind
	Patricia Ubing @ Magdalene Edward

MEETINGS

There were four (4) AC meetings held during the financial year 2024. The meetings were appropriately structured through the use of agendas which were distributed to members with sufficient notification. The details of attendance of Committee members are as follows:

Name of Committee Members	Attendance
Ivan Oh Boon Wee (<i>Chairman</i>)	4/4
Bianca Daniella Lind (<i>Member</i>)	4/4
Patricia Ubing @ Magdalene Edward (<i>Member</i>)	4/4

In addition to the AC members and Company Secretary, the Group Financial Controller and the Internal Auditors may attend the meeting as invitees. Representatives of the External Auditors shall attend meetings where matters relating to the audit of the statutory accounts are to be discussed and to present the Audit Planning Memorandum and Audit Review Memorandum at the relevant meetings. Executive Directors and other management personnel may attend the meeting upon the invitation of the AC Chairman. The AC had a closed-door discussion with the External Auditors without the presence of the Executive Directors and the management at least once a year.

The Company Secretary shall be the secretary of the AC. Notice of meeting and supporting documents are to be circulated to the AC members at least seven (7) days prior to the meeting so as to provide the AC members with relevant and timely information for effective discussions during the meeting. The AC Chairman shall report on each meeting to the Board.

Any resolution in writing signed by all the members of the AC shall be as valid and effectual as if it had been passed at a meeting of the AC duly convened and held and may consist of several documents in the like form, each signed by one or more members of the AC.

The AC members have undergone relevant training during the financial year to be apprised of regulatory changes as well as to stay abreast with contemporary issues that may affect the Group. Details of the AC members’ training are disclosed in the Company’s Corporate Governance Overview Statement in this Annual Report.

Audit Committee Report

AUTHORITY

The AC shall, in accordance with policies and procedure determined by the Board and at the cost of the Group:

- have authority to investigate any matter within its Terms of Reference;
- have adequate resources and unrestricted access to any information from both Internal and External Auditors and all employees of the Group in performing its duties;
- have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- to obtain external legal or other independent professional advice when necessary; and
- to convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

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 2024 in discharging its functions and duties:

Financial Performance & Reporting

- Reviewed the unaudited quarterly financial announcements and annual financial statements of the Group prior to submission to the Board of Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards, International Financial Reporting Standards and applicable Listing Requirements of Bursa Malaysia Securities Berhad.
- Reported to the Board on significant audit issues and concerns discussed during the AC meetings which have significant impact of the Group from time to time, for consideration and deliberation by the Board.
- Reviewed the AC Report and the Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.
- The dates the AC met during the financial year to deliberate on financial reporting matters are as detailed below:

Date of meetings	Financial reporting statements reviewed
27 September 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 July 2023.
12 December 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 31 October 2023.
19 March 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 31 January 2024.
25 June 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 30 April 2024.

External Auditors

- Discussed and reviewed the External Auditors' audit planning memorandum for the financial year ended 31 July 2024 outlining their auditors' responsibilities, engagement team, background of the group, business highlights, materiality, audit risk assessment, significant risks and areas of audit focus, consideration of fraud, internal control plan and involvement of Internal Auditors, involvement of component auditors, timetable, engagement quality control, independence policies and procedures and audit fees.
- Deliberated on the External Auditors' report at its meeting with regard to the finalisation of the annual audited financial statement for financial year ended 31 July 2024.
- Reviewed the External Auditors' findings arising from audits, particularly comments and response in management letters in order to be satisfied that appropriate action is being taken.

Audit Committee Report

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

External Auditors (continued)

- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
- Dialogue session with the External Auditors, without the presence of the Executive Director and management.
- Reviewed and evaluated the performance and effectiveness of the External Auditors. The AC assessed the integrity, capability, professionalism and work ethics of the External Auditors. The AC was satisfied with the External Auditor's performance and therefore, the AC had recommended to the Board, the re-appointment of the External Auditors at the Annual General Meeting.
- Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the External Auditors.
- Received reports from the External Auditors on their own policies regarding independence and the measures taken to control the quality of their work.
- During the financial year ended 31 July 2024, the AC met the External Auditors on 27 September 2023 and 25 June 2024 respectively to discuss on audit matters.

Internal Audit

- Reviewed the Internal Audit Reports during the financial year ended 31 July 2024 by the Internal Auditors and assessed the internal audits' findings, recommendations together with the Management's comments.
- Reviewed the Internal Audit Plan for the financial year ending 31 July 2025 presented by Internal Auditor.
- Reviewed and assessed Internal Auditors based on staff strength, resources, professional integrity, independence, familiarity with Group's operation as well as reputation and recommended to the Board the re-appointment of Internal Auditors.
- Reviewed the adequacy and performance of Internal Audit function and its comprehensiveness of the coverage of activities within the Group.
- The AC had met the internal Auditors during the financial year ended 31 July 2024 on 27 September 2023, 12 December 2023, 19 March 2024 and 25 June 2024 respectively to discuss internal audit matters.

Risk Management

- Ensure the effectiveness of the process for identifying, assessing, managing and monitoring risks are in place, oversee execution of the process and continuous improvement of the process as the business environment changes.
- Reviewed the Statement on Risk Management and Internal Control before recommending the same for Board's approval for inclusion in the Annual Report 2024.

Recurrent Related Party Transactions and Related Party Transactions

- At each quarterly meeting, AC reviewed the related party transactions presented by Management to ensure that the transactions were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.
- Reviewed the Circular to Shareholders relating to Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of revenue or trading nature, including the procedures governing such transactions, prior to recommending the same for the Board's consideration of inclusion as a resolution for shareholders' approval at the AGM of the Company.
- Review the Related Party Transactions Policy and Procedures prepared by the Management.

Conflict of Interest or Potential Conflict of interest

- At each quarterly meeting AC reviewed any conflict of interest or potential conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Others

- AC will consider and discuss any other matters arising for Board's approval.

Audit Committee Report

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional company, BDO Governance Advisory Sdn Bhd. The professional fee and other cost incurred in respect of the internal audit function for the financial year ended 31 July 2024 was RM145,000.

During the financial year ended 31 July 2024, the Internal Auditors have carried out audits to assess the adequacy of the internal controls of the main operating subsidiaries and joint venture company, based on the audit plan approved by the AC. The Internal Auditors reported their findings and recommendations to the AC for deliberations together with the management. Where areas of improvements were required, it was highlighted to the management for implementation. The AC monitored the progress of the implementation.

The detail of internal audit functions during the period under review is stated in the Statement on Risk Management and Internal Control of this Annual Report.

During the period under review, the Internal Auditors, in the course of carrying out the internal audit reviews:

- a. presented and obtained approval from the AC on the annual internal audit plan, comprising its audit strategy and scope of audit work;
- b. performed audits in accordance with the annual internal audit plan, reviewed the adequacy and effectiveness of the internal control systems in place, compliance with policies and procedures and reported ineffective and inadequate controls and made recommendations to improve their effectiveness; and
- c. performed follow-up reviews in assessing the progress of the agreed management's action plans and report to the AC and management.

The AC is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial period.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“the Code”) requires public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to present the Statement on Risk Management and Internal Control (“the Statement”) which is in compliance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

RESPONSIBILITIES OF THE BOARD

The Board of Directors acknowledges its responsibility for maintaining a sound system of internal control and risk management as well as the adequacy and integrity of those systems to safeguard shareholders’ investments and the Group’s assets. The Board has in place a conducive control environment and processes to assist the Board in maintaining a proper internal control system within the Group. The system of risk management and internal control, while designed to safeguard shareholders’ investments and the Group’s assets, by its nature can only manage rather than eliminate risk of failure to achieve business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss, fraud or breaches of laws or regulations.

The Board confirms that there is continuous effort to enhance the overall risk management process of identifying, evaluating and managing significant risks by pursuing various initiatives and to enhance the tools and processes for effective management of risks faced by the Group in its achievement of objectives and strategies. This is in accordance with the guidance as contained in the “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers”.

The Board has received assurances from the Executive Chairman and the Managing Director that the Group’s risk management and internal control systems are operating adequately, in all material aspects, based on the risk management and internal control systems of the Group.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board through the Board Risk Management Committee (“BRMC”) and Enterprise Risk Management Committee (“ERMC”), continually reviews risk management and ensures that necessary actions have been taken to remedy any significant weaknesses identified from that review. The risk assessment process involves identification of risks, prioritisation and formulation of action plans to mitigate these risks and enhance the control systems, which operates independently of the activities in the Group. Please refer to the “Anticipated or Known Risks” of the Management Discussion and Analysis for the significant risks faced by the Group and the mitigation plans implemented.

The BRMC consists of two (2) Independent Non-Executive Directors and one (1) Executive Director. The BRMC, which is chaired by an Independent Director, reports directly to the Board. There were three (3) BRMC meetings held during the financial year.

The ERMC consists of three (3) Executive Directors and the appointed representatives of subsidiaries within the Group. The ERMC, which is chaired by an Executive Director, reports directly to the BRMC. There was no ERMC meeting held during the financial year but all the ERMC members attended all three (3) BRMC meetings to discuss and deliberate on Group risk management matters.

The Board believes that maintaining a sound system of risk management is founded on a clear understanding and appreciation of the following key elements of the Group’s risk management framework:

- a risk management structure which outlines the lines of reporting and establishes the responsibilities of personnel at different levels, i.e. the Board, BRMC, ERMC and Management; and
- on-going identification of principal business risks (present and potential) faced by the Group and formalisation of Management’s action plans to mitigate these risks to acceptable levels, considering the established risk appetite and parameters (qualitative and quantitative) of the Group.

The monitoring of risk management by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on an internal audit plan approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review.

Statement on Risk Management and Internal Control

INTERNAL CONTROL

Key elements of the Group's system of internal control include:

- a. a Group annual budget is prepared and tabled to the Board for approval as a performance measurement tool for the Group. Continuous monitoring is carried out to measure actual performance against budget to identify significant variances and devise appropriate plans;
- b. management review of subsidiaries results and performances via management meetings are on a monthly basis;
- c. regular visits to subsidiaries by Senior Management;
- d. clearly defined Standard Operating Procedures and a Group Human Resource Manual as the key framework for good internal control practices; and
- e. clearly defined authority limits at appropriate levels to ensure accountability and responsibility.

CONTROL AND MONITORING PROCESS

The Board is responsible for setting the Group's long-term business objectives and monitors the conduct of the Group's operations through various board committees. The process adopted by the Board to monitor the effectiveness of the Group's risk management and internal control system are as follows:

- a. the Board, Audit Committee, BRMC and the ERMCM meet to discuss matters raised by Management, the internal audit function and External Auditors on business and operational matters;
- b. the Board has delegated the responsibilities to Management to implement and monitor the Board's policies on control;
- c. internal control procedures and policies are documented and reviewed from time to time; and
- d. meetings are held during the financial year in order to assess the Group's performance.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional services firm which provides internal audit services ("Internal Auditors"). This is part of its effort to provide the Audit Committee and Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. The role of the Internal Auditors is to review the adequacy, integrity and effectiveness of the Group's system of internal controls to mitigate the risks of the Group including financial, operational and compliance risks.

The internal audit function for the financial year ended 31 July 2024 was outsourced to BDO Governance Advisory Sdn Bhd ("BDO"). The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit reviews were conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF). The number of staff deployed for the internal audit reviews ranged from 3 to 4 staff per visit including the Engagement Director, who is a member of the Institute of Internal Auditors Malaysia. The staff involved in the internal audit reviews hold professional qualifications and/or a university degree.

The Audit Plan sets out the areas of coverage and the rationale for their selection and is presented to the Audit Committee for comments and subsequent approval before actual internal audit work is carried out. The internal audit reports, which comprise of observations raised, potential impact, recommendations by Internal Auditors and management actions, are issued and reported directly to the Audit Committee. Representatives from BDO are invited to attend Audit Committee meetings to table the Internal Audit report. The Internal Auditors, Group Financial Controller and Management provides clarification to the Audit Committee on the matters highlighted, including the action plans to address the issues highlighted. The Internal Auditor also conducted follow up audits on the status of the Management action plans to address issues highlighted in the preceding cycles of internal audit before reporting to the Audit Committee.

The professional fee and other costs incurred in respect of the internal audit function for the financial year ended 31 July 2024 was RM145,000.00.

Statement on Risk Management and Internal Control

REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG 3”): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group’s internal control system. AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group’s risk and control procedures.

CONCLUSION

The system of internal control provides reasonable, rather than absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board and Management are committed to operating a sound system of internal control and the internal control system will continue to be reviewed, updated and improved upon in line with changes in the operating environment.

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy, integrity and effectiveness of the Group’s system of risk management and internal control. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group’s system of internal control that would require separate disclosure in the Group’s Annual Report.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls, including financial, operational and compliance controls and risk management systems, maintained by the Group’s management and that were in place throughout the financial year and up to and as of the date of this report, are adequate to meet the needs of the Group in its current business environment.

This statement is made in accordance with a resolution of the Board dated 6 November 2024.

FINANCIAL STATEMENTS

FINANCIAL PERFORMANCE

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DIRECTORS' REPORT

for the year ended 31 July 2024

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2024.

Principal activities

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit after taxation for the financial year	13,566	13,183
Attributable to:		
Owners of the Company	14,140	13,183
Non-controlling interests	(574)	-
	13,566	13,183

Dividends

Dividends paid or declared by the Company since 31 July 2023 are as follows:

- (i) Final single tier dividend of 4 sen per ordinary share totalling RM10,749,336 in respect of the financial year ended 31 July 2023 on 29 December 2023; and
- (ii) First single tier interim dividend of 2 sen per ordinary share totalling RM5,374,668 in respect of the financial year ended 31 July 2024 on 29 April 2024.

At the forthcoming Annual General Meeting, a final single tier dividend of 2 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for accordingly in the financial year ending 31 July 2025.

Reserves and provisions

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

Issues of shares and debentures

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

Treasury shares

As at 31 July 2024, the Company held as treasury shares a total of 5,766,600 of its 274,500,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM2,799,000. The details of the treasury shares are disclosed in Note 16 to the financial statements.

Directors' Report

for the year ended 31 July 2024

Options granted over unissued shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Bad and doubtful debts

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that there all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current assets

Before the financial statements of the Group and of the Company were made out, 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 value as shown in the accounting records of the Group and of the Company, have 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 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 methods 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:

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Change of circumstances

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

Items of an unusual nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report

for the year ended 31 July 2024

Directors

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:

Tan Sri Datuk (Dr.) Abdul Majid Khan
 Mr Yeo Ayk Ke
 Mr Lim Poh Teot
 Encik Muaz bin Jema Anton Khan
 Cik Nadja binti Jema Khan
 Mr Yeo Aik Tan
 Cik Bianca Daniella Lind
 Mr Ivan Oh Boon Wee
 Cik Patricia Ubing @ Magdalene Edward

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are disclosed in Note 6 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	At 1.8.2023	Number of Ordinary Shares		At 31.7.2024
		Bought	Sold	
Interest in the Company:				
Tan Sri Datuk (Dr.) Abdul Majid Khan:				
- deemed interest ⁽ⁱ⁾	62,000,000	-	-	62,000,000
Mr Yeo Ayk Ke:				
- direct interest	3,195,600	-	-	3,195,600
- others ⁽ⁱⁱ⁾	95,500	-	-	95,500
Mr Lim Poh Teot:				
- direct interest	6,568,450	-	-	6,568,450
Mr Yeo Aik Tan:				
- direct interest	1,479,186	-	-	1,479,186
- deemed interest ⁽ⁱⁱⁱ⁾	9,739,200	-	-	9,739,200

⁽ⁱ⁾ Deemed interested by virtue of his direct shareholdings in Jawala Corporation Sdn Bhd pursuant to Section 8(4)(c) of the Companies Act 2016 ("the Act").

⁽ⁱⁱ⁾ Deemed interested in shares held by spouse.

⁽ⁱⁱⁱ⁾ Deemed interested by virtue of his direct shareholdings in NCCT Resources Sdn Bhd pursuant to Section 8(4)(c) of the Act.

By virtue of his shareholdings in the Company, Tan Sri Datuk (Dr.) Abdul Majid Khan is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

Directors' Report

for the year ended 31 July 2024

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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.

Directors' remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Fees	748	588
Salaries, allowances and bonuses	3,289	492
Defined contribution benefits	365	25
	4,402	1,105

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM8,800.

Indemnity and insurance cost

During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM10,000,000 and RM15,274 respectively. No indemnity was given to or professional indemnity insurance effected for the auditors of the Company.

Subsidiaries

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

Significant events occurring after the reporting period

The significant events occurring after the reporting period as disclosed in Note 34 to the financial statements.

Directors' Report

for the year ended 31 July 2024

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

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

	Group RM'000	Company RM'000
Audit fees	195	35
Non-audit fees	5	5
	200	40

Signed in accordance with a resolution of the directors dated 6 November 2024.

Tan Sri Datuk (Dr.) Abdul Majid Khan

Yeo Ayk Ke

STATEMENTS OF FINANCIAL POSITION

as at 31 July 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Property, plant and equipment	3	53,025	51,596	32	28
Right-of-use assets	4	4,055	3,511	-	-
Investment properties	5	28,730	29,392	-	-
Investments in subsidiaries	6	-	-	78,861	79,361
Investments in joint ventures	7	10,111	10,991	16,245	16,245
Other investments		2	3	-	-
Deferred tax assets	8	864	711	-	-
Prepaid leases	9	5,981	5,981	-	-
Total non-current assets		102,768	102,185	95,138	95,634
Receivables, deposits and prepayments	10	24,805	26,713	14,241	14,213
Contract assets	11	11,405	12,094	-	-
Inventories	12	23,566	21,815	-	-
Derivative assets	13	138	85	-	-
Short-term investments	14	14,588	14,100	4,230	4,083
Current tax assets		925	1,789	-	-
Cash and cash equivalents	15	73,729	72,291	3,303	7,077
Total current assets		149,156	148,887	21,774	25,373
Total assets		251,924	251,072	116,912	121,007
Equity					
Share capital	16	69,926	69,926	69,926	69,926
Reserves	16	120,708	122,202	45,833	48,774
Total equity attributable to shareholders of the Company		190,634	192,128	115,759	118,700
Non-controlling interests		7,536	8,110	-	-
Total equity		198,170	200,238	115,759	118,700
Liabilities					
Loans and borrowings	17	6,167	7,061	-	835
Lease liabilities	18	1,399	824	-	-
Deferred tax liabilities	8	1,361	1,544	-	-
Total non-current liabilities		8,927	9,429	-	835
Payables and accruals	19	35,708	32,066	322	351
Loans and borrowings	17	7,294	7,136	810	1,033
Lease liabilities	18	364	330	-	-
Current tax liabilities		1,461	1,873	21	88
Total current liabilities		44,827	41,405	1,153	1,472
Total liabilities		53,754	50,834	1,153	2,307
Total equity and liabilities		251,924	251,072	116,912	121,007

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 July 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue					
Continuing operations	20	194,416	194,045	16,852	12,035
Discontinued operations	24	-	28,690	-	-
		194,416	222,735	16,852	12,035
Continuing operations					
Operating profits	20	19,785	26,104	13,222	25,660
Net impairment losses on financial assets	20	(337)	(1,465)	(18)	(676)
Share of post-acquisition (loss)/profit of joint ventures		(1,370)	451	-	-
		18,078	25,090	13,204	24,984
Interest income		1,815	1,079	230	174
Finance costs	21	(566)	(582)	(67)	(97)
Profit before taxation		19,327	25,587	13,367	25,061
Income tax expense	23	(5,761)	(5,396)	(184)	(316)
Profit after taxation from continuing operations		13,566	20,191	13,183	24,745
Discontinued operations					
Profit after taxation from discontinued operations	24	-	538	-	-
Profit after taxation		13,566	20,729	13,183	24,745
Other comprehensive income, net of tax		490	-	-	-
Total comprehensive income for the financial year		14,056	20,729	13,183	24,745
Profit attributable to:					
Owners of the Company					
- continuing operations		14,140	19,859	13,183	24,745
- discontinued operations		-	281	-	-
		14,140	20,140	13,183	24,745
Non-controlling interests					
- continuing operations		(574)	332	-	-
- discontinued operations		-	257	-	-
		(574)	589	-	-
		13,566	20,729	13,183	24,745
Total comprehensive income attributable to:					
Owners of the Company					
- continuing operations		14,630	19,859	13,183	24,745
- discontinued operations		-	281	-	-
		14,630	20,140	13,183	24,745
Non-controlling interests					
- continuing operations		(574)	332	-	-
- discontinued operations		-	257	-	-
		(574)	589	-	-
		14,056	20,729	13,183	24,745
Basic earnings per ordinary share (sen)	25				
- continuing operations		5.26	7.39		
- discontinued operations		-	0.10		
		5.26	7.49		

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 July 2024

Group	Note	— Non-distributable —		Distributable		Non-controlling interests	Total equity
		Share capital RM'000	Treasury shares RM'000	Translation reserves RM'000	Retained profits RM'000	Subtotal RM'000	
At 1 August 2022		69,926	(2,799)	(655)	120,000	186,472	206,505
Total comprehensive income for the financial year		-	-	-	20,140	20,140	20,729
Decrease in investment in a subsidiary		-	-	-	3,000	3,000	6,000
Deemed disposal of a subsidiary		-	-	656	(656)	-	(490)
Dilution in equity interest in a subsidiary		-	-	-	772	772	-
Disposal of a subsidiary		-	-	-	-	(14,123)	(14,123)
Increase in a joint venture's ownership interest		-	-	-	(2,132)	(2,132)	(2,132)
Dividends to shareholders	26	-	-	-	(16,124)	(16,124)	(16,124)
Dividends to minority shareholders		-	-	-	-	(127)	(127)
At 31 July 2023		69,926	(2,799)	1	125,000	192,128	200,238
		Note 16	Note 16	Note 16			
At 1 August 2023		69,926	(2,799)	1	125,000	192,128	200,238
Profit after tax for the financial year		-	-	-	14,140	14,140	13,566
Other comprehensive income for the financial year:							
- Share of actuarial gain on defined benefit plan from joint venture		-	-	-	490	490	490
Total comprehensive income for the financial year		-	-	-	14,630	14,630	14,056
Dividends to shareholders	26	-	-	-	(16,124)	(16,124)	(16,124)
At 31 July 2024		69,926	(2,799)	1	123,506	190,634	198,170
		Note 16	Note 16	Note 16			

Company	Note	Non-distributable		Distributable		Total equity
		Share capital RM'000	Treasury shares RM'000	Retained profits RM'000		
At 1 August 2022		69,926	(2,799)	42,952		110,079
Total comprehensive income for the financial year		-	-	24,745		24,745
Dividends to shareholders	26	-	-	(16,124)		(16,124)
At 31 July 2023/1 August 2023		69,926	(2,799)	51,573		118,700
Total comprehensive income for the financial year		-	-	13,183		13,183
Dividends to shareholders	26	-	-	(16,124)		(16,124)
At 31 July 2024		69,926	(2,799)	48,632		115,759
		Note 16	Note 16			

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 July 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before taxation					
- continuing operations		19,327	25,587	13,367	25,061
- discontinued operations		-	752	-	-
<i>Adjustments for:</i>					
Impairment loss on receivables		352	1,465	18	676
Reversal of impairment loss on other receivables		(15)	-	-	-
Bad debts written off		1,284	-	-	-
Depreciation of property, plant and equipment	3	6,995	8,990	11	52
Depreciation of right-of-use assets	4	400	768	-	-
Depreciation of investment properties	5	662	661	-	-
Fair value gain on derivatives		(53)	(280)	-	-
Fair value loss/(gain) on other investment		1	(1)	-	-
Gain on disposal of property, plant and equipment		(6)	(8)	-	-
Gain on deemed disposal of a subsidiary		-	(2,661)	-	(620)
Gain on disposals of subsidiaries		-	(1,047)	-	(13,105)
Gain on partial disposal of equity in a subsidiary		-	-	-	(3,000)
Interest expenses	21	515	640	67	97
Interest expense on lease liabilities	21	51	60	-	-
Interest income		(1,815)	(1,165)	(230)	(174)
Property, plant and equipment written off		130	5	-	-
Write down of inventories		36	358	-	-
Unrealised (gain)/loss on foreign exchange		(112)	451	-	-
Share of losses/(gains) of joint ventures		1,370	(451)	-	-
Operating profit before changes in working capital		29,122	34,124	13,233	8,987
Changes in working capital:					
Inventories		(1,787)	3,904	-	-
Receivables, deposits and prepayments		1,510	(5,130)	(4)	-
Payables and accruals		3,611	2,209	(29)	(22)
Cash from operations		32,456	35,107	13,200	8,965
Tax paid		(6,367)	(6,547)	(251)	(274)
Tax refunded		722	655	-	-
Net cash from operating activities		26,811	29,215	12,949	8,691

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

Statements of Cash Flows

for the financial year ended 31 July 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows (for)/from investing activities					
Interest received		1,815	1,165	230	174
Acquisition of property, plant and equipment	29(a)	(7,877)	(3,000)	(15)	(31)
Investment in joint venture		-	(2,980)	-	(2,980)
Proceeds from disposal of property, plant and equipment		65	9	-	-
Proceeds from deemed disposal of a subsidiary		-	2,430	-	-
Proceeds from disposals of subsidiaries		-	16,882	-	22,500
Proceeds from partial disposal of equity in a subsidiary		-	4,000	-	4,000
(Placement)/Withdrawal of pledged deposits with licensed banks		(486)	649	-	-
Increase in short-term investments		(488)	(4,432)	(147)	(4,083)
(Advances to)/Repayment from subsidiaries		-	-	(42)	1,151
Advances to joint venture		(405)	(883)	-	(665)
Repayment of quasi loan from a subsidiary		-	-	500	-
Repayment of quasi loan from a joint venture		-	423	-	423
Net cash (for)/from investing activities		(7,376)	14,263	526	20,489
Cash flows for financing activities					
Interest paid	29(b)	(515)	(640)	(67)	(97)
Interest paid on lease liabilities	29(b)	(51)	(60)	-	-
Dividends paid to shareholders of the Company	26	(16,124)	(16,124)	(16,124)	(16,124)
Dividends paid to minority shareholders		-	(127)	-	-
Proceeds from issuance of ordinary shares to minority shareholders		-	2,000	-	-
Drawdown of term loans	29(b)	1,862	944	-	-
Drawdown of other borrowing	29(b)	1,640	2,490	-	-
Repayment to subsidiaries	29(b)	-	-	-	(5,418)
Repayment of lease liabilities	29(b)	(335)	(733)	-	-
Repayment of hire purchase liabilities	29(b)	(428)	(603)	-	(53)
Repayment of term loans	29(b)	(2,793)	(3,299)	(1,058)	(1,016)
Repayment of other borrowing	29(b)	(1,630)	(680)	-	-
Net repayment of bankers' acceptances	29(b)	(466)	(779)	-	-
Net cash for financing activities		(18,840)	(17,611)	(17,249)	(22,708)
Net increase/(decrease) in cash and cash equivalents		595	25,867	(3,774)	6,472
Cash and cash equivalents at 1 August		67,271	41,404	7,077	605
Cash and cash equivalents at 31 July	29(d)	67,866	67,271	3,303	7,077

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

NOTES TO THE FINANCIAL STATEMENTS

Jaycorp Berhad is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

JA 1880, Batu 22½
Parit Perawas
Sungai Rambai
77400 Melaka

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 November 2024.

1. Basis of preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- (a) During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group.

- (b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024

Notes to the Financial Statements

1. Basis of preparation (continued)

- (b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (continued):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

2. Material accounting policy information

(a) Critical accounting estimates and judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 3 to the financial statements.

(ii) Impairment of property, plant and equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 3 to the financial statements.

(iii) Impairment of investment properties

The Group determines whether an item of its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investment properties as at the reporting date is disclosed in Note 5 to the financial statements.

Notes to the Financial Statements

2. Material accounting policy information (continued)

(a) Critical accounting estimates and judgements (continued)

Key Sources of Estimation Uncertainty (continued)

(iv) Impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

(v) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(vi) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

(i) Classification between investment properties and owner-occupied properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

(ii) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the Financial Statements

2. Material accounting policy information (continued)

(b) Financial instruments

(i) *Financial assets*

Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(ii) *Financial liabilities*

Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(iii) *Equity*

Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(iv) *Derivatives*

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

(v) *Financial guarantee contracts*

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

Notes to the Financial Statements

2. Material accounting policy information (continued)

(c) Investment in subsidiaries

Investments in subsidiaries (including the fair value adjustments on inter-company loans at inception date), which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

(d) Investment in joint ventures

Investments in joint ventures are stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method.

(e) Property, plant and equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

• Buildings	10, 20 and 50 years
• Plant and equipment	5 - 10 years
• Motor vehicles	5 - 10 years
• Office equipment, furniture and fittings	4 - 10 years
• Tools and equipment	5 - 10 years
• Renovation	5 - 10 years

Asset in progress represent factory and office building under construction and machineries under installation. They are not depreciated until such time when the asset is available for use.

(f) Investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are within 50 to 66 years.

(g) Right-of-use assets and lease liabilities

(i) Short-term leases and leases of low-value assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(ii) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

Notes to the Financial Statements

2. Material accounting policy information (continued)

(g) Right-of-use assets and lease liabilities (continued)

(iii) *Lease liabilities*

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(iv) *Prepaid leases*

Prepayment for the acquisition of leasehold land prior to the issuance of title i.e. the commencement of lease are capitalised as prepaid lease upon payments. Such amount shall be reclassified as right-of-use assets upon the commencement of lease.

(h) Inventories

(i) *Furniture, wood processing, general trading*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) *Packaging*

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on specific identification while the cost of consumables is determined on the weighted average cost method and both costs comprise the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) **Contract asset and contract liability**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirement of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfers goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(j) **Revenue from contracts with customers**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Notes to the Financial Statements

2. Material accounting policy information (continued)

(j) Revenue from contracts with customers (continued)

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(i) Sales of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Services

Revenue from services rendered is recognised in profit or loss based on the value of work performed and invoiced to customers.

(iii) Construction services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

(k) Revenue from other sources and other operating income

(i) Management fees

Management fees are recognised in profit or loss on an accrual basis.

(ii) Rental income

Rental income is accounted for on a straight-line method over the lease term.

(iii) Dividend income

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

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Notes to the Financial Statements

3. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Plant and equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Tools and equipment RM'000	Renovation RM'000	Assets in progress RM'000	Total RM'000
Cost									
At 1 August 2022	13,339	37,885	93,766	11,201	5,026	1,733	2,831	1,499	167,280
Additions	-	50	1,860	656	344	11	40	216	3,177
Disposals	-	-	-	(189)	(11)	-	-	-	(200)
Deemed disposal of a subsidiary	(960)	(6,347)	(7,491)	(893)	(126)	(53)	(1)	-	(15,871)
Written off	-	-	-	-	(155)	-	-	-	(155)
Reclassification	-	1,359	140	-	-	-	-	(1,499)	-
At 31 July 2023/ 1 August 2023	12,379	32,947	88,275	10,775	5,078	1,691	2,870	216	154,231
Additions	-	1,412	5,064	1,099	255	54	-	729	8,613
Disposals	-	-	-	(225)	(5)	-	-	-	(230)
Written off	-	-	(186)	-	(12)	-	-	-	(198)
Reclassification	-	-	216	-	-	-	-	(216)	-
At 31 July 2024	12,379	34,359	93,369	11,649	5,316	1,745	2,870	729	162,416
Accumulated depreciation									
At 1 August 2022	-	19,323	69,697	9,123	4,422	1,437	2,476	-	106,478
Depreciation for the year	-	821	5,818	842	293	41	108	-	7,923
Disposals	-	-	-	(189)	(11)	-	-	-	(200)
Deemed disposal of a subsidiary	-	(4,520)	(6,600)	(893)	(123)	(53)	(1)	-	(12,190)
Written off	-	-	-	-	(150)	-	-	-	(150)
At 31 July 2023/ 1 August 2023	-	15,624	68,915	8,883	4,431	1,425	2,583	-	101,861
Depreciation for the year	-	892	4,868	771	304	46	114	-	6,995
Disposals	-	-	(5)	(166)	-	-	-	-	(171)
Written off	-	-	(56)	-	(12)	-	-	-	(68)
At 31 July 2024	-	16,516	73,722	9,488	4,723	1,471	2,697	-	108,617
Accumulated impairment loss									
At 1 August 2022/ 31 July 2023/ 1 August 2023/ 31 July 2024	-	-	774	-	-	-	-	-	774
Carrying amount									
At 1 August 2022	13,339	18,562	23,295	2,078	604	296	355	1,499	60,028
At 31 July 2023/ 1 August 2023	12,379	17,323	18,586	1,892	647	266	287	216	51,596
At 31 July 2024	12,379	17,843	18,873	2,161	593	274	173	729	53,025

Notes to the Financial Statements

3. Property, plant and equipment (continued)

Company	Office equipment, furniture and fittings RM'000	Renovation RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 August 2022	90	51	719	860
Addition (Note 29(a))	31	-	-	31
Disposal	(11)	-	-	(11)
Written off	(16)	-	-	(16)
At 31 July 2023/1 August 2023	94	51	719	864
Addition (Note 29(a))	15	-	-	15
Written off	(12)	-	-	(12)
At 31 July 2024	97	51	719	867
Accumulated depreciation				
At 1 August 2022	88	51	672	811
Depreciation for the year	5	-	47	52
Disposal	(11)	-	-	(11)
Written off	(16)	-	-	(16)
At 31 July 2023/1 August 2023	66	51	719	836
Depreciation for the year	11	-	-	11
Written off	(12)	-	-	(12)
At 31 July 2024	65	51	719	835
Carrying amount				
At 1 August 2022	2	-	47	49
At 31 July 2023/1 August 2023	28	-	-	28
At 31 July 2024	32	-	-	32

(a) Security

The carrying amount of property, plant and equipment of the Group that are charged to licensed banks amounted to RM19,637,000 (2023 – RM19,132,000) to secure credit facilities granted to the Group as disclosed in Note 17 to the financial statements.

(b) Assets under hire purchase

Included in the property, plant and equipment of the Group are plant and equipment and motor vehicles with total carrying amounts of RM1,431,000 (2023 – RM1,388,000) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 17 to the financial statements.

Notes to the Financial Statements

4. Right-of-use assets

Group	At 1 August 2023 RM'000	Reassessment of lease liabilities RM'000	Depreciation charges RM'000	At 31 July 2024 RM'000
2024				
Carrying amount				
Leasehold land	2,435	-	(49)	2,386
Operating lease:				
- Factory buildings	1,049	930	(337)	1,642
- Hostels	27	14	(14)	27
	3,511	944	(400)	4,055

Group	At 1 August 2022 RM'000	Reassessment of lease liabilities RM'000	Depreciation charges RM'000	At 31 July 2023 RM'000
2023				
Carrying amount				
Leasehold land	2,485	-	(50)	2,435
Operating lease:				
- Factory buildings	1,058	291	(300)	1,049
- Hostels	27	14	(14)	27
	3,570	305	(364)	3,511

The leasing activities of the Group are summarised below:

- (i) Leasehold land The Group has entered into a number of non-cancellable operating lease agreements for the use of land. The leases are ranges between 54 to 94 years (2023 - 54 to 94 years) with no renewal or purchase option included in the agreements.
- (ii) Factory buildings The Group has leased a number of factory buildings that run between 1 year and 20 years (2023 – 1 year and 20 years), with an option to renew the leases after the date.
- (iii) Hostels The Group has leased a number of hostels that run 2 years (2023 – 2 years), with an option to renew the leases after the date.
- (a) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.
- (b) The leasehold land of the Group amounting to RM2,386,000 (2023 – RM2,435,000) has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

Notes to the Financial Statements

5. Investment properties

Group	Leasehold land RM'000	Factory building RM'000	Total RM'000
Cost			
At 1 August 2022/31 July 2023/1 August 2023/31 July 2024	25,819	13,343	39,162
Accumulated depreciation			
At 1 August 2022	3,904	5,205	9,109
Depreciation for the year	394	267	661
At 31 July 2023/1 August 2023	4,298	5,472	9,770
Depreciation for the year	394	268	662
At 31 July 2024	4,692	5,740	10,432
Carrying amount			
At 1 August 2022	21,915	8,138	30,053
At 31 July 2023/ 1 August 2023	21,521	7,871	29,392
At 31 July 2024	21,127	7,603	28,730

- (a) The fair value of the leasehold land and building is RM64,555,000 (2023 – RM64,555,000). The fair value of the investment properties above were estimated based on either valuations by independent qualified valuers or management's estimates.
- (b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.
- (c) The leasehold land and building amounting to RM3,976,000 (2023 – RM4,079,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.
- (d) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2023 - 1 to 3) years and an option that is exercisable by the customers to extend their leases ranging from 3 to 6 (2023 - 3 to 6) years.

The Group requires 1 (2023 - 1) month of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

	Group	
	2024 RM'000	2023 RM'000
Within 1 year	2,500	2,124
Between 1 and 2 years	1,054	2,124
Between 2 and 3 years	-	924
	3,554	5,172

Notes to the Financial Statements

6. Investments in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
At cost:		
Unquoted shares	71,238	71,238
Quasi loans	7,623	8,123
	<u>78,861</u>	<u>79,361</u>

Quasi loans represent payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's investment in the subsidiaries.

Details of the subsidiaries are as follows:

Name of subsidiaries	Name of directors	Principal place of business/ Country of incorporation	Percentage of issued share capital held by parent		Principal activities
			2024	2023	
			%	%	
Yeo Aik Wood Sdn Bhd ("YAWSB")	Mr Yeo Ayk Ke Mr Yeo Yek Meng Encik Muaz bin Jema Anton Khan	Malaysia	100	100	Manufacturing and selling of furniture
Winshine Holdings Sdn Bhd ("WHSB")+	Mr Yeo Ayk Ke Mr Lim Poh Teot Mr Yeo Aik Tan	Malaysia	100	100	Investment holding, provision of management services and property renting
Winshine Industries Sdn Bhd ("WISB")++	Mr Yeo Yek Meng Mr Yeo Ayk Ke Mr Lim Poh Teot	Malaysia	100	100	Manufacturing and selling of furniture
Yeo Aik Hevea (M) Sdn Bhd ("YAHSB")	Mr Yeo Yek Meng Mr Yeo Aik Tan Mr Yeo Ayk Ke	Malaysia	100	100	Pressure treatment, processing and kiln-drying of rubberwood and manufacturing of furniture parts
Pine Packaging (M) Sdn Bhd ("PPSB")	Mr Yeo Yek Meng Mr Yeo Aik Tan Mr Yeo Ayk Ke	Malaysia	100	100	Conversion of corrugated boards into carton boxes
Jaycorp Trading Sdn Bhd ("JTSB")	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Yeo Yek Meng Mr Yeo Aik Tan Mr Yeo Ayk Ke	Malaysia	100	100	General trading, transportation, property letting and printing
Jaycorp Properties Sdn Bhd ("JPSB")	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Yeo Ayk Ke	Malaysia	100	100	Investment holding
Bongawan Solo Sdn Bhd ("BSSB")+++	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Yeo Ayk Ke Encik Muaz bin Jema Anton Khan Ms Jocelin Sitorus Mr Ang Kok Min	Malaysia	60	60	Investment holding

Notes to the Financial Statements

6. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Name of directors	Principal place of business/ Country of incorporation	Percentage of issued share capital held by parent		Principal activities
			2024 %	2023 %	
Jaycorp Limited ("JL") [^]	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Chee Ah What Mr Yeo Aik Tan	Malaysia	70	70	Dormant
Jaycorp Green Energy Sdn Bhd ("JGESB")	Mr Yeo Yek Meng Encik Muaz bin Jema Anton Khan Encik Asgari bin Mohd Fuad Stephens Mr Megat A'rmand Yazid bin Jeffrey Adzman Mr Yeo Aik Tan	Malaysia	60	60	Renewable energy, biomass and environmentally friendly waste treatment
Instyle Sofa Sdn Bhd ("ISSB")	Mr Yeo Ayk Ke Encik Muaz bin Jema Anton Khan Ms Yeo Siw Nee Mr Ng Key Huat	Malaysia	87	87	Manufacturing of sofa sets and upholstery work
Jaycorp Engineering & Construction Sdn Bhd ("JECSB")	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Yeo Aik Tan Mr Lau Cheng Hiong Encik Abdul Rahman Khan bin Hakim Khan Encik Asgari bin Mohd Fuad Stephens (Resigned on 14.8.2024)	Malaysia	60	60	General construction and civil engineering works

+ Held through YAWSB

++ Held through WHSB

+++ Held through JPSB

[^] Audited by a firm of chartered accountants other than Crowe Malaysia PLT.

Non-controlling interests

(a) The non-controlling interests at the end of the reporting period comprise the following:

	Effective equity interest		Group	
	2024 %	2023 %	2024 RM'000	2023 RM'000
ISSB	13	13	2,255	2,555
JECSB	40	40	3,496	3,847
JGESB	40	40	3,220	2,998
BSSB	40	40	(1,435)	(1,290)
			7,536	8,110

Notes to the Financial Statements

6. Investments in subsidiaries (continued)

Non-controlling interests (continued)

- (b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group are as follows:

	ISSB	
	2024 RM'000	2023 RM'000
<u>At 31 July</u>		
Non-current assets	10,327	10,645
Current assets	4,993	7,106
Non-current liabilities	(118)	(560)
Current liabilities	(1,328)	(1,017)
	<u>13,874</u>	<u>16,174</u>
<u>Financial year ended 31 July</u>		
Revenue	7,956	7,787
Loss for the financial year/Total comprehensive expenses	(2,300)	(828)
	<u>(299)</u>	<u>(108)</u>
Total comprehensive expenses attributable to non-controlling interests		
	<u>(299)</u>	<u>(108)</u>
Net cash flows for operating activities	(1,882)	(504)
Net cash flows for investing activities	(17)	(231)
Net cash flows for financing activities	(146)	(1,233)
	<u>(1,882)</u>	<u>(1,233)</u>
	JECSB	
	2024 RM'000	2023 RM'000
<u>At 31 July</u>		
Non-current assets	2,267	1,800
Current assets	21,343	21,720
Non-current liabilities	(1,035)	(546)
Current liabilities	(13,835)	(13,357)
	<u>8,740</u>	<u>9,617</u>
<u>Financial year ended 31 July</u>		
Revenue	19,010	24,178
(Loss)/Profit for the financial year/Total comprehensive (expenses)/income	(877)	436
	<u>(351)</u>	<u>174</u>
Total comprehensive (expenses)/income attributable to non-controlling interests		
	<u>(351)</u>	<u>174</u>
Net cash flows (for)/from operating activities	(122)	201
Net cash flows for investing activities	(1,533)	(976)
Net cash flows from financing activities	433	1,905
	<u>(1,222)</u>	<u>(770)</u>

Notes to the Financial Statements

6. Investments in subsidiaries (continued)

Non-controlling interests (continued)

- (b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group are as follows (continued):

	JGESB	
	2024	2023
	RM'000	RM'000
<u>At 31 July</u>		
Non-current assets	9,556	4,976
Current assets	2,095	4,980
Non-current liabilities	(1,511)	(365)
Current liabilities	(2,090)	(2,096)
	<u>8,050</u>	<u>7,495</u>
 <u>Financial year ended 31 July</u>		
Revenue	10,873	12,065
Profit for the financial year/Total comprehensive income	<u>555</u>	<u>1,924</u>
 Total comprehensive income attributable to non-controlling interests	<u>222</u>	<u>413</u>
 Net cash flows from operating activities	2,592	2,121
Net cash flows for investing activities	(5,361)	(1,048)
Net cash flows from financing activities	<u>813</u>	<u>896</u>
	BSSB	
	2024	2023
	RM'000	RM'000
<u>At 31 July</u>		
Non-current assets	19,638	19,986
Current assets	1	3
Current liabilities	(23,227)	(23,213)
	<u>(3,588)</u>	<u>(3,224)</u>
 <u>Financial year ended 31 July</u>		
Loss for the financial year/Total comprehensive expenses	<u>(364)</u>	<u>(370)</u>
 Total comprehensive expenses attributable to non-controlling interests	<u>(146)</u>	<u>(148)</u>
 Net cash flows for operating activities	(16)	(33)
Net cash flows from investing activities	<u>14</u>	<u>20</u>

Notes to the Financial Statements

7. Investments in joint ventures

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At cost:				
Unquoted shares, at cost	9,118	9,118	11,250	11,250
Quasi loans	4,995	4,995	4,995	4,995
Share of post acquisition loss	(4,002)	(3,122)	-	-
	10,111	10,991	16,245	16,245

Quasi loans represent loans of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's investment in the joint ventures.

Details of the joint ventures are as follows:

Name of joint ventures	Name of directors	Principal place of business/ Country of incorporation	Percentage of issued share capital held by parent		Principal activities
			2024 %	2023 %	
Honsoar Jaycorp Cabinetry Sdn Bhd ("HJCSB")	Mr Lim Poh Teot Mr Yeo Yek Meng Mr Yeo Ayk Ke Mr Sun, Guanjun Mr Cui, Xuecheng	Malaysia	60.0	60.0	Manufacturing, trading, import and export all kind of furniture and related products
PT Tiga Mutiara Nusantara ("PTTMN")*	Tan Sri Datuk (Dr.) Abdul Majid Khan Mr Lim Poh Teot Encik Fahri Hidayat SH. SpN Mr Alan Stuart Lechem Mr Pan, Shifeng	Indonesia	62.3	62.3	Manufacturing and selling of finger jointed finished gesso coated and primed moulding products

* This joint venture was audited by other firm of chartered accountants.

- (a) Although the Group holds more than 50% of the voting power in HJCSB and PTTMN, the Group has determined that it does not have sole control over the investees considering that strategic and financial decisions of the relevant activities of the investees require unanimous consent by all shareholders.
- (b) The summarised financial information for joint ventures that are material to the Group are as follows:

	HJCSB	
	2024 RM'000	2023 RM'000
At 31 July		
Non-current assets	20,804	22,036
Current assets	33,870	22,558
Non-current liabilities	(25,243)	(25,356)
Current liabilities	(23,719)	(13,323)
	5,712	5,915

Notes to the Financial Statements

7. Investments in joint ventures (continued)

(b) The summarised financial information for joint ventures that are material to the Group are as follows (continued):

	HJCSB	
	2024	2023
	RM'000	RM'000
<u>Financial year ended 31 July</u>		
Revenue	60,709	55,702
Depreciation and amortisation	(4,444)	(2,894)
Interest expense	(742)	(240)
(Loss)/Profit for the financial year/Total comprehensive (expense)/income	(203)	3,370
Group's share of (loss)/profit for the financial year	(122)	2,022
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	3,427	3,549
Quasi loan	4,995	4,995
Carrying amount of the Group's interests in this joint venture	8,422	8,544
	PTTMN	
	2024	2023
	RM'000	RM'000
<u>At 31 July</u>		
Non-current assets	10,085	10,500
Current assets	8,244	8,758
Non-current liabilities	(3,408)	(4,313)
Current liabilities	(10,564)	(9,075)
	4,357	5,870
<u>Financial year ended 31 July</u>		
Revenue	25,630	11,361
Depreciation and amortisation	(706)	(585)
Interest expense	(823)	(456)
Loss for the financial year	(2,003)	(3,136)
Other comprehensive income	786	-
Total comprehensive expense	(1,217)	(3,136)
Group's share of loss for the financial year	(758)	(1,571)
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	2,714	3,657
Bargain purchase gain arising from acquisition	(1,210)	(1,210)
Others	185	-
Carrying amount of the Group's interests in this joint venture	1,689	2,447

Notes to the Financial Statements

8. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	864	711
Deferred tax liabilities	(1,361)	(1,544)
	(497)	(833)

Movement in temporary differences during the financial year

Group	At 1 August 2022 RM'000	Recognised in profit or loss RM'000	At 31 July 2023 RM'000
2023			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(3,516)	330	(3,186)
Right-of-use assets	(1,148)	216	(932)
	(4,664)	546	(4,118)
<i>Deferred Tax Assets</i>			
Derivatives	48	(68)	(20)
Provisions	1,653	99	1,752
Lease liabilities	1,169	(220)	949
Hire purchase liabilities	8	(24)	(16)
Unabsorbed capital allowances	-	112	112
Unutilised business loss	346	162	508
	3,224	61	3,285
	(1,440)	607	(833)

Group	At 1 August 2023 RM'000	Recognised in profit or loss (Note 23) RM'000	At 31 July 2024 RM'000
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(3,186)	(263)	(3,449)
Right-of-use assets	(932)	136	(796)
	(4,118)	(127)	(4,245)
<i>Deferred Tax Assets</i>			
Derivatives	(20)	(13)	(33)
Provisions	1,752	71	1,823
Lease liabilities	949	(130)	819
Hire purchase liabilities	(16)	63	47
Unabsorbed capital allowances	112	197	309
Unutilised business loss	508	275	783
	3,285	463	3,748
	(833)	336	(497)

Notes to the Financial Statements

8. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the financial year (continued)

No deferred tax assets had been recognised in the statement of financial position for the following items as it is not probable that future taxable profit will be available for offsetting:

	Group	
	2024 RM'000	2023 RM'000
Unused tax losses:		
- expires year of assessment 2028	6,591	8,001
- expires year of assessment 2029	946	946
- expires year of assessment 2030	237	237
- expires year of assessment 2033	55	-
Other temporary differences	4,707	5,127
	<u>12,536</u>	<u>14,311</u>

9. Prepaid leases

This represents progress claims paid for 2 pieces of leasehold land acquired in financial year 2019.

10. Receivables, deposits and prepayments

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current Trade					
Trade receivables	a	21,691	21,312	-	-
Less: Impairment loss		(1,054)	(750)	-	-
		<u>20,637</u>	<u>20,562</u>	<u>-</u>	<u>-</u>
Amount due from joint venture	a	1,243	346	-	-
		<u>21,880</u>	<u>20,908</u>	<u>-</u>	<u>-</u>
Current Non-trade					
Amount due from subsidiaries					
- management fees	b	-	-	102	102
- advances	b	-	-	14,283	14,241
Less: Impairment loss		-	-	(167)	(149)
		<u>-</u>	<u>-</u>	<u>14,218</u>	<u>14,194</u>
Amount due from joint venture	c	1,533	1,128	665	665
Less: Impairment loss		(665)	(665)	(665)	(665)
		<u>868</u>	<u>463</u>	<u>-</u>	<u>-</u>
Other receivables		1,576	1,859	-	-
Less: Impairment loss		(1,527)	(1,542)	-	-
		<u>49</u>	<u>317</u>	<u>-</u>	<u>-</u>
Deposits		1,249	1,369	21	18
Prepayments		759	3,656	2	1
		<u>2,925</u>	<u>5,805</u>	<u>14,241</u>	<u>14,213</u>
		<u>24,805</u>	<u>26,713</u>	<u>14,241</u>	<u>14,213</u>

Notes to the Financial Statements

10. Receivables, deposits and prepayments (continued)

	Group	
	2024 RM'000	2023 RM'000
Allowance for impairment losses:		
Trade receivables		
At 1 August	750	785
Addition	612	293
Deemed disposal of a subsidiary	-	(328)
Reversal	(260)	-
Written-off	(48)	-
At 31 July	1,054	750

	Company	
	2024 RM'000	2023 RM'000
Allowance for impairment losses:		
Amount due from subsidiaries		
At 1 August	149	138
Addition	18	11
At 31 July	167	149

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Allowance for impairment losses:				
Amount due from joint venture				
At 1 August	665	-	665	-
Addition	-	665	-	665
At 31 July	665	665	665	665

	Group	
	2024 RM'000	2023 RM'000
Allowance for impairment losses:		
Other receivables		
At 1 August	1,542	1,035
Addition	-	507
Reversal	(15)	-
At 31 July	1,527	1,542

Note a

Trade receivables' normal trade terms range from 30 days to 60 days (2023 – 30 days to 60 days). Other trade terms are assessed and approved on a case-by-case basis.

Trade receivables of the Group denominated in currencies other than the functional currency comprise RM7,051,000 (2023 – RM8,465,000) of trade receivables denominated in U.S. Dollar.

Note b

The receivables due from subsidiaries were unsecured, interest free and repayable on demand.

Note c

The amount due from joint venture was unsecured, interest free and repayable on demand.

Notes to the Financial Statements

11. Contract assets

- (a) Net carrying amount of contract assets is analysed as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 August	12,094	4,667
Revenue recognised in profit or loss during the financial year	19,010	24,178
Billings to customers during the financial year	(19,699)	(16,751)
At 31 July	11,405	12,094

- (b) Contract value yet to be recognised as revenue

Revenue expected to be recognised in future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date, are as follows:

	Group	
	2024 RM'000	2023 RM'000
Within 1 year	19,003	25,114
Between 1 and 5 years	8,661	3,044
	27,664	28,158

12. Inventories

	Group	
	2024 RM'000	2023 RM'000
At cost:		
Raw materials	2,675	1,627
Work-in-progress	5,949	6,049
Finished goods	13,222	11,790
	21,846	19,466
At net realisable value:		
Raw materials	65	277
Work-in-progress	486	556
Finished goods	1,169	1,516
	1,720	2,349
	23,566	21,815
Recognised in profit or loss:		
Inventories recognised as cost of sales	151,489	149,058
Inventories written down to net realisable value	36	358

Notes to the Financial Statements

13. Derivative assets

	Contract/ Notional amount		Group	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Derivative Assets				
Forward currency contracts	5,836	5,032	138	85

The Group does not apply hedge accounting.

Forward foreign currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 1 to 3 months (2023 – 1 to 2 months) after the end of the reporting period.

14. Short-term investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Money market funds, at fair value	14,588	14,100	4,230	4,083

The funds invest mainly into debenture, deposits and money market instruments and thus have minimum exposure to changes in market value.

The money market funds of the Group and of the Company are carried at fair value. The fair value hierarchy for money market funds are classified as Level 2.

15. Cash and cash equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances (Note 29(d))	54,016	61,219	2,268	6,070
Deposits placed with licensed banks (Note 29(d))	19,713	11,072	1,035	1,007
	73,729	72,291	3,303	7,077

Included in deposits placed with licensed banks is RM5,506,000 (2023 – RM5,020,000) pledged for loan facilities granted to the Group (Note 17).

Cash and bank balances denominated in currencies other than the functional currency comprise RM1,751,000 (2023 – RM1,175,000) of cash and cash equivalents denominated in USD.

Notes to the Financial Statements

15. Cash and cash equivalents (continued)

The weighted average effective interest rates per annum of deposits placed with licensed banks at the end of the reporting period are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Deposits placed with licensed banks	1.90 – 5.10	1.88 – 3.50	2.45	2.95

The average maturities of deposits placed with licensed banks at the end of the reporting period of the Group and of the Company range from 30 days to 365 days (2023 – 30 days to 365 days) and 92 days (2023 – 92 days) respectively.

16. Capital and reserves

Share capital

	Group/Company			
	Amount	Amount	Number of shares	Number of shares
	2024 RM'000	2023 RM'000	2024 '000	2023 '000
Issued and fully paid-up:				
At 1 August/31 July	69,926	69,926	274,500	274,500

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. In respect of the Company's treasury shares that are held by the Company (see below), all rights are suspended until those shares are reissued.

Treasury shares

Of the total 274,500,000 (2023 – 274,500,000) issued and fully paid-up ordinary shares at the end of the reporting period, 5,766,600 (2023 – 5,766,600) are held as treasury shares by the Company. None (2023 – None) of the treasury shares were resold or cancelled during the financial year.

Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary whose functional currencies are different from the Group's presentation currency.

Notes to the Financial Statements

17. Loans and borrowings

This note provides information about the contractual terms of the Group's and the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate risk, see Note 31.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
Secured term loans	5,292	6,367	-	835
Hire purchase liabilities	875	694	-	-
	6,167	7,061	-	835
Current				
Secured term loans	2,730	2,586	810	1,033
Secured bankers' acceptances	511	977	-	-
Secured bank overdrafts	357	-	-	-
Hire purchase liabilities	396	283	-	-
Other borrowing	3,300	3,290	-	-
	7,294	7,136	810	1,033

Securities

The bank overdrafts, bankers' acceptances, term loans and other borrowing of the Group are secured by way of:

- (i) legal charge over freehold land, certain buildings and plant and equipment as disclosed under property, plant and equipment of the Group (Note 3);
- (ii) legal charge over leasehold land as disclosed under right-of-use assets of the Group (Note 4);
- (iii) legal charge over leasehold land and building as disclosed under investment properties of the Group (Note 5);
- (iv) fixed deposits as disclosed under cash and cash equivalents of the Group (Note 15);
- (v) corporate guarantee by the Company; and
- (vi) guarantee by certain directors of a subsidiary.

Notes to the Financial Statements

17. Loans and borrowings (continued)

Terms and debt repayment schedule

	Weighted average effective interest rate %	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2024							
Group							
Bankers' acceptances*	3.59	2025	511	511	-	-	-
Bank overdrafts	6.90	2025	357	357	-	-	-
Term loans	4.45 – 4.95	2025 - 2034	8,022	2,730	1,133	2,116	2,043
Hire purchase liabilities	2.30 – 6.82	2025 - 2029	1,271	396	143	384	348
Other borrowing	6.70	2025	3,300	3,300	-	-	-
			13,461	7,294	1,276	2,500	2,391
Company							
Term loans	4.65	2025	810	810	-	-	-
2023							
Group							
Bankers' acceptances*	3.69	2024	977	977	-	-	-
Term loans	4.45 – 6.45	2024 – 2034	8,953	2,586	2,407	1,665	2,295
Hire purchase liabilities	2.30 – 5.74	2024 – 2027	977	283	380	314	-
Other borrowing	6.70	2024	3,290	3,290	-	-	-
			14,197	7,136	2,787	1,979	2,295
Company							
Term loans	4.63	2024 – 2025	1,868	1,033	835	-	-

* Credit facility with interest rate that varies in line with the market interest rate for similar type of facility with comparable terms.

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Gross RM'000	2024 Interest RM'000	Principal RM'000	Gross RM'000	2023 Interest RM'000	Principal RM'000
Group						
Less than one year	461	65	396	344	61	283
Between one and five years	945	70	875	715	21	694
	1,406	135	1,271	1,059	82	977

Notes to the Financial Statements

18. Lease liabilities

	Group	
	2024 RM'000	2023 RM'000
At 1 August	1,154	1,179
Interest expense recognised in profit or loss	51	38
Changes due to reassessment of lease term	944	305
Repayment of principal	(335)	(330)
Repayment of interest expense	(51)	(38)
At 31 July	1,763	1,154
Analysed by:		
Current liabilities	364	330
Non-current liabilities	1,399	824
	1,763	1,154

19. Payables and accruals

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current Trade					
Trade payables	a	17,311	15,465	-	-
Current Non-trade					
Other payables	a	12,053	11,252	24	78
Amount payable for property, plant and equipment (Note 29(a))		14	-	-	-
Accrued expenses		6,231	5,310	298	273
Sales and service tax payable		99	37	-	-
Provision of defective claims		-	2	-	-
		18,397	16,601	322	351
		35,708	32,066	322	351

Note a

The normal trade terms granted to the Group range from 7 days to 90 days (2023 – 7 days to 90 days). Other trade terms are assessed and approved on a case-by-case basis.

Payables and accruals of the Group denominated in currencies other than the functional currency comprise RM1,088,000 (2023 – RM314,000) of trade and other payables denominated in U.S. Dollar.

Notes to the Financial Statements

20. Operating profit

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue from contract with customers				
<u>Recognised at a point in time</u>				
Sale of goods	174,923	169,439	-	-
<u>Recognised over time</u>				
Construction contract revenue	19,010	24,178	-	-
Rental income	483	428	-	-
	194,416	194,045	-	-
Revenue from other sources				
Dividend income from subsidiaries	-	-	15,628	10,751
Management fees	-	-	1,224	1,284
	-	-	16,852	12,035
	194,416	194,045	16,852	12,035
Cost of sales				
Cost of sales	(133,006)	(128,197)	-	-
Construction contract costs	(18,519)	(21,219)	-	-
	(151,525)	(149,416)	-	-
Gross profit	42,891	44,629	16,852	12,035
Distribution costs	(5,036)	(4,231)	-	-
Administration expenses	(21,620)	(19,657)	(3,631)	(3,100)
Other operating expenses	(1,316)	(1,562)	-	-
Other operating income	4,866	6,925	1	16,725
Operating profit	19,785	26,104	13,222	25,660

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging/(crediting):					
Auditors' remuneration					
- audit fees		195	186	35	35
- non-audit fees		5	5	5	5
Bad debt written off		1,284	-	-	-
Depreciation of property, plant and equipment	3	6,995	7,923	11	52
Depreciation of right-of-use assets	4	400	364	-	-
Depreciation of investment properties	5	662	661	-	-
Fair value loss on other investment		1	-	-	-
Impairment loss on					
- trade receivables	10	352	293	-	-
- other receivables	10	-	507	-	-
- amount due from a subsidiary	10	-	-	18	11
- amount due from a joint venture	10	-	665	-	665

Notes to the Financial Statements

20. Operating profit (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating profit is arrived at after charging/(crediting) (continued):					
Property, plant and equipment written off	3	130	5	-	-
Personnel expenses (including key management personnel)					
- contribution to defined contribution plans		2,183	2,311	162	123
- wages, salaries and others		32,286	28,504	2,341	2,079
Realised loss on foreign exchange		-	1,107	-	-
Unrealised loss on foreign exchange		-	404	-	-
Lease expenses					
- short term lease		174	159	90	90
Write down of inventories	12	36	358	-	-
Gain on disposal of property, plant and equipment		(6)	(7)	-	-
Gain on deemed disposal of a subsidiary	27	-	(2,661)	-	(620)
Gain on disposals of subsidiaries	28	-	(1,047)	-	(13,105)
Gain on partial disposal of equity in a subsidiary		-	-	-	(3,000)
Lease income					
- rental income from investment properties		(1,740)	(1,601)	-	-
- rental income from property, plant and equipment		-	(13)	-	-
Total interest income on financial assets measured at amortised cost		(1,815)	(1,079)	(230)	(174)
Reversal of impairment loss on other receivables	10	(15)	-	-	-
Realised gain on foreign exchange		(95)	-	-	-
Unrealised gain on foreign exchange		(112)	-	-	-
Fair value gain on derivatives		(53)	(286)	-	-
Fair value gain on other investment		-	(1)	-	-

21. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- Bank overdrafts	21	8	-	-
- Bankers' acceptances	30	93	-	-
- Letter of credit	-	5	-	-
- Hire purchase liabilities	49	70	-	1
- Term loans	396	439	67	96
- Onshore foreign currency loan charges	-	7	-	-
- Others	19	18	-	-
Interest expense on lease liabilities	51	60	-	-
	566	700	67	97

Notes to the Financial Statements

21. Finance costs (continued)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Represented by:				
Interest expense on continuing operations	566	582	67	97
Interest expense on discontinued operations (Note 24)	-	118	-	-
Total interest expenses	566	700	67	97

22. Key management personnel compensations

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensations during the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	460	466	300	300
- salaries, allowances and bonuses	3,227	3,160	430	480
	3,687	3,626	730	780
Defined contribution benefits	365	434	25	27
	4,052	4,060	755	807
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	288	302	288	302
- allowances	62	73	62	73
	350	375	350	375
	4,402	4,435	1,105	1,182

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM8,800 (2023 – RM8,800).

Notes to the Financial Statements

22. Key management personnel compensations (continued)

The key management personnel compensations during the financial year are as follows (continued):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Directors (continued)				
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	84	84	-	-
- salaries, allowances and bonuses	933	1,670	-	-
Defined contribution benefits	69	196	-	-
	1,086	1,950	-	-
Total directors' remuneration	5,488	6,385	1,105	1,182

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the subsidiaries was RM17,400 (2023 – RM4,350).

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(b) Other key management personnel				
Short-term employee benefits	272	244	272	244
Defined contribution benefits	32	29	32	29
	304	273	304	273

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

23. Income tax expense

Recognised in profit or loss

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
Malaysian tax				
- current year	6,510	6,084	250	317
- (over)/under provision in previous financial years	(413)	136	(66)	(1)
	6,097	6,220	184	316

Notes to the Financial Statements

23. Income tax expense (continued)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Origination and reversal of temporary differences	(520)	(601)	-	-
Under/(Over) provision in previous financial years	184	(9)	-	-
	(336)	(610)	-	-
Total taxation	5,761	5,610	184	316
Represented by:				
Income tax expense on continuing operations	5,761	5,396	184	316
Income tax expense on discontinued operation (Note 24)	-	214	-	-
Total taxation	5,761	5,610	184	316
Reconciliation of effective income tax expense				
	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit after taxation				
- continuing operations	13,566	20,191	13,183	24,745
- discontinued operations	-	538	-	-
	13,566	20,729	13,183	24,745
Total taxation				
- continuing operations	5,761	5,396	184	316
- discontinued operations	-	214	-	-
	5,761	5,610	184	316
Profit before taxation	19,327	26,339	13,367	25,061
Tax calculated using Malaysian tax rate of 24%	4,638	6,321	3,208	6,015
Double deduction of expenses	(191)	(24)	-	-
Deferred tax assets not recognised during the year	444	-	-	-
Non-deductible expenses	1,326	1,440	53	269
Non-taxable income	(47)	(1,000)	-	(3,632)
Share of results in joint ventures	329	(108)	-	-
Tax exempt income	-	-	(3,011)	(2,335)
Tax incentives	(583)	(950)	-	-
Utilisation of deferred tax assets not recognised in previous financial years	74	(196)	-	-
	5,990	5,483	250	317
(Over)/Under provision in previous financial years	(229)	127	(66)	(1)
	5,761	5,610	184	316

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 – 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The Group has estimated unutilised reinvestment allowance of RM4,402,000 (2023 – RM4,182,000) available at the end of the reporting period to be carried forward to set off against future taxable business income.

Notes to the Financial Statements

24. Profit after taxation from discontinued operations

In previous year, the Group disposed of its subsidiaries, Digital Furniture Sdn Bhd (“DFSB”) and Digital Dorm Sdn Bhd (“DDSB”) which was completed by March 2023.

An analysis of the results of the discontinued operations is as follows:

	Group 2023 RM'000
Revenue	28,690
Operating profit	784
Interest income	86
Finance costs (Note 21)	(118)
Profit before taxation	752
Income tax expense (Note 23)	(214)
Profit after taxation	538

(a) Included in the results from operating activities are the following:

	Group 2023 RM'000
Depreciation of property, plant and equipment	1,067
Depreciation of right-of-use assets	404
Personnel expenses (including key management personnel)	
- contribution to defined contribution plans	210
- wages, salaries and others	7,601
Fair value loss on derivatives	6
Lease expenses	
- short term lease	8
Interest expenses	96
Interest expense on lease liabilities	22
Gain on disposal of property, plant and equipment	(1)
Total interest income on financial assets measured at amortised cost	(86)
Realised loss on foreign exchange	53
Unrealised loss on foreign exchange	47

(b) The income tax expense on discontinued operations are summarised below (Note 23):

	Group 2023 RM'000
Income tax expense	(214)

Notes to the Financial Statements

24. Profit after taxation from discontinued operations (continued)

- (c) The cash flows attributable to the discontinued operations are the followings:

	Group 2023 RM'000
Net cash from operating activities	1,953
Net cash for financing activities	(768)
Net cash from discontinued operations	<u>1,185</u>

25. Earnings per ordinary share

(a) Basic earnings per ordinary share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	2024 RM'000	Group 2023 RM'000
Profit for the year attributable to the ordinary shareholders		
- continuing operations	14,140	19,859
- discontinued operations	-	281
	<u>14,140</u>	<u>20,140</u>

	2024 '000	Group 2023 '000
Weighted average number of ordinary shares in issue	268,734	268,734

	2024 sen	Group 2023 sen
Basic earnings per ordinary share		
- continuing operations	5.26	7.39
- discontinued operations	-	0.10
	<u>5.26</u>	<u>7.49</u>

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

Notes to the Financial Statements

26. Dividend

	Sen per share (net of tax)	Total amount RM'000
2024		
Final 2023 ordinary (single tier)	4.00	10,749
First 2024 ordinary (single tier)	2.00	5,375
	6.00	16,124
2023		
Final 2022 ordinary (single tier)	4.00	10,749
First 2023 ordinary (single tier)	2.00	5,375
	6.00	16,124

27. Deemed disposal of a subsidiary

In previous year, the Company announced that it has entered into a Joint Venture Agreement in PT Tiga Mutiara Nusantara ("PTTMN") with PT Perkebunan Nusantara III (PERSERO), PT Innex TRI Mutiara, Weston Asia I Inc. and Putian Yihong Wood Industry Co., Ltd. Weston Asia I Inc. and Putian Yihong Wood Industry Co., Ltd. have subscribed for 81,081 and 54,055 new ordinary shares, respectively, of PTTMN (the subscription).

Subsequent to the subscription, PTTMN became a 46.25% jointly controlled entity of the Company.

The financial effects are summarised below:

	Group 2023 RM'000	Company 2023 RM'000
Property, plant and equipment (Note 3)	3,681	-
Investment in a subsidiary	-	2,550
Receivables, deposits and prepayments	3,669	-
Inventories	5,818	-
Current tax assets	807	-
Cash and bank balances	111	-
Provision for employee's benefits	(3,152)	-
Payables and accruals	(6,262)	-
Loans and borrowings	(3,673)	-
Non-controlling interests	(490)	-
Carrying amount of net assets deemed disposed of	509	2,550
Gain on deemed disposal of a subsidiary	2,661	620
Fair value of equity interests retained as a joint venture	(3,170)	(3,170)
Consideration received, satisfied in cash	-	-
Less: Cash and cash equivalents of a subsidiary deemed disposed of	2,430	-
Net cash inflow from the deemed disposal of a subsidiary	2,430	-

On 2 February 2023, the Company had accepted rights issue of up to 685,027 new shares in PTTMN on the basis of 1 right share for every 2 shares held resulting in the equity holding in PTTMN to increase to 62.30%. However, PTTMN remained a jointly controlled entity of the Company.

Notes to the Financial Statements

28. Disposals of subsidiaries

In previous year, the Company disposed of its entire equity interests in DFSB and DDSB for RM22,500,000 in cash.

The financial effects of the disposals at the date of disposal are summarised below:

	Group 2023 RM'000	Company 2023 RM'000
Property, plant and equipment	15,870	-
Right-of-use assets	1,009	-
Goodwill	712	-
Investments in subsidiaries	-	9,395
Receivables, deposits and prepayments	6,094	-
Inventories	11,985	-
Short-term investments	1,862	-
Current tax assets	669	-
Cash and bank balances	5,618	-
Deferred tax liabilities	(675)	-
Payables and accruals	(3,335)	-
Derivative liabilities	(9)	-
Loans and borrowings	(3,124)	-
Lease liabilities	(1,100)	-
Non-controlling interests	(14,123)	-
Carrying amount of net assets disposed of	21,453	9,395
Gain on disposals of subsidiaries	1,047	13,105
Consideration received, satisfied in cash	22,500	22,500
Less: Cash and bank balances of subsidiaries disposed of	(5,618)	-
Net cash inflow from the disposals of subsidiaries	16,882	22,500

29. Cash flow information

(a) The cash disbursed for the purchase of property, plant and equipment is as follow:

	Group 2024 RM'000	2023 RM'000
<u>Property, plant and equipment</u>		
Continuing operations		
Cost of property, plant and equipment purchased	8,613	3,177
Less: Acquired through hire purchase arrangements (Note 29(b))	(722)	(325)
Less: Other payables – balances remained unpaid at financial year end (Note 19)	(14)	-
Add: Payments in respect of previous financial year's purchases	-	98
	7,877	2,950
Discontinued operations		
Cost of property, plant and equipment purchased	-	50
	7,877	3,000

Notes to the Financial Statements

29. Cash flow information (continued)

- (a) The cash disbursed for the purchase of property, plant and equipment is as follow (continued):

	Company	
	2024	2023
	RM'000	RM'000
<u>Property, plant and equipment</u>		
Continuing operations		
Cost of property, plant and equipment purchased (Note 3)	15	31

- (b) The reconciliations of liabilities arising from financing activities are as follows:

Group	Bankers' Acceptances RM'000	Lease Liabilities RM'000	Hire Purchase Liabilities RM'000	Term Loans RM'000	Others RM'000	Total RM'000
2024						
Continuing operations						
At 1 August 2023	977	1,154	977	8,953	3,290	15,351
<u>Changes in Financing Cash Flows</u>						
Net repayment of bankers' acceptances	(466)	-	-	-	-	(466)
Repayment of lease liabilities	-	(335)	-	-	-	(335)
Repayment of hire purchase liabilities	-	-	(428)	-	-	(428)
Repayment of term loans	-	-	-	(2,793)	-	(2,793)
Repayment of other borrowing	-	-	-	-	(1,630)	(1,630)
Repayment of borrowing interests	(30)	(51)	(49)	(396)	(40)	(566)
Proceeds from drawdown of term loan	-	-	-	1,862	-	1,862
Proceeds from drawdown of other borrowing	-	-	-	-	1,640	1,640
<u>Other Changes</u>						
Acquisition of new hire purchase liabilities (Note 29(a))	-	-	722	-	-	722
Changes due to reassessment of lease terms	-	944	-	-	-	944
Finance charges recognised in profit or loss (Note 21)	30	51	49	396	40	566
At 31 July 2024	511	1,763	1,271	8,022	3,300	14,867

Notes to the Financial Statements

29. Cash flow information (continued)

(b) The reconciliations of liabilities arising from financing activities are as follows (continued):

Group	Bankers' Acceptances RM'000	Lease Liabilities RM'000	Hire Purchase Liabilities RM'000	Term Loans RM'000	Others RM'000	Total RM'000
2023						
Continuing operations						
At 1 August 2022	1,928	1,179	1,174	10,974	2,612	17,867
<u>Changes in Financing Cash Flows</u>						
Net repayment of bankers' acceptances	(951)	-	-	-	-	(951)
Repayment of lease liabilities	-	(330)	-	-	-	(330)
Repayment of hire purchase liabilities	-	-	(522)	-	-	(522)
Repayment of term loans	-	-	-	(2,965)	-	(2,965)
Repayment of other borrowing	-	-	-	-	(680)	(680)
Repayment of borrowing interests	(26)	(38)	(61)	(434)	(23)	(582)
Proceeds from drawdown of term loan	-	-	-	944	-	944
Proceeds from drawdown of other borrowing	-	-	-	-	2,490	2,490
<u>Other Changes</u>						
Acquisition of new hire purchase liabilities (Note 29(a))	-	-	325	-	-	325
Changes due to reassessment of lease terms	-	305	-	-	-	305
Deemed disposal of a subsidiary	-	-	-	-	(1,132)	(1,132)
Finance charges recognised in profit or loss (Note 21)	26	38	61	434	23	582
At 31 July 2023	977	1,154	977	8,953	3,290	15,351
Discontinued operations						
At 1 August 2022	2,656	1,503	378	333	-	4,870
<u>Changes in Financing Cash Flows</u>						
Net drawdown of bankers' acceptances	172	-	-	-	-	172
Repayment of lease liabilities	-	(403)	-	-	-	(403)
Repayment of hire purchase liabilities	-	-	(81)	-	-	(81)
Repayment of term loans	-	-	-	(334)	-	(334)
Repayment of borrowing interests	(67)	(22)	(9)	(5)	(15)	(118)
<u>Other Changes</u>						
Finance charges recognised in profit or loss (Note 21)	67	22	9	5	15	118
Disposals of subsidiaries	(2,828)	(1,100)	(297)	1	-	(4,224)
At 31 July 2023	-	-	-	-	-	-

Notes to the Financial Statements

29. Cash flow information (continued)

(b) The reconciliations of liabilities arising from financing activities are as follows (continued):

Company	Term Loans RM'000			
2024				
At 1 August 2023	1,868			
<u>Changes in Financing Cash Flows</u>				
Repayment of term loan	(1,058)			
Repayment of borrowings interests	(67)			
<u>Other Changes</u>				
Finance charges recognised in profit or loss (Note 21)	67			
At 31 July 2024	810			

Company	Hire Purchase Liabilities RM'000	Term Loans RM'000	Amount Owing To Subsidiaries RM'000	Total RM'000
2023				
At 1 August 2022	53	2,884	5,418	8,355
<u>Changes in Financing Cash Flows</u>				
Repayment of term loan	-	(1,016)	-	(1,016)
Repayment of hire purchase liabilities	(53)	-	-	(53)
Repayment of borrowings interests	(1)	(96)	-	(97)
Net repayment of subsidiaries	-	-	(5,418)	(5,418)
<u>Other Changes</u>				
Finance charges recognised in profit or loss (Note 21)	1	96	-	97
At 31 July 2023	-	1,868	-	1,868

(c) The total cash outflows for leases as lessee are as follows:

	Group	
	2024 RM'000	2023 RM'000
Payment of short-term lease	117	167
Interest paid on lease liabilities	51	60
Payment of lease liabilities	335	733
	503	960

	Company	
	2024 RM'000	2023 RM'000
Payment of short-term lease	90	90

Notes to the Financial Statements

29. Cash flow information (continued)

(d) The cash and cash equivalents comprise the following:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances (Note 15)	54,016	61,219	2,268	6,070
Deposits placed with licensed banks (Note 15)	19,713	11,072	1,035	1,007
Bank overdrafts (Note 17)	(357)	-	-	-
	73,372	72,291	3,303	7,077
Deposits pledged with licensed banks (Note 15)	(5,506)	(5,020)	-	-
Cash and cash equivalents	67,866	67,271	3,303	7,077

30. Operating segments

Operating segments are prepared in a manner consistent with the Group's management and internal reporting structure in order to allocate resources to segments and to assess their performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings, head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

Inter-segment pricing is determined on negotiated basis.

The Group comprised the following main business segments:

Furniture	Manufacture and sale of furniture
Packaging	Conversion of corrugated boards into carton boxes
Wood processing	Pressure treatment and kiln-drying of wood
Renewable energy	Renewable energy, biomass and environmentally friendly waste treatment
Construction	General construction and civil engineering works
Others	General trading, transportation, property letting and printing

The Group operates principally within Malaysia.

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Notes to the Financial Statements

30. Operating segments (continued)

2024	Furniture RM'000	Packaging RM'000	Wood processing RM'000	Renewable energy RM'000	Construction RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Segment profit before interest and taxation includes the followings:								
Bad debts written off	1,284	-	-	-	-	-	-	1,284
Depreciation of property, plant and equipment	3,019	2,025	623	558	611	159	-	6,995
Depreciation of investment property	231	-	-	-	-	431	-	662
Depreciation of right-of-use assets	1,001	349	-	54	-	-	(1,004)	400
Impairment/(Reversal of impairment) loss on trade receivables	276	(84)	-	-	160	-	-	352
Interest expense	216	228	67	106	66	-	(117)	566
Property, plant and equipment written off	-	130	-	-	-	-	-	130
Realised gain on foreign exchange	(89)	-	(6)	-	-	-	-	(95)
(Gain)/Loss on disposal of property, plant and equipment	(19)	-	-	13	-	-	-	(6)
Interest income	(1,480)	(197)	(38)	(14)	(69)	(17)	-	(1,815)
Written down of inventories/ (Reversal of inventories written down)	111	-	(75)	-	-	-	-	36
Reversal of impairment loss on other receivables	-	-	-	-	(15)	-	-	(15)
Unrealised gain on foreign exchange	(112)	-	-	-	-	-	-	(112)
Fair value gain on derivatives	(53)	-	-	-	-	-	-	(53)
Fair value loss on other investment	-	1	-	-	-	-	-	1
Segment assets	142,210	34,920	25,165	11,651	23,342	29,273	(16,426)	250,135
Unallocated assets:								
- Current tax assets								925
- Deferred tax assets								864
Total assets								251,924
Segment liabilities	13,085	2,959	1,333	1,473	13,575	23,877	(16,426)	39,876
Unallocated liabilities:								
- Current tax liabilities								1,461
- Deferred tax liabilities								1,361
- Lease liabilities								1,763
- Hire purchase liabilities								1,271
- Term loans								8,022
Total liabilities								53,754
Additions to non-current assets other than financial instruments are:								
- Property, plant and equipment	1,764	339	9	5,423	1,078	-	-	8,613

Notes to the Financial Statements

30. Operating segments (continued)

2023	Continuing operations									
	Furniture RM'000	Packaging processing RM'000	Wood RM'000	Renewable energy RM'000	Cons- truction RM'000	Others RM'000	Elimi- nations RM'000	Total operations RM'000	Discontinued operations RM'000	Conso- lidated RM'000
Business segments										
Total external revenue	118,462	33,278	5,637	12,065	24,178	425	-	194,045	28,690	222,735
Inter-segment revenue	142	5,317	15,666	-	-	2,716	(23,841)	-	-	-
Total segment revenue	118,604	38,595	21,303	12,065	24,178	3,141	(23,841)	194,045	28,690	222,735
Segment result	18,078	2,068	392	1,726	897	145	993	24,299	892	25,191
Unallocated income/(expenses)								791	(108)	683
Results from operating activities								25,090	784	25,874
Interest income								1,079	86	1,165
Interest expense								(582)	(118)	(700)
Tax expense								(5,396)	(214)	(5,610)
Profit for the year								20,191	538	20,729
Segment profit before interest and taxation includes the followings:										
Depreciation of property, plant and equipment	3,033	2,036	686	1,365	539	264	-	7,923	1,067	8,990
Depreciation of investment property	231	-	-	-	-	430	-	661	-	661
Depreciation of right-of-use assets	957	350	-	55	-	-	(998)	364	404	768
Impairment loss on										
- trade receivables	-	377	-	-	207	1	(292)	293	-	293
- other receivables	-	-	-	-	507	-	-	507	-	507
- amount due from a joint venture	665	-	-	-	-	-	-	665	-	665
Interest expense	283	234	86	100	47	-	(168)	582	118	700
Property, plant and equipment written off	-	-	-	-	5	-	-	5	-	5
Realised loss/(gain) on foreign exchange	1,115	-	(8)	-	-	-	-	1,107	53	1,160
Gain on disposal of property, plant and equipment	(5)	(2)	-	-	-	-	-	(7)	(1)	(8)
Interest income	(869)	(141)	(5)	-	(57)	(13)	6	(1,079)	(86)	(1,165)
Written down of inventories/(Reversal of inventories written down)	454	-	(96)	-	-	-	-	358	-	358
Unrealised loss on foreign exchange	404	-	-	-	-	-	-	404	47	451
Fair value (gain)/loss on derivatives	(286)	-	-	-	-	-	-	(286)	6	(280)
Fair value gain on other investment	-	(1)	-	-	-	-	-	(1)	-	(1)

2023

- Current tax assets
- Deferred tax assets

Segment liabilities

- Unallocated liabilities:
- Current tax liabilities
- Deferred tax liabilities
- Lease liabilities
- Hire purchase liabilities
- Term loans

Additions to non-current assets other than financial instruments are:

- Property, plant and equipment

2024

Revenue from external customers
by location of customers
- Continuing operations

Segment assets by location of assets
- Continuing operations

- Continuing operations
- Discontinued operations

Segment assets by location of assets
- Continuing operations

[illegible]

Notes to the Financial Statements

30. Operating segments (continued)

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue		Segment
	2024 RM'000	2023 RM'000	
Customer 1	42,508	42,831	Furniture

31. Financial instruments

The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk, equity price risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

31.1 Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign currency exposure

	2024 United States Dollar RM'000	2023 United States Dollar RM'000
Group		
Financial assets		
Trade receivables	7,051	8,465
Cash and bank balances	1,751	1,175
	8,802	9,640
Financial liabilities		
Trade payables	(201)	-
Other payables and accrued expenses	(887)	(314)
	(1,088)	(314)
Net financial assets	7,714	9,326
Currency exposure	7,714	9,326

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:

	Group	
	2024	2023
	RM'000	RM'000
Effects on profit after taxation		
USD/RM:		
- strengthened by 2% (2023 – 1%)	+117	+71
- weakened by 2% (2023 – 1%)	-117	-71

There is no impact on the Group's equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 to the financial statements.

Interest rate risk sensitivity analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity price risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

Any reasonably possible change in the prices of quoted investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(a) Market risk (continued)

(iv) Price risk

The Group's principal exposure to price risk arises mainly from changes in prices of money market fund.

Price risk sensitivity analysis

Any reasonably possible change in the prices of the money market fund at the end of the reporting period does not have material impact on profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(b) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

Credit risk concentration profile

The Group determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	15,024	12,443
Rest of Asia	3,981	1,605
North America	1,818	4,343
Europe	549	1,629
Others	508	888
	<u>21,880</u>	<u>20,908</u>

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2023 - 1) customer which constituted approximately 13% (2023 - 14%) of its trade receivables and contract assets (including related parties), net of loss allowance.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(b) Credit risk (continued)

Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

(i) *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(b) Credit risk (continued)

Assessment of impairment losses (continued)

Trade Receivables and Contract Assets (continued)

(i) *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (continued)*

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2023 – 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate and Gross Domestic Product (GDP) as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

(ii) *Allowance for Impairment Losses*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:

Group	Gross amount RM'000	Lifetime loss allowance RM'000	Carrying value RM'000
2024			
Current (not past due)	12,457	(20)	12,437
1 to 30 days past due	4,144	(21)	4,123
31 to 60 days past due	2,606	(29)	2,577
61 to 90 days past due	926	(36)	890
More than 90 days past due	2,102	(249)	1,853
	22,235	(355)	21,880
Credit impaired:			
- individually impaired	699	(699)	-
Trade receivables	22,934	(1,054)	21,880
Contract assets	11,405	-	11,405
	34,339	(1,054)	33,285

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(b) Credit risk (continued)

Assessment of impairment losses (continued)*Trade Receivables and Contract Assets (continued)*(ii) *Allowance for Impairment Losses (continued)*

Group	Gross amount RM'000	Lifetime loss allowance RM'000	Carrying value RM'000
2023			
Current (not past due)	12,956	-	12,956
1 to 30 days past due	3,853	(45)	3,808
31 to 60 days past due	1,685	(47)	1,638
61 to 90 days past due	755	(60)	695
More than 90 days past due	1,948	(137)	1,811
	21,197	(289)	20,908
Credit impaired:			
- individually impaired	461	(461)	-
Trade receivables	21,658	(750)	20,908
Contract assets	12,094	-	12,094
	33,752	(750)	33,002

The movements in the loss allowances in respect of trade receivables are disclosed in Note 10 to the financial statements.

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(b) Credit risk (continued)

Assessment of impairment losses (continued)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 180 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on collective basis.

Based on the assessment performed, long outstanding receivables has been fully impaired.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

(i) *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(b) Credit risk (continued)

Assessment of impairment losses (continued)*Amount Owing by Subsidiaries (Non-trade Balances) (continued)*

(ii) Allowance for Impairment Losses

Company	Gross amount RM'000	Lifetime loss allowance RM'000	Carrying amount RM'000
2024			
Low credit risk	14,218	-	14,218
Credit impaired	167	(167)	-
	14,385	(167)	14,218
2023			
Low credit risk	14,194	-	14,194
Credit impaired	149	(149)	-
	14,343	(149)	14,194

The movements in the loss allowances in respect of amount owing by subsidiaries are disclosed in Note 10 to the financial statements.

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(c) Liquidity risk (continued)

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2024							
<u>Non-derivative financial liabilities</u>							
Lease liabilities	3.70 - 5.47	1,763	2,487	603	950	574	360
Hire purchase liabilities	2.30 - 6.82	1,271	1,406	461	144	404	397
Term loans	4.45 - 4.95	8,022	10,108	3,178	1,380	2,599	2,951
Bankers' acceptances	3.59	511	511	511	-	-	-
Bank overdrafts	6.90	357	357	357	-	-	-
Other borrowing	6.70	3,300	3,300	3,300	-	-	-
Trade payables	-	17,311	17,311	17,311	-	-	-
Other payables and accrued expenses	-	18,298	18,298	18,298	-	-	-
		50,833	53,778	44,019	2,474	3,577	3,708
<hr/>							
Group	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2023							
<u>Non-derivative financial liabilities</u>							
Lease liabilities	3.70 - 4.94	1,154	1,329	370	313	256	390
Hire purchase liabilities	2.30 - 5.74	977	1,059	343	437	279	-
Term loans	4.45 - 6.45	8,953	10,643	3,010	2,681	2,089	2,863
Bankers' acceptances	3.69	977	977	977	-	-	-
Other borrowing	6.70	3,290	3,290	3,290	-	-	-
Trade payables	-	15,465	15,465	15,465	-	-	-
Other payables and accrued expenses	-	16,564	16,564	16,564	-	-	-
		47,380	49,327	40,019	3,431	2,624	3,253

Notes to the Financial Statements

31. Financial instruments (continued)

31.1 Financial risk management policies (continued)

(c) Liquidity risk (continued)

Maturity analysis (continued)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (continued):

Company	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 - 2 years RM'000
2024					
<u>Non-derivative financial liabilities</u>					
Term loans	4.65	810	937	937	-
Other payables and accrued expenses	-	322	322	322	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	20,241	20,241	-
		1,132	21,500	21,500	-
2023					
<u>Non-derivative financial liabilities</u>					
Term loans	4.63	1,868	2,058	1,123	935
Other payables and accrued expenses	-	351	351	351	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	33,988	33,988	-
		2,219	36,397	35,462	935

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

31. Financial instruments (continued)

31.2 Capital risk management

Capital structure is a combination of equity and debt used by an entity to finance its overall operations and growth. The objective of the capital management of the Group is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

There was no change in the approach to capital management during the financial year.

31.3 Classification of financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Amortised Cost</u>				
Amount due from subsidiaries (Note 10)	-	-	14,218	14,194
Amount due from joint venture (Note 10)	2,111	809	-	-
Trade receivables (Note 10)	20,637	20,562	-	-
Other receivables and deposits (Note 10)	1,298	1,686	21	18
Deposits placed with licensed banks (Note 15)	19,713	11,072	1,035	1,007
Cash and bank balances (Note 15)	54,016	61,219	2,268	6,070
	97,775	95,348	17,542	21,289
<u>Fair Value Through Profit or Loss</u>				
Other investments	2	3	-	-
Derivative assets (Note 13)	138	85	-	-
Short-term investments (Note 14)	14,588	14,100	4,230	4,083
	14,728	14,188	4,230	4,083
Financial liabilities				
<u>Amortised Cost</u>				
Lease liabilities (Note 18)	1,763	1,154	-	-
Hire purchase liabilities (Note 17)	1,271	977	-	-
Term loans (Note 17)	8,022	8,953	810	1,868
Bankers' acceptances (Note 17)	511	977	-	-
Trade payables (Note 19)	17,311	15,465	-	-
Other payables and accrued expenses (Note 19)	18,298	16,564	322	351
Bank overdrafts (Note 17)	357	-	-	-
Other borrowing (Note 17)	3,300	3,290	-	-
	50,833	47,380	1,132	2,219

Notes to the Financial Statements

31. Financial instruments (continued)

31.4 Gains or losses arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	395	(1,911)	212	(502)
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by mandatorily required by accounting standard	52	281	-	-
Financial liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(588)	(700)	(67)	(97)

31.5 Fair value information

The fair value of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2024								
<u>Financial assets</u>								
Other investment:								
- quoted shares in Malaysia	2	-	-	-	-	-	2	2
Derivative assets:								
- forward currency contracts	-	138	-	-	-	-	138	138
Short-term investments	-	14,588	-	-	-	-	14,588	14,588
	2	14,726	-	-	-	-	14,728	14,728
<u>Financial liabilities</u>								
Term loans	-	-	-	-	8,022	-	8,022	8,022
Hire purchase liabilities	-	-	-	-	1,254	-	1,254	1,271
	-	-	-	-	9,276	-	9,276	9,293

Notes to the Financial Statements

31. Financial instruments (continued)

31.5 Fair value information (continued)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (continued):

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2023								
<u>Financial assets</u>								
Other investment:								
- quoted shares in Malaysia	3	-	-	-	-	-	3	3
Derivative assets:								
- forward currency contracts	-	85	-	-	-	-	85	85
Short-term investments	-	14,100	-	-	-	-	14,100	14,100
	3	14,185	-	-	-	-	14,188	14,188
<u>Financial liabilities</u>								
Term loans	-	-	-	-	8,953	-	8,953	8,953
Hire purchase liabilities	-	-	-	-	977	-	977	977
	-	-	-	-	9,930	-	9,930	9,930
Company	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2024								
<u>Financial assets</u>								
Short-term investments	-	4,230	-	-	-	-	4,230	4,230
<u>Financial liabilities</u>								
Term loans	-	-	-	-	810	-	810	810
2023								
<u>Financial assets</u>								
Short-term investments	-	4,083	-	-	-	-	4,083	4,083
<u>Financial liabilities</u>								
Term loans	-	-	-	-	1,868	-	1,868	1,868

Notes to the Financial Statements

31. Financial instruments (continued)

31.5 Fair value information (continued)

(i) Fair value of financial instruments carried at fair value

(a) The fair value above have been determined using the following basis:

- The fair value of other investment is determined at its quoted closing bid prices at the end of the reporting period.
- The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

(b) There were no transfers between level 1 and level 2 during the financial year.

(ii) Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- The fair values of hire purchase liabilities are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:

	2024	2023
	%	%
Hire purchase liabilities	3.37	4.78

32. Capital commitments

	Group	
	2024	2023
	RM'000	RM'000
Property, plant and equipment	6,169	3,036

Notes to the Financial Statements

33. Related party disclosures

(a) Subsidiaries

The subsidiaries are disclosed in Note 6 to the financial statements.

(b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:

	2024 RM'000	2023 RM'000
Group		
Joint venture companies		
Rental income	(2,223)	(1,270)
Sales of goods	(4,250)	(2,313)
Subcontract work received	(1,464)	(367)
Purchase of materials	-	2,990
A company in which certain directors have significant financial interests		
Rental income	-	(13)
Rental paid/payable	90	90
Hostel rental paid/payable	-	14
Shareholders of joint venture company		
Sales of goods	(84,318)	(60,707)
Purchase of materials	19,363	16,323
	2024	2023
	RM'000	RM'000
Company		
Subsidiaries		
Dividend income receivable	(15,628)	(10,751)
Management fees receivable	(1,224)	(1,284)
Interest income receivable	-	(6)

34. Significant events occurring after the reporting period

On 30 August 2024, the Company was incorporated and subscribed to 8 new ordinary shares of RM1 each, representing 80% of the issued and paid-up share capital of Jaycorp LVL Sdn Bhd ("JLVL") ("the Subscription"). Consequent to the Subscription, JLVL became an 80%-owned subsidiary of the Company. JLVL principally engaged in processing of veneer sheet and manufacturing bent laminated veneer lumber ("LVL") pieces for furniture from veneer sheets

On 3 October 2024, the Company subscribed for additional 1,199,992 ordinary shares in JLVL for a total consideration of RM1,199,992 satisfied by cash, representing 80% of the subscribed ordinary shares.

STATEMENT BY DIRECTORS

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

We, Tan Sri Datuk (Dr.) Abdul Majid Khan and Yeo Ayk Ke, being two of the directors of Jaycorp Berhad, state that, in the opinion of the directors, the financial statements set out on pages 75 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors

Tan Sri Datuk (Dr.) Abdul Majid Khan

Yeo Ayk Ke

Melaka,

Date: 6 November 2024

STATUTORY DECLARATION

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

I, **Tan Chun Koon**, MIA Membership Number: 25407, being the officer primarily responsible for the financial management of Jaycorp Berhad, do solemnly and sincerely declare that the financial statements set out on pages 75 to 136 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned in the State of Melaka on 6 November 2024

Tan Chun Koon

Before me:

Shahrizah binti Yahya (M084)

Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

to the members of Jaycorp Berhad
Registration No: 199801003663 (459789-X)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jaycorp Berhad, which comprise the statements of financial position as at 31 July 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 75 to 136.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition Refer to Notes 20 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
Consolidated revenue recorded by the Group during the year amounted to approximately RM194 million. We consider revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regarded revenue recognition to be a key audit matter.	Our procedures included, amongst others: <ul style="list-style-type: none"> • testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. • reviewing the terms of sales contract to determine the point of transfer of risk and rewards on a sample basis. • testing the recording of sales transactions, revenue cut-off and review of credit notes after year end. • obtaining confirmations and reviewing collections relating to material trade receivables as at financial year end.

Independent Auditors' Report

to the members of Jaycorp Berhad
Registration No: 199801003663 (459789-X)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report

to the members of Jaycorp Berhad
Registration No: 199801003663 (459789-X)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 (continued):

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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.

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 content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Melaka

Tan Lin Chun
02839/10/2025 J
Chartered Accountant

6 November 2024

LIST OF LANDED PROPERTIES

Registered/ Beneficial Owner	Property	Tenure	Description / Existing Use	Age of Building (years)	Land Area (sq. meter)	Built-up Area (sq. meter)	Net Book Value as at 31 July 2024 RM'000
Jaycorp Trading Sdn Bhd	GM467 Lot No. 3948,	Freehold	Factory & Office Building	33	1,870	} 3,951	26
	GM241 Lot No. 4027,	Freehold	Factory Building	33	2,920		383
	GM240 Lot No. 4026,	Freehold	Warehouse (Packaging)	28	4,653	3,986	349
	GM242 Lot No. 4028 and	Freehold	Factory Building	27	6,238	5,279	631
	GM243 Lot No. 4029, Mukim of Sungai Rambai, Melaka.	Freehold	Warehouse* (Furniture)	21	2,077	1,431	125
	GM81 Lot 2611, Mukim of Sungai Rambai, Melaka.	Freehold	Car Park, Warehouse & Factory Building	15	21,626	7,664	2,979
Yeo Aik Wood Sdn Bhd	H.S.D. 25808 P.T.D. No. 11656 and H.S.D. 25809 P.T.D. No. 11657, Mukim of Grisek, District of Ledang, Johor Darul Takzim.	Freehold	Industrial Land Factory Building** (Owned by YAHSB)	- 23	11,841 -	- 6,711	800 1,562
	GM475 Lot No. 5376 and	Freehold	Factory Building	27	4,252	2,992	658
	GM714 Lot No. 5803, Mukim of Merlimau, Melaka.	Freehold	Factory Building	27	14,506	7,024	342
	H.S.D. 25805 P.T.D. No. 11653 Mukim of Grisek, District of Ledang, Johor Darul Takzim.	Freehold	Factory Building	22	4,428	2,081	320
	GM156, Lot No. 133, Mukim of Sebatu, Melaka.	Freehold	Agriculture Land	-	8,434	-	97
	H.S.D. 6205 & 6206 P.T. 320 & 321 Mukim Semujuk, Daerah Jasin, Melaka.	99 years leasehold (Expiring on 23.02.2100)	Vacant Industrial Land	-	14,525	-	656
	Lot 11288 H.S.D. 395675 Mukim of Grisek, District of Ledang, Johor Darul Takzim.	Freehold	Factory Building	10	20,209	1,394	1,099
	MCL 2782, Lot 2269, Mukim Merlimau, Jasin Melaka	Freehold	Hostel ***	2	15,479	5,984	1,139

List of Landed Properties

Registered/ Beneficial Owner	Property	Tenure	Description / Existing Use	Age of Building (years)	Land Area (sq. meter)	Built-up Area (sq. meter)	Net Book Value as at 31 July 2024 RM'000
Yeo Aik Hevea (M) Sdn Bhd	Lot PTD No.15024, HSD 25806	Freehold	Factory Building	12	4,463	6,142	2,850
	Lot PTD No.15025, HSD 25807	Freehold	Factory Building	12	5,056		
	Lot PTD No.15018, HSD 25810 Mukim of Grisek, District of Ledang, Johor Darul Takzim.	Freehold	Industrial Land	-	4,290	-	716
Winshine Holdings Sdn Bhd	Plot 331, Lot No. PTD 35104 Title No HSD 38295 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim.	60 years leasehold (expiring on 05.10.2057)	Factory Building	28	8,094	5,514	1,884
Winshine Industries Sdn Bhd	Plot 337, Lot No. PTD 37809 Title No HSD 39280	60 years leasehold (expiring on 06.07.2059)	Factory Building	26	9,777	6,919	3,324
	Plot 360, Lot No. PTD 47268, Title No. HSD 55701 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim.	60 years leasehold (expiring on 08.10.2066)	Factory and Office Building	26	20,235	14,853	3,976
	Lot No. PTD 31719 Title No Geran 61861 Mukim of Simpang Kanan, District of Batu Pahat, Johor Darul Takzim.	Freehold	Single-Storey Terrace House	28	313	101	58
Jaycorp Green Energy Sdn Bhd	PTD 192374 Title No HSD 442263, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	60 years leasehold (expiring on 19.03.2067)	Factory Building	17	15,700	12,664	4,760
Bongawan Solo Sdn Bhd	Countries lease 025341226, 025341235 & 025341271 located at Kampung Bongawan, District of Papar, Sabah.	Leasehold (expiring on 31.12.2080)	Agriculture land	-	1,600,200	-	19,638

List of Landed Properties

Registered/ Beneficial Owner	Property	Tenure	Description / Existing Use	Age of Building (years)	Land Area (sq. meter)	Built-up Area (sq. meter)	Net Book Value as at 31 July 2024 RM'000
Instyle Sofa Sdn Bhd	Lot PTD No.11668, HS(D) 25820	Freehold	Industrial Land	-	8,488	-	1,037
			Factory Building	20	-	6,041	2,074
	Lot PTD No.11660, HS(D) 25812	Freehold	Industrial Land	-	4,843	-	484
			Factory Building	15	-	2,185	1,250
	Lot PTD No.11697, HS(D) 25849	Freehold	Industrial Land	-	2,888	-	342
			Factory Building	15	-	1,115	520
	Lot PTD No.11661, HS(D) 25813	Freehold	Industrial Land	-	3,322	-	467
			Factory Building	14	-	1,678	1,315
	Lot PTD No.11662, HS(D) 25814	Freehold	Industrial Land	-	4,027	-	566
			Factory Building	13	-	2,025	1,195
	PTD11733, No.13 Taman Utama Grisek	Freehold	Double Storey Terrace	15	211	76	137
	PTD11732, No.14 Taman Utama Grisek Mukim of Grisek, District of Ledang, Johor Darul Takzim.	Freehold	Double Storey Terrace	15	211	76	140

Notes:

- * Warehouse owned by Yeo Aik Wood Sdn Bhd is constructed on the piece of industrial land owned by Jaycorp Trading Sdn Bhd
- ** Factory building owned by Yeo Aik Hevea (M) Sdn Bhd is constructed on the piece of industrial land owned by Yeo Aik Wood Sdn Bhd
- *** Hostel building owned by Yeo Aik Wood Sdn Bhd is constructed on the piece of MCL land owned by Md Noh Bin Md Yasin. The tenancy agreement signed for 15 years expire on 29 February 2036, with an option to renew for a further period of 5 years

ANALYSIS OF SHAREHOLDINGS

as at 25 October 2024

Number of Shares Issued : 274,500,000
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of shareholders : 5,157

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders	No. of Shares*	%*
1 to 99	111	3,585	0.001
100 to 1,000	1,209	423,607	0.158
1,001 to 10,000	2,473	12,503,520	4.653
10,001 to 100,000	1,218	35,938,742	13.373
100,001 to less than 5% of issued shares	144	97,313,946	36.212
5% and above of issued shares	2	122,550,000	45.603
Total	5,157	268,733,400	100.000

Note:

* Exclusive of 5,766,600 treasury shares retained by the Company as at 25 October 2024.

LIST OF SUBSTANTIAL SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	%*	No. of Shares	%*
1.	JAWALA CORPORATION SDN BHD	62,000,000	23.07	-	-
2.	CENTRAL GLAMOUR SDN BHD	60,550,000	22.53	-	-
3.	TAN SRI DATUK (DR.) ABDUL MAJID KHAN	-	-	62,000,000 [^]	23.07
4.	DATUK JEMA ANTON KHAN	-	-	62,000,000 [^]	23.07

Notes :

* Exclusive of 5,766,600 treasury shares retained by the Company as at 25 October 2024.

[^] Deemed interest by virtue of Section 8 of the Act, through his shareholding in Jawala Corporation Sdn Bhd.

DIRECTORS' INTERESTS IN SHARES

No.	Name	Direct		Indirect	
		No. of Shares	%*	No. of Shares	%*
1.	TAN SRI DATUK (DR.) ABDUL MAJID KHAN	-	-	62,000,000 ^{^1}	23.07
2.	YEO AYK KE	3,195,600	1.19	95,500 ^{^2}	0.04
3.	YEO AIK TAN	1,479,186	0.55	9,739,200 ^{^3}	3.62
4.	LIM POH TEOT	6,568,450	2.44	-	-
5.	MUAZ BIN JEMA ANTON KHAN	-	-	-	-
6.	NADJA BINTI JEMA KHAN	-	-	-	-
7.	BIANCA DANIELLA LIND	-	-	-	-
8.	IVAN OH BOON WEE	-	-	-	-
9.	PATRICIA UBING @ MAGDALENE EDWARD	-	-	-	-

Notes :

* Exclusive of 5,766,600 treasury shares retained by the Company as at 25 October 2024.

^{^1} Deemed interest by virtue of Section 8 of the Act, through his shareholding in Jawala Corporation Sdn Bhd.

^{^2} Deemed interest by virtue of shares registered in the name of his spouse, On Yin Choo.

^{^3} Deemed interest by virtue of Section 8 of the Act, through his shareholding in NCCT Resources Sdn Bhd.

Analysis of Shareholdings

as at 25 October 2024

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

NO.	NAME	HOLDINGS	%*
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR JAWALA CORPORATION SDN BHD (PB)	62,000,000	23.07
2.	CENTRAL GLAMOUR SDN BHD	60,550,000	22.53
3.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	10,000,000	3.72
4.	NCCT RESOURCES SDN BHD	9,739,200	3.62
5.	LIM PEI TIAM @ LIAM AHAT KIAT	6,630,000	2.47
6.	IFAST NOMINEES (TEMPATAN) SDN BHD LIM POH TEOT	6,568,450	2.44
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (MY0267)	4,866,400	1.81
8.	SIM PECK LING	4,601,894	1.71
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH SWEE HUAT (E-KLC)	4,428,700	1.65
10.	YEO AYK KE	3,195,600	1.19
11.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOUNG CHUAN KIM (E-KTU)	3,000,000	1.12
12.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW BOOY (MY3908)	2,240,000	0.83
13.	SIAH LEE CHU	1,536,900	0.57
14.	YEO AIK TAN	1,429,186	0.53
15.	QUALITY FURNITURE SDN BHD	1,395,400	0.52
16.	YEH INTERNATIONAL SERVICES CORPORATION SDN BHD	1,250,000	0.47
17.	CHIN SAU CHAN	1,245,400	0.46
18.	QR FURNITURE SDN BHD	1,093,500	0.41
19.	NG POH ANN	1,061,600	0.40
20.	ROBERT TAN	1,025,000	0.38
21.	KAM KIT ENGINEERING SDN BHD	1,000,000	0.37
22.	LIM PAY KAON	1,000,000	0.37
23.	NG POH SUAN	977,500	0.36
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD CHIA LAI JOO	905,064	0.34
25.	YEO YEK MENG	881,684	0.33
26.	SOLID ARCH SDN BHD	785,000	0.29
27.	NG POH HEE	757,000	0.28
28.	OU YANG SONG SENG	619,900	0.23
29.	TAN YING TIAN	581,250	0.22
30.	ONG CHEE JOON	550,000	0.21
	TOTAL:	195,914,628	72.90

* Exclusive of 5,766,600 treasury shares retained by the Company as at 25 October 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (“26th”) Annual General Meeting (“AGM”) of the members of the Company will be held at Meeting Room 3, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Thursday, 12 December 2024 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

- | | | |
|----|---|-------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2024 together with the Directors’ and Auditors’ Reports thereon. | Please refer to Note 1 |
| 2. | To approve the payment of final single tier dividend of 2 sen per ordinary share for the financial year ended 31 July 2024. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ Fees and Benefits payable to the Directors up to RM1,191,000 from 1 August 2024 until the next AGM. | Ordinary Resolution 2 |
| 4. | To re-elect Yeo Ayk Ke who retires in accordance with Clause 125 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 3 |
| 5. | To re-elect Lim Poh Teot who retires in accordance with Clause 125 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 4 |
| 6. | To re-elect Nadja binti Jema Khan who retires in accordance with Clause 125 of the Constitution of the Company and being eligible, has offered herself for re-election. | Ordinary Resolution 5 |
| 7. | To appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS

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

- | | | |
|----|--|------------------------------|
| 8. | AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 7 |
|----|--|------------------------------|

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 16 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act.”

Notice of Annual General Meeting

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 8**

"THAT the Company and/or its subsidiaries and joint venture companies ("the Group") be and is/ are hereby authorised to enter into all arrangements and/or transactions involving the interests of Directors, Major Shareholders or persons connected with Directors and/or Major Shareholders of the Group ("Related Parties") as specified in Section 2.3 of the Circular to Shareholders dated 20 November 2024 ("Circular"), provided that such arrangements and/or transactions are:

- i. recurrent transactions of a revenue or trading nature;
- ii. necessary for the Group's day-to-day operations;
- iii. carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
- iv. not detrimental to the minority shareholders;

('Recurrent Related Party Transactions ("RRPT") Mandate');

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate."

10. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK")** **Ordinary Resolution 9**

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approval of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the total retained profits available for dividend, for the purpose of and to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT an amount not exceeding the retained profits account be allocated by the Company for the proposed share buy-back;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them."

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of the shareholders, a final single tier dividend of 2 sen per ordinary share for the financial year ended 31 July 2024 will be paid on 30 December 2024 to Depositors registered in the Record of Depositors at the close of business at 5.00 p.m. on 16 December 2024.

A depositor shall qualify for entitlement only in respect of:

- a. shares transferred into the Depositor's Securities Account before 4.30 p.m. on 16 December 2024 in respect of ordinary transfers; and
- b. shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

LIM SECK WAH (MAICSA 0799845) (SSM PC NO. 202008000054)

KONG MEI KEE (MAICSA 7039391) (SSM PC NO. 202008002882)

Company Secretaries

Dated this: 20 November 2024

Kuala Lumpur

Notes:

1. This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Act, the Audited Financial Statements do not require formal approval of the shareholders. As such this item on the Agenda is not put forward for voting.
2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 6 December 2024. Only a depositor whose name appears on the Record of Depositors as at 6 December 2024 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her stead.
3. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
4. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
7. The Proxy Form must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to BSR.Helpdesk@boardroomlimited.com, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
8. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Bursa Securities' Main Market Listing Requirements.

Notice of Annual General Meeting

9. Explanatory Notes:

Ordinary Resolution 2 on Directors' Fees and Benefits

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 26th AGM on the Directors' Fees and Benefits under Resolution 2.

The Directors' Benefits comprise meeting allowance payable to Directors for each day of attending meeting.

In the event that the Directors' Fees and Benefits payable during the above period exceed the estimated amount sought at the forthcoming 26th AGM of the Company, shareholders' approval will be sought at the next AGM for the additional amount to meet the shortfall.

Ordinary Resolution 7 pursuant to Sections 75 and 76 of the Act

The proposed adoption of Ordinary Resolution 7 is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, from the date of the above Meeting, to allot ordinary shares of not more than ten per centum (10%) of the total number of issued share of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund-raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Twenty-Fifth Annual General Meeting held on 14 December 2023, which will lapse at the conclusion of the 26th AGM. Hence, no proceeds were raised therefrom.

Ordinary Resolution 8 on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the Board of Directors to enter into recurrent related party transactions of a revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders ("Renewal RRPT Mandate").

Further information of Renewal RRPT Mandate is contained in the Circular to Shareholders dated 20 November 2024.

Ordinary Resolution 9 on Proposed Renewal of Authority for Share Buy-Back

This resolution will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the Proposed Renewal of Share Buy-Back are set out in the Share Buy-Back Statement dated 20 November 2024.

The Company does not buy-back any shares during the financial year ended. As at to-date, there is an accumulative of 5,766,600 shares are kept as treasury shares.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election at this Annual General Meeting can be found on pages 7 to 9 – Directors' Profile in the Company's Annual Report 2024.

Yeo Ayk Ke, Lim Poh Teot and Nadja binti Jema Khan, are retiring in accordance with Clause 125 of the Constitution of the Company and being eligible for re-election at the forthcoming 26th AGM.

Personal Data Privacy:

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

**JAYCORP BERHAD**

(Registration No. 199801003663 (459789-X))
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

CDS Account No.	
No. of Shares Held	

I/We * NRIC No./Passport No./Registration. No. *
(Full name in Block)

of
(Full address)

with Email Address : Mobile Phone No.:

being a member/members* of **JAYCORP BERHAD** ("the Company") hereby appoint(s):

Full Name (in Block) :	NRIC No./Passport No. :	Proportion of Shareholdings	
		No. of Shares	Percentage (%)
Full Address :			
Email Address :			
Mobile Phone No. :			

and/or*

Full Name (in Block) :	NRIC No./Passport No. :	Proportion of Shareholdings	
		No. of Shares	Percentage (%)
Full Address :			
Email Address :			
Mobile Phone No. :			

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at Meeting Room 3, Level 2, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Thursday, 12 December 2024 at 10.30 a.m. or any adjournment thereof in the manner as indicated below:

RESOLUTIONS RELATING TO:		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION					
1.	Approval on the payment of final single tier dividend of 2 sen per ordinary share for the financial year ended 31 July 2024.				
2.	Approval on the payment of Directors' Fees and Benefits payable to the Directors up to RM1,191,000 from 1 August 2024 until the next AGM.				
3.	Re-election of Yeo Ayk Ke who retires in accordance with Clause 125 of the Constitution of the Company.				
4.	Re-election of Lim Poh Teot who retires in accordance with Clause 125 of the Constitution of the Company.				
5.	Re-election of Nadja binti Jema Khan who retires in accordance with Clause 125 of the Constitution of the Company.				
6.	Re-appointment of Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
7.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.				
8.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.				
9.	Proposed renewal of authority for share buy-back.				

Please indicate with an "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal

Dated this day of 2024

* Strike out whichever is not applicable.



Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 6 December 2024. Only a depositor whose name appears on the Record of Depositors as at 6 December 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitle to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn. Bhd. of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to BSR.Helpdesk@boardroomlimited.com, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.
8. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

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AFFIX
STAMP

The Poll Administrator
JAYCORP BERHAD
(Registration No. 199801003663 (459789-X))
C/O BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor, Malaysia

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JAYCORP Berhad

199801003663 (459789-X)

www.jaycorp.com.my

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