



 *Johan Holdings Berhad*

←  →

**ANNUAL REPORT**  
for the financial year ended 31 July 2024

# CONTENTS

<b>2</b>	Group Corporate Directory	<b>50</b>	Directors' Responsibility in Financial Reporting
<b>3</b>	Corporate Information	<b>51</b>	Audit Committee Report
<b>4</b>	Chairman's Management Discussion & Analysis	<b>54</b>	Statement on Risk Management and Internal Control
<b>7</b>	Sustainability Statement	<b>58</b>	Additional Information
<b>33</b>	Profile of Directors	<b>59</b>	Financial Statements
<b>36</b>	Profile of Key Senior Management	<b>155</b>	Analysis of Shareholdings
<b>38</b>	Five-Year Group Financial Highlights	<b>158</b>	List of Properties Held
<b>39</b>	Corporate Governance Overview Statement	<b>160</b>	Notice of Annual General Meeting Form of Proxy

## CORPORATE PROFILE

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

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

## GROUP CORPORATE DIRECTORY

### PRINCIPAL COMPANIES

#### **Johan Holdings Berhad**

11<sup>th</sup> Floor, Wisma E&C  
No. 2, Lorong Dungun Kiri  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 603 2092 1858  
Fax : 603 2092 2812  
Website : [www.johanholdings.com](http://www.johanholdings.com)

#### **The Orient Star Resort, Lumut** *(owned by Lumut Park Resort Sdn Bhd)*

Lot 203 & 366 Jalan Iskandar Shah  
32200 Lumut  
Perak Darul Ridzuan  
Tel : 605 683 3800  
Fax : 605 683 8088  
Website : [www.orientstar.com.my](http://www.orientstar.com.my)

#### **Diners Club (Malaysia) Sdn Bhd**

Suite 21-02, Level 21  
Menara Tan & Tan  
207 Jalan Tun Razak  
50400 Kuala Lumpur  
Tel : 603 2161 1322  
Fax : 603 2161 1518

#### **Diners World Travel (Malaysia) Sdn Bhd**

Suite 21-02, Level 21  
Menara Tan & Tan  
207 Jalan Tun Razak  
50400 Kuala Lumpur  
Tel : 603 2161 1322  
Fax : 603 2161 1518

#### **Dynacare Sdn Bhd**

Lot 15528 (PT 5001)  
Kawasan Perusahaan Kampung Aceh  
32000 Sitiawan  
Perak Darul Ridzuan  
Tel : 603 2092 1858  
Fax : 603 2092 2812  
Email : [enquiry@dynacare.com.my](mailto:enquiry@dynacare.com.my)  
Website : [www.dynacare.com.my](http://www.dynacare.com.my)

#### **William Jacks & Company (Malaysia) Sendirian Berhad**

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



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### TAN SRI DATO' TAN KAY HOCK

*Chairman & Chief Executive*

#### PUAN SRI DATIN TAN SWEE BEE

*Group Managing Director*

#### DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF

*Non-Independent Non-Executive Director*

#### TAN POH MENG

*Independent Non-Executive Director*

#### MAHATHIR BIN MAHZAN

*Independent Non-Executive Director*

#### AUDIT COMMITTEE

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

#### REMUNERATION COMMITTEE

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

#### NOMINATING COMMITTEE

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

#### RISK MANAGEMENT COMMITTEE

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

#### COMPANY SECRETARY

Teh Yong Fah  
SSM PC No.: 201908003410  
MACS 00400

#### AUDITORS

Baker Tilly Monteiro Heng PLT  
*Chartered Accountants*

#### SHARE REGISTRAR

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

#### REGISTERED OFFICE

11<sup>th</sup> Floor, Wisma E&C  
No. 2, Lorong Dungun Kiri  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 603-2092 1858  
Fax : 603-2092 2812  
Email : cosec@johanholdings.com.my

#### BUSINESS OFFICE

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

#### GROUP PRINCIPAL BANKERS

(*in alphabetical order*)

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

#### STOCK EXCHANGE LISTING

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

#### CORPORATE WEBSITE

www.johanholdings.com

# CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

*On behalf of your Board of Directors, it is my pleasure to present to shareholders, the Annual Report of Johan Holdings Berhad for the financial year ended 31 July 2024 ("FY 2024")*

## THE MALAYSIAN ECONOMY IN 2023

The Malaysian economy in 2023 experienced a period of moderate growth of 3.7% following a strong performance in 2022 of 8.7%, according to Bank Negara Malaysia's report published in March 2024. This moderate growth can be attributed to a challenging external environment marked by slower global trade, a tech downcycle, geopolitical tensions, and tighter monetary policies.

Despite these headwinds, the Malaysian economy exhibited signs of strength in several key areas. Household spending remained robust, supported by a significant improvement in the labour market. The unemployment rate dropped to a pre-pandemic low of 3.3%, leading to increased consumer confidence and spending.

Investment activity displayed positive growth, driven by the ongoing execution of multi-year projects across various sectors. Businesses were encouraged to expand their capacity in anticipation of future demand, contributing to a positive investment climate.

The growth momentum was further bolstered by a broad-based expansion across various sectors. The commodities sector thrived due to higher oil and gas production, supported by rising global energy prices. The agricultural sector also flourished, benefiting from an improved labour supply situation. The services and construction sectors continued their upward trajectory, reflecting ongoing economic activity. While the manufacturing sector faced challenges due to the continued weakness in the electronics industry, the overall sectoral performance remained positive.

Malaysia's external position remained robust despite the challenging external environment. Malaysia maintained a current account surplus, with a manageable external debt profile due to favourable maturity and currency composition. While there are downside risks like weaker-than-expected external demand, there are also upside possibilities. These include a stronger tech upcycle, tourism recovery exceeding expectations, and faster project implementation.

Overall, the Malaysian economy in 2023 demonstrated resilience in the face of global challenges.

# CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

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## RISKS AND OPPORTUNITIES IN 2024

As we move into 2024, a combination of supportive domestic factors and a potential improvement in the external environment paints a cautiously optimistic picture for Malaysia's economic growth.

On the external front, the International Monetary Fund (IMF) forecasts a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. This, coupled with a potential tech upcycle and a recovery in the tourism sector, could lead to a significant boost in Malaysia's exports.

On the domestic front, we can expect continued growth in household spending, fuelled by a stable labour market and rising wages. Additionally, government initiatives and ongoing infrastructure projects are likely to provide further impetus to domestic demand.

Malaysia's economy expanded faster than expected in the third quarter of 2024 on gains in the services and manufacturing sectors, putting the nation on track to meet the government's revised annual growth forecast. Gross domestic product (GDP) grew 5.3 per cent in the July-September period from a year ago, according to advanced estimates from Malaysia's Department of Statistics on 21 October 2024. That is higher than the 5.1 per cent median prediction in a Bloomberg survey.

The growth print comes just days after Prime Minister Anwar Ibrahim raised Malaysia's 2024 growth forecast range to 4.8 per cent to 5.3 per cent amid expectations of a stronger recovery. This is set to help the government meet its fiscal deficit target of 4.3 per cent of GDP despite pushing a plan to cut petrol subsidies from 2025.

## REVIEW OF GROUP FINANCIAL RESULTS

For FY 2024, Group Revenue totalled RM22.609 million (FY 2023: RM21.042 million), contributed by business segments under Healthcare (RM6.906 million), General Trading (RM9.511 million), Hospitality (RM5.572 million) and Investment Holding & Secretarial Services (RM0.620 million).

Your Group recorded a Loss before tax of RM24.087 million (FY 2023: Loss of RM61.370 million). The loss for FY 2024 was mainly attributed to loss of RM19.385 million by Dynacare Sdn Bhd, the glove manufacturing subsidiary. Dynacare's actual operating loss, including depreciation was RM14.059 million, as RM5.326 million was impairment provided for its Plant & Machinery and Building.

Under Hospitality segment, Lumut Park Resort Sdn Bhd, which owns and operate the Orient Star Resort Lumut, recorded a loss before tax of RM1.250 million. On the positive side, under Card Services, the Diners Club Malaysia companies registered a profit before tax of RM2.006 million.

Under Trading segment, a higher revenue of RM9.511 million was registered (FY 2023: RM7.438 million), resulting in a lower loss of RM50k when compared to loss of RM172k in 2023.

## Healthcare

For FY 2024, the Malaysian glove market's average selling prices (ASPs) remained subdued due to fierce competition, particularly from Chinese manufacturers who have significantly ramped up their production capacities. Despite these challenging market conditions, there has been a gradual recovery in glove demand, driven largely by restocking activities compared to the previous year.



Throughout mid-2024, the ASPs of gloves saw a modest improvement, and Dynacare has actively focused on securing orders with acceptable pricing to manage the rising costs of Nitrile Butadiene Rubber (NBR) raw materials. However, the absence of economies of scale has led to higher overall production costs, which continued to weigh heavily on the company's financial performance. This resulted in a loss before tax amounting to RM19.38 million.

## CHAIRMAN'S MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Looking ahead, the U.S. Trade Representative has announced plans to significantly increase tariffs on imported Chinese medical gloves, raising duties to 50% in 2025 and 100% by 2026. This impending development highlights the urgent need for Dynacare to adapt to evolving market dynamics and explore strategic measures to maintain its competitive edge in the global market.

### Hospitality

For FY 2024, The Orient Star Resort (OSRL) recorded improved occupancy rate and average room rate resulting in higher revenue of RM5.583 million, up 20.84% when compared to RM4.620 million (FY 2023). With increase in expenditure on manpower and maintenance and repairs, OSRL recorded EBITDA of RM254k. However inclusive of annual depreciation and amortization of RM1.504 million, OSRL recorded a loss of RM1.250 million.



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

### DIVIDEND

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

### PROSPECTS AND OUTLOOK

Malaysia's government expects the economy to grow by about 4.5 per cent to 5.5 per cent in 2025, largely exceeding the 4.6 per cent expansion predicted by analysts surveyed by Bloomberg. Higher salaries for civil servants and plans to increase the minimum wage in the private sector are poised to boost domestic demand in 2025. Still, the trade-reliant nation remains vulnerable to global volatility. China's uneven recovery has weighed on Malaysia's exports, which contracted in September amid a decline in outbound shipments to the world's second biggest economy.

Robust demand for Malaysian gloves is expected to grow due to the increase in US tariffs on gloves imported from China, beginning in 2025, which is likely to have a positive effect on the sector, as the US is the largest glove importer globally, with a 40% share of the global volumes. This augers well for Dynacare. Dynacare will focus on securing new orders to improve utilisation of the production lines and to emphasise on cost management to remain competitive. Your Group remains optimistic of the longer term prospects of the gloves industry.

Our resort hotel in Lumut will continue to improve its facilities and refurbish its rooms to meet with guests' expectation and to carry out sales and marketing to expand its market reach in the neighbouring States to improve its performance.

### ACKNOWLEDGEMENT

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

**TAN SRI DATO' TAN KAY HOCK**

*Chairman*

Dated : 19 November 2024

# SUSTAINABILITY STATEMENT

At Johan Holdings Berhad ("JHB"), we continue reinforcing our sustainability commitments and enhancing our value chain by integrating Economic, Environmental, Social and Governance ("EESG") practices into all our business activities. We strive to embed best practices to foster meaningful and long-lasting relationships with all our stakeholders and contribute significantly to national growth.

## ABOUT THIS STATEMENT

This statement presents the various measures we have implemented to address the Group's material sustainability issues. We have also aligned this statement with the eleven (11) common sustainability indicators, which follow the latest edition of the Bursa Sustainability Framework.

### Scope and Boundary

This statement covers JHB's entire operations and entities in which the Group holds a controlling interest or management control. Unless otherwise stated, the disclosed performance data apply to the whole Group.

### Reporting Period

This statement features our EESG activities from 1 August 2023 to 31 July 2024 ("FY2023/24"); historical information from previous years was included to provide readers with a basis for comparison.

### Reporting Cycle

Annually, coinciding with our financial year.

### Reporting Guidelines

#### Principal Guidelines

- Bursa Malaysia's *Sustainability Reporting Guide (3<sup>rd</sup> Edition)*
- Malaysian Code on Corporate Governance 2021 ("MCCG")

#### Reference Guidelines

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

### Assurance Statement

The Group's Internal Audit Department has reviewed this Sustainability Statement, in compliance with Practice Note 9 published by Bursa Malaysia Securities Berhad, to strengthen our reporting credibility.



## SUSTAINABILITY STATEMENT

cont'd

The indicators and scope covered by the Internal Audit Department's review were as follows:

Material Matter	Scope
Anti-corruption	<ul style="list-style-type: none"> <li>i) Percentage of employees who have received training on anti-corruption by employee category;</li> <li>ii) Percentage of operations assessed for anti-corruption related risk;</li> <li>iii) Confirmed incidents of corruption and action taken</li> </ul>
Community / Society	<ul style="list-style-type: none"> <li>i) Total amount invested in the community;</li> <li>ii) Total number of beneficiaries</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>i) Percentage of employees by gender and age group for each employee category;</li> <li>ii) Percentage of directors by gender and age group</li> </ul>
Health & Safety	<ul style="list-style-type: none"> <li>i) Number of work-related fatalities;</li> <li>ii) Lost time incident rate (LTIR);</li> <li>iii) Number of employees trained on health and safety standards</li> </ul>
Labour Practices & Standards	<ul style="list-style-type: none"> <li>i) Total hours of training by employee category;</li> <li>ii) Percentage of employees that are contractors or temporary staff;</li> <li>iii) Total number of employee turnover by employee category;</li> <li>iv) Number of substantiated complaints concerning human rights violations;</li> <li>v) Total number of new hires</li> </ul>
Supply Chain Management	Proportion of spending on local suppliers
Data Privacy & Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Energy Management	Total energy consumption
Water Management	Total volume of water used
Waste Management	<ul style="list-style-type: none"> <li>i) Total waste generated;</li> <li>ii) Total waste diverted from disposal;</li> <li>iii) Total waste directed to disposal</li> </ul>
Emissions Management	<ul style="list-style-type: none"> <li>i) Scope 1 emissions in tonnes of CO<sub>2</sub>e;</li> <li>ii) Scope 2 emissions in tonnes of CO<sub>2</sub>e</li> </ul>

Conclusion: Nothing has come to our attention that has caused us to believe there is any material misstatement of the reviewed data.

### Connect with us:

We welcome your feedback. Email us at: [jhb@johanholdings.com.my](mailto:jhb@johanholdings.com.my)

### APPROACH TO SUSTAINABILITY

Our sustainability work starts from the top, with sustainability governance overseeing our EESG footprints. Against the backdrop of a complex and challenging market environment, we continually address our sustainability matters by having regular engagements with our stakeholders, identifying risks and opportunities, and formulating a framework so that we can continuously improve.

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY GOVERNANCE

### Sustainability Governance Structure



### Board of Directors (“BOD”)

The Board under the leadership and direction of the Chief Executive Chairman is responsible for driving sustainability in the Group, with direct oversight over EESG material sustainability matters.

The Board integrates sustainability factors when exercising its duties, including the development and implementation of the Group’s strategies and business plans.

Scope of responsibilities:

- Oversees the conduct of assurance activities pertaining to the Group’s sustainability reporting processes.
- Approves sustainability strategy and targets, policies, materiality assessment process and outcome, and the sustainability statement.
- Oversees the management of material sustainability matters.
- Monitors the implementation of sustainability strategies and policies and performance against targets.

The Board is assisted by the Sustainability Working Committee in carrying out its sustainability responsibilities.

### Sustainability Working Committee (“SWC”)

The SWC comprises the Head Office’s Key Senior Management and the Heads of the respective operating subsidiaries. The SWC reviews all sustainability commitments, including setting important initiatives and sustainability growth plans, subject to the Board’s approval.

SWC meets at least half-yearly to discuss relevant sustainability matters and issues. The Head Office General Manager – Operation normally chairs the meetings. He is the designated person within the SWC to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of Johan Group.

## SUSTAINABILITY STATEMENT

*cont'd*

Scope of responsibilities:

- Develops sustainability strategy and policies, and recommends revisions to the Board.
- Ensures the implementation of sustainability strategy is aligned across Johan Group.
- Reviews the materiality assessment process and outcome.
- Reviews the sustainability statement prior to approval by the Board.
- Recommends and develops the sustainability-linked KPIs as part of the Board's and Senior Management's performance evaluation scorecard.

The SWC reports to the Chief Executive Chairman on sustainability matters that could impact Johan Group. All the relevant matters will be reported to the Board for deliberation and approval.

### Sustainability Working Groups

Sustainability Working Groups are set up at the respective operating units. Each comprises the Departmental Head of the respective operating units.

Scope of responsibilities:

- Consolidates sustainability report and data.
- Undertakes the materiality assessment process.
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy.
- Executes and monitors sustainability activities and performance against targets.

The respective Sustainability Working Groups report to the SWC half-yearly on relevant sustainability matters.

### Audit Committee ("AC")

The AC is a Board Committee comprising solely of Non-Executive Directors with a majority of Independent Directors. The AC reviews the adequacy and integrity of the Group's internal control systems and processes. The AC scrutinises the links between the sustainability matters and financial performance. The AC ensures the integration of sustainability and climate-related risks and opportunities within the Risk Management Framework.

### Risk Management Committee ("RMC")

The RMC is currently comprised of the Chief Executive Chairman, Group Managing Director, General Manager - Operation and Senior Manager – Finance. The RMC is supported by the sub-RMCs established at the respective operating subsidiaries. The RMC identifies and reviews relevant material risks including sustainability-related risks, and ensures appropriate actions are taken. The RMC evaluates overall sustainability-related risks and opportunities, with a focus on climate-related issues.

### Remuneration Committee ("RC")

The RC is a Board Committee primarily responsible for reviewing the remuneration of Directors and Senior Management. The RC reviews the Directors' and Senior Management's performance including evaluation against agreed sustainability-linked KPIs.

# SUSTAINABILITY STATEMENT

*cont'd*

## STAKEHOLDER ENGAGEMENT

We practise an open-door policy, continuously engaging with our diverse group of stakeholders to identify risks and opportunities and determine areas that can be updated to current best practices. By maintaining this year-round connection with them, we are able to clearly understand their expectations and readily respond to their latest concerns. The following table illustrates how our actions strengthen our relationships with our various stakeholder groups.

Stakeholder Groups	Concerns	Response and Communication Channels
<b>Investors/ Shareholders</b>	<ul style="list-style-type: none"> <li>• Profitability and Growth</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for sustained business growth</li> <li>• Accurate, timely, consistent and fair disclosure of corporate information</li> <li>• Attendance of shareholders at the Group's AGM to facilitate interaction with the Management</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Career Development</li> <li>• Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Performance and remuneration reviews</li> <li>• Health and safety structure</li> <li>• Department of Occupational Health and Safety compliance</li> <li>• Monitoring of health and safety measures</li> </ul>
<b>Supply Chain</b>	<ul style="list-style-type: none"> <li>• Beneficial Relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Local sourcing</li> <li>• Ethics and transparency</li> <li>• Sustainable sourcing</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Updating of licenses and permits</li> <li>• Compliance with all regulations</li> <li>• Compliance training</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Community Relationships</li> <li>• International Reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Philanthropic activities</li> <li>• Human rights protection</li> <li>• Keeping abreast of international best practices</li> <li>• Observing religious and traditional activities</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product Quality</li> <li>• Data Privacy and Security</li> <li>• Responsible Representation</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 9001 and other healthcare-related standards</li> <li>• Measures for privacy protection and security</li> <li>• Compliance with marketing/advertising standards</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## MATERIAL MATTERS

Sustainable development can be achieved by adopting sound principles and best practices. Thus, cognisant of our role in building a better and more sustainable future, we have assessed the EESG sustainability issues pertaining to our operations.

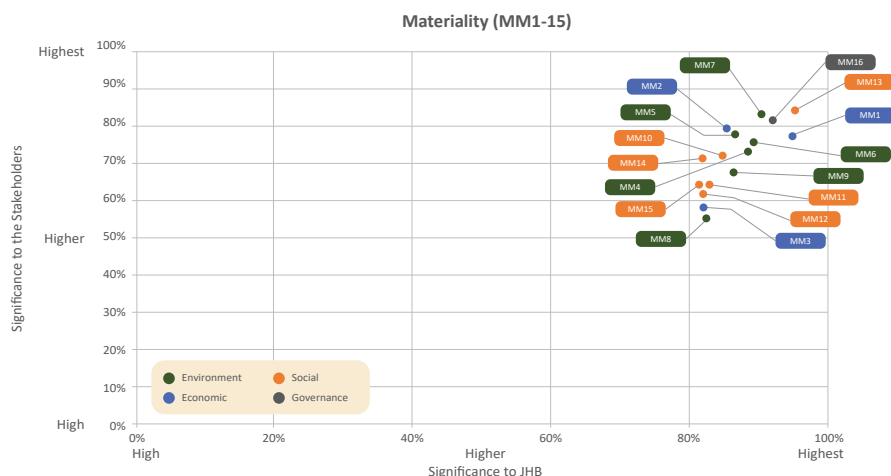
In the year under review, we reviewed the sustainability matters that the Group and our stakeholders have deemed most significant. This allows us to allocate adequate resources to generate innovative solutions that will address the identified issues. Our materiality assessment process consists of the following stages:



## Materiality Matrix

There have been no changes in our business and operation, hence, our material sustainability issues remain unchanged from the previous year. Our material issues are consistent with emerging global concerns and current best practices. The items mapped on the upper right-hand quadrant of the matrix are perceived as most significant by both the Group and our stakeholders, where applicable.

The Group's top four material issues are Governance, Ethics and Compliance; Customer Satisfaction; Economic Performance; and Materials.



### MATERIAL MATTERS

#### Economy:

- MM1: Economic Performance
- MM2: Supply Chain Management
- MM3: Community Development

#### Environment:

- MM4: Environmental Compliance
- MM5: Water Management
- MM6: Waste Management
- MM7: Materials
- MM8: Biodiversity
- MM9: Climate Change

#### Social:

- MM10: Health and Safety
- MM11: Training and Education
- MM12: Diversity and Inclusivity
- MM13: Customer Satisfaction
- MM14: Customer Privacy
- MM15: Local Community

#### Governance:

- MM16: Governance, Ethics and Compliance

## SUSTAINABILITY STATEMENT

cont'd

### SUSTAINABILITY RISK MANAGEMENT

Sustainability opportunities and risks are integral to our business and operational strategies. Each of the sustainability issues that are relevant to our business model, industry, and location is addressed by the Risk Management Committee ("RMC"), supported by the sub-RMCs established at the respective business segments. The RMC is tasked with enforcing and applying a robust and sound sustainability risk management framework, aligned with the ISO 31000 risk management standard and compliant with the Malaysian Code on Corporate Governance 2021.

All our new and upcoming projects as well as existing operational activities undergo risk assessment procedures. The sub-RMCs organise periodic meetings to assess sustainability through risk identification, analysis, treatment, and monitoring of EESG impacts. These meetings are conducted to assess governance risk registers that are applicable to our business operations. Our compliance with all quality, environmental health and safety standards is also evaluated during these meetings. The results of these reviews are presented to the RMC before they are reported at the Audit Committee meetings on a half-yearly basis.

The table below lists all our material matters, their risk descriptions, and how we take advantage of the opportunities presented.

MATERIAL MATTERS	RISKS	OPPORTUNITIES
<b>ECONOMIC</b>		
MM1: Economic Performance	<ul style="list-style-type: none"> <li>Financial performance that does not meet stakeholders' expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Improving financial results will instil confidence in investors and deliver long-term value to stakeholders.</li> </ul>
MM2: Supply Chain Management	<ul style="list-style-type: none"> <li>Forex fluctuations that will affect price stability.</li> <li>Unexpected delays in the delivery of materials will affect operations / production.</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring and effective hedging will mitigate forex risks that in turn will ensure price stability in procurement.</li> <li>Effective stock and logistics management will minimise stock out risks and reduce stock holding costs.</li> </ul>
MM3: Community Development	<ul style="list-style-type: none"> <li>Insufficient engagement with the local communities may result in lack of understanding / negative perception of Company activities.</li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with the local communities will promote a positive image of the Company.</li> </ul>
<b>ENVIRONMENT</b>		
MM4: Environmental Compliance	<ul style="list-style-type: none"> <li>Non-compliance with regulatory requirements that may attract penalties and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Close and effective monitoring will ensure regulatory compliance and portray a positive image as a responsible and environmentally conscious organisation.</li> </ul>
MM5: Water Management	<ul style="list-style-type: none"> <li>Potential contamination of water due to spilled chemicals.</li> </ul>	<ul style="list-style-type: none"> <li>Effective treatment and recycling of wastewater will reduce utility costs.</li> </ul>
MM6: Waste Management	<ul style="list-style-type: none"> <li>Potential contamination due to ineffective storage / disposal processes.</li> </ul>	<ul style="list-style-type: none"> <li>Effective waste management, e.g. recycling green waste for compost fertiliser use, will help to build the Company's green credentials.</li> </ul>

## SUSTAINABILITY STATEMENT

cont'd

MATERIAL MATTERS	RISKS	OPPORTUNITIES
MM7: Materials	<ul style="list-style-type: none"> <li>Procuring sub-standard materials will result in high production rejects / low-quality products.</li> </ul>	<ul style="list-style-type: none"> <li>Stringent supplier selection and quality control will ensure supply of quality materials which in turn will minimise production rejects and ensure consistent production output.</li> </ul>
MM8: Biodiversity	<ul style="list-style-type: none"> <li>Lack of biodiversity conservation.</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining green surroundings will have a positive impact on employees' physical health that in turn may boost productivity.</li> </ul>
MM9: Climate Change	<ul style="list-style-type: none"> <li>Adverse climate change, e.g. heat wave, drought, storm etc. can wreak havoc on people's livelihoods.</li> </ul>	<ul style="list-style-type: none"> <li>The increasing use of green and renewable energy will help to protect the environment and reduce utility costs.</li> </ul>
<b>SOCIAL</b>		
MM10: Health and Safety	<ul style="list-style-type: none"> <li>Accidents / injuries at the workplace will lead to loss of time and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Cultivating a safety culture in the workplace will improve employees' well-being and productivity.</li> </ul>
MM11: Training and Education	<ul style="list-style-type: none"> <li>Inability to catch up with new technology / work process due to lack of necessary skill / knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous employee training programmes will ensure a competent and knowledgeable workforce.</li> </ul>
MM12: Diversity and Inclusivity	<ul style="list-style-type: none"> <li>Misunderstanding among workers of different genders, social and ethnic backgrounds may result in high employee turnover and limit talent attraction.</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging interaction / communication among workers will facilitate mutual understanding. This will help to develop a diverse and inclusive workforce that can attract and retain talent.</li> </ul>
MM13: Customer Satisfaction	<ul style="list-style-type: none"> <li>Potential loss of customers due to late delivery, compromised product quality or slow after-sales services.</li> </ul>	<ul style="list-style-type: none"> <li>Proper procedures and controls will mitigate this risk and improve customer satisfaction that will help to retain and expand clientele.</li> </ul>
MM14: Customer Privacy	<ul style="list-style-type: none"> <li>Potential reputational damage and legal repercussions due to customer data leakage.</li> </ul>	<ul style="list-style-type: none"> <li>Strict data control and strong IT security system will instil confidence among customers.</li> </ul>
MM15: Local Community	<ul style="list-style-type: none"> <li>Inadequate support of the local communities may result in misunderstanding / complaints, e.g. environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>Active support and engagement with the local communities, e.g. participating in local activities on recycling, cleanliness, crime prevention etc. will facilitate mutual understanding / earn their support.</li> </ul>
<b>GOVERNANCE</b>		
MM16: Governance Compliance and Ethics	<ul style="list-style-type: none"> <li>Lack of timely updates on new requirements may result in non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>A structured approach in keeping up-to-date information of new requirements and effective corporate governance practices will enhance the Company's reputation among stakeholders.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY FRAMEWORK

We hold ourselves accountable for achieving our commitments. Our framework hinges on our Sustainability Approach, which drives our EESG performance and engages our internal and external stakeholders.



**Outcomes:** Achieving National and Global Agenda:

- Sustainable Development Goals
- National Contribution to Reduce Climate Change



# SUSTAINABILITY STATEMENT

cont'd

## OUR APPROACH TO MATERIAL MATTERS

The Group’s sustainability matters are grouped into EESG themes, consisting of 16 issues significant to us and our stakeholders. These issues arise from our business, operations, products, and services. The material sustainability matters are interrelated but are not of equal importance. This section addresses these matters and the efforts we make to drive sustainability in our Group.

### ECONOMY

In lockstep with Malaysia’s national growth agenda and the UN SDGs, we strive to foster inclusive economic growth that can drive progress, create decent jobs, and improve living standards. In line with SDG 17 (Partnerships for the Goals), we collaborate with our supply chain and community to realise our commitment to sustainable development. Listed below are the Group’s material matters associated with a sustainable economy.



#### MM1: Economic Performance

The Group’s economic performance is the most material issue amongst our economic sustainability matters. Our businesses stem from a strategic decision to build financial growth through diversification and an emphasis on sustainability. Our business segments contribute to the Gross National Product and foreign exchange earnings. JHB’s direct economic contributions include the revenue that we generate, the employment that we create, the taxes that we pay, as well as the investments in the growth and expansion of our business operations.

<b>Material Matters</b>
MM1: Economic Performance
MM2: Supply Chain Management
MM3: Community Development

Direct Economic Contribution (RM'000)			
	FY2024	FY2023	FY2022
Revenue	22,609	21,042	22,036
Tax (expenses) / Credit	(194)	55	(33)
Employee Wages	11,476	13,934	13,985

#### MM2: Supply Chain Management

##### Supply Chain Principles

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

##### Local Purchasing

In FY2024, of the RM40,168,272 spent on suppliers, RM22,028,221 was spent on local suppliers, corresponding to 55% of the total. This percentage is a significant decrease from 85% in FY2023 due to alternative supplier development and price competitiveness.

# SUSTAINABILITY STATEMENT

cont'd

Proportion of Spending on Local Suppliers			
Period	Total amount spent on all suppliers (RM)	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers (%)
FY2024	40,168,272	22,028,221	55
FY2023	45,008,300	38,047,285	85
FY2022	41,351,845	28,708,365	69

### MM3: Community Development

Our glove manufacturing facility is situated in a rural area. This gives the local people an opportunity to work in familiar surroundings instead of migrating elsewhere for employment. All our employees are locally hired, and local sourcing is prioritised whenever possible. In addition, our Hospitality and Healthcare divisions favour produce and products from the local communities.

The quaint coastal town of Lumut in Perak is the setting for Johan's venture into the hospitality industry. The Orient Star Resort Lumut is well-situated, facing the renowned holiday destination of Pangkor Island. It is easily accessible, attracting local and overseas visitors from Kuala Lumpur, Penang, Ipoh, and Singapore throughout the year. This influx of tourists generates demand for the products and services offered by the locals, thereby providing employment and business opportunities that uplift their standard of living.

## ENVIRONMENT

Environmental protection, involving the preservation and restoration of natural resources and ecosystems, is foundational to the realisation of the SDGs. It has a direct impact on SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land), which all stress the urgent need to mitigate environmental degradation, conserve biodiversity, and foster sustainable use of our natural resources.

#### Environmental Commitments:

- Compliance
- Continuous improvement
- Set targets and periodic reviews
- Collaborate with stakeholders
- Support the national agenda
- Adopt best practices
- Allocate resources

Furthermore, the environment and socioeconomic development are so intricately linked that growth cannot be sustainable without considering its environmental dimensions. This means that poverty eradication and lasting prosperity cannot be achieved if natural capital is degraded or lost.

Considering these concepts, we address the six sustainability matters listed below by embedding environmental best practices and operating procedures that ensure effective implementation, accountability and compliance.



#### Material Matters

- MM4: Environmental Compliance
- MM5: Water Management
- MM6: Waste Management
- MM7: Materials
- MM8: Biodiversity
- MM9: Climate Change

## SUSTAINABILITY STATEMENT

cont'd

### MM4: Environmental Compliance

We apply all the relevant standards and best practices in our environmental management systems. We have initiated procedures that will fulfil the specifications prescribed by the Department of Environment (“DOE”), and we adhere to the following main acts and regulations:

- Environmental Quality (Amendment) Act 2024
- Environmental Quality Act 1974
- Scheduled Wastes Act 1974
- Environmental Quality (Scheduled Wastes) Regulation 2005
- Environmental Quality Clean Air 2014
- Environmental Quality Industrial & Sewage 2009

To prevent non-compliance, we have monitored and reviewed our standard procedures against pertinent regulations and standards and further enhanced our processes. In the year under review, we are pleased to disclose that we have maintained a zero-non-compliance record and have not been imposed any fines or penalties for any of our operational activities that may exert negative environmental impacts.

### MM5: Water Management

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

#### Water Treatment, Reuse and Recycling

Wastewater to be discharged is first treated using a Wastewater Treatment Plant (“WWTP”), an industrial effluent treatment system. Responsible water usage behaviour is inculcated in our employees at all our business divisions. We closely monitor for potential leaks and increases in water consumption. Our Hospitality division has policies in place on towel placement and laundering service to minimise laundry loads, conducts regular piping maintenance to prevent leaks, and adheres to water-efficient pool-cleaning schedules. Our Healthcare production lines are equipped with water and air filtration systems to reduce and neutralise the chemicals in our wastewater and exhaust before discharge. All hazardous effluents from our WWTP are treated by a hazardous waste contractor accredited by the DOE.

Period	Water Indicators (megalitres)		
	Water Withdrawal Data or Total Volume of Water Used		
	Other Water Sources	Municipal Potable Water	Total
FY2024	0	104.88	104.88
FY2023	0	96.49	96.49
FY2022	0	124.52	124.52

## SUSTAINABILITY STATEMENT

*cont'd*

### MM6: Waste Management

The Group has appointed a Certified Environmental Professional in Scheduled Waste Management to ensure that our scheduled waste is managed properly in accordance with regulatory requirements. We apply the 3R (Reduce, Reuse and Recycle) principle in all our business activities. Wastes are segregated and properly labelled with specific spaces allotted for scheduled and non-scheduled waste. All general wastes are sent for recycling.

At our offices, we initiated the “No More Plastics” programme to actively discourage the usage of single-use plastics, such as straws, cups and cutleries. This campaign aims to raise awareness about the harm caused by plastic waste and encourage all employees to reduce its use.

Waste Indicators (metric tonnes)				
Period	Waste Generation			% of waste recycled vs. generated
	Recycled (diverted from disposal)	Non-recycled (directed to disposal)	Total	
FY2024	10.70	4.59	15.29	69.98%
FY2023	6.37	33.94	40.31	15.80%
FY2022	0.77	9.79	10.56	7.29%

### MM7: Materials

The Group is committed to reducing and even altogether avoiding the consumption of natural resources, particularly virgin materials. Our industrial products supplier adopts extraction and refining technologies that minimise the use of virgin materials, whilst our industrial products are made of 85% recycled materials.

### MM8: Biodiversity

Our operational sites and raw material sources are not located in biodiversity-sensitive zones; thus, we have no impact on biodiversity. Nevertheless, our environmental commitment encompasses the protection of all aspects of the Earth’s environment: air, soil, and water. With this commitment, we can care for biodiversity and address other environmental protection agendas.

# SUSTAINABILITY STATEMENT

cont'd

## MM9: Climate Change

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

The effects of climate change are widespread on a global scale, affecting nearly all economic sectors. The extent of the impacts of climate-related risks varies by sector, industry and geography.

Below is our initial statement, structured in the thematic areas that represent the basic elements of tackling climate change. The Board will review and consider setting relevant targets toward reducing our carbon footprint.

#### Governance

We have yet to create a governance structure specifically for climate change. Our SWC is directly involved in evaluating the financial impacts, risks and opportunities and reporting metrics for compliance with the TCFD.

#### Strategy

We will assess the resilience of our Group's businesses against various climate-related probabilities, mitigate our impacts, and adopt a suitable approach.

#### Metrics

Shown below are our Scopes 1 and 2 emissions. In the next financial year, we will calculate our Scope 3 emissions to fully understand our greenhouse gas (“GHG”) emissions.

GHG Emissions (tCO <sub>2</sub> e)		
Period	Scope 1	Scope 2
FY2024	2,895	656
FY2023	1,536	381
FY2022	4,145	550

#### Definitions

<b>Scope 1</b>	Direct GHG emissions from the consumption of petrol and diesel, natural gas and LPG by sources owned or controlled by our Group.
<b>Scope 2</b>	Indirect GHG emissions from the consumption of purchased electricity.
<b>GHG Framework</b>	GHG protocol.
<b>Emission Factor</b>	The rate of tCO <sub>2</sub> e for Scopes 1 and 2 was extracted from the UK Government’s GHG Conversion Factors.

## SUSTAINABILITY STATEMENT

cont'd

Climate Change Risks	Potential Financial Impacts
<p>Our <b>Transition Risks</b> are listed below:</p> <p><b>Policy and Legal Risks</b> refer to the enhanced emission reporting guidelines and the updated national and international regulatory requirements for our products and services.</p> <p><b>Technology Risk</b> is the cost of transitioning to lower-emission technologies.</p> <p><b>Market Risk</b> indicates the changes in behaviour and preference of customers looking for substitute products or similar products with lower emissions.</p> <p><b>Reputational Risk</b> is the increase in stakeholder concern if the company does nothing to tackle climate change.</p>	<p><b>Transition Risks</b> will increase operating costs because we must invest resources to reduce risks.</p> <p>These investments will be focused on new technologies that will allow us to reduce our emissions and comply with new regulatory and statutory standards. This will help to strengthen our customers' loyalty to our products and services.</p>
<p><b>Physical Risks</b> consist of <b>Acute</b> and <b>Chronic Risks</b>.</p> <p><b>Acute:</b> Increased severity of extreme events such as floods and droughts.</p> <p><b>Chronic:</b> Changes in precipitation, weather patterns and rising temperatures.</p>	<p>Any acute or chronic changes in temperature will result in availability issues and potential price increases for raw materials.</p> <p>Investments to reduce water intensity and recyclability will be considered.</p> <p>Changes in weather patterns could affect deliveries.</p>
Climate Change Opportunities	Potential Financial Impacts
<p><b>Resource Efficiency</b> can be achieved by using a more efficient production and distribution process. At the same time, applying waste and water recycling and rainwater harvesting can reduce the volume of resources and water consumed.</p> <p><b>Energy can be collected from many renewable sources</b> and augmented by access to government energy policy incentives.</p>	<p>Operation costs can be reduced through efficiency gains and cost reductions. Water consumption can be reduced by harvesting rainwater and reducing water intensity.</p> <p>Government incentives for renewable energy policies can offset the initial costs of solar power installation and payments to public utility companies.</p>

The table below shows our energy consumption for the past three financial years.

Period	Energy Consumption (GJ)				Megawatts
	Electricity	Fuel	Gas	Total Energy	
FY2024	11,410	167	52,824	64,401	17,889.18
FY2023	6,516	115	28,081	34,712	9,642.23
FY2022	10,073	118	76,442	86,633	24,064.74

# SUSTAINABILITY STATEMENT

cont'd

## SOCIAL



### Material Matters

- MM10:** Health and Safety
- MM11:** Training and Education
- MM12:** Diversity and Inclusivity
- MM14:** Customer Privacy
- MM15:** Local Community

Our operations are conducted in a manner consistent with international best sustainability practices. We proactively engage with and support our stakeholders and have enacted policies to promote commitment to Human Rights, Inclusion and Diversity, Health and Safety, and care for the communities in which we operate.

### Our Social Commitments

- Prevent and disallow all practices of child labour, forced labour or modern slavery, excessive working hours, bullying or sexual and power harassment.
- Disallow any form of discrimination, respecting everyone’s diversity in race, religion, gender, age, physical ability, nationality and ethnicity.
- Support freedom of association and the right to collective bargaining.
- Apply equal-opportunity practices, providing equal work as well as merit-based employment, skills development, and promotion.
- Engage with the relevant stakeholders on human rights issues.
- Inculcate awareness and train employees, business partners and the community.
- Establish risk assessments on human rights impacts on an ongoing basis, as part of the Group’s normal business processes.

### MM10: Health and Safety

One of our top material sustainability matters is the health and safety of our workforce, business partners and the communities in which we operate. We demonstrate this commitment through:

- Performing sound and sufficient assessments of risks and opportunities.
- Setting performance targets.
- Eliminating hazards and reducing occupational health and safety risks.
- Implementing a robust health and safety management system.
- Finding areas for improvement.
- Stakeholder involvement

We target to have zero lost time incidents in the next financial year.

The Group ensures that all our activities do not threaten the health and safety of all our stakeholders. Our health and safety compliance efforts meet the requirements prescribed by the Department of Occupational Safety and Health (“DOSH”). Our employees undergo health and safety training that we organise in partnership with private, public and NGO training centres, such as the National Institute of Occupational Safety and Health (“NIOSH”), St. John Ambulance of Malaysia, the Malaysian Rubber Council and Malaysia Civil Defence Force.

## SUSTAINABILITY STATEMENT

cont'd

### Health and Safety Data

Employee Health and Safety Data				
Period	Total number of hours worked in the reporting period	Number of lost time injuries	LTIR <sup>1</sup>	Work-Related Fatality
FY2024	354,000	4	2.26	0
FY2023	364,000	0	0	0
FY2022	594,000	0	0	0

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

FY2024 Types of Health and Safety Training	No. of Hours	No. of Employees
Kursus Kesedaran Keselamatan dan Kesihatan Pekerja (Sektor Perhotelan)	24	3
Occupational Safety and Health Coordinator	24	1
Halal Industry Awareness	40	5
<b>Total</b>	<b>88</b>	<b>9</b>

### MM11: Training and Education

All new recruits undergo onboarding training to help them get acquainted with the Group's business and equip them with the information they need to perform their duties. Employees also attend seminars and training as needed to help them stay abreast of developments in the legal and regulatory environment and sharpen their skills.

The relevant contractors and subcontractors are also subjected to induction training. This provides them with the necessary information on our company policies, SOPs, and practices.

In the year under review, 177 employees underwent a total of 328 hours of external training, as summarised below. This averages to approximately 2 hours of training per employee.

### Training Data

Total Hours of Training by Employee Category					
Period	Senior Management	Management	Executives	Non-Executives	Total
FY2024	8	56	104	160	328
FY2023	49	96.5	408.5	108	662
FY2022	0	0	169	168	337



## SUSTAINABILITY STATEMENT

cont'd

### Remuneration and Benefits

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

Our employee benefits include a wide array of health and welfare programmes based on length of service and position. Our employees enjoy comprehensive outpatient, hospitalisation and dental coverage and other applicable allowances. All employees are also covered with personal accident insurance.

### MM12: Diversity and Inclusivity

The Group recognises the benefits of having a diverse set of employees and BOD, including having a broader pool of high-quality employees, improved employee retention, and enhanced access to different perspectives and ideas. Diversity includes, but is not limited to, gender, age, ethnicity, cultural background, religious belief, race, language, physical ability, freedom of association and nationality.

All recruitments and partnerships are made on merit. The BOD must be effective as a whole in the context of their collective skills and experiences with due regard to the benefits of diversity. Selection of the Group's entire workforce, including our BOD and Senior Management, is based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background, gender, religion, race and ethnicity. To view our Diversity and Inclusion Policy, please visit: <https://www.johanholdings.com/wp-content/uploads/2022/06/Diversity-and-Inclusion-Policy-JHB-20.06.2022.pdf>

### Workforce Data

Percentage of Employees by Gender and Age Group			
	FY2024	FY2023	FY2022
<b>Gender</b>			
Male	64%	61%	67%
Female	36%	39%	33%
<b>Age</b>			
<30 Years	29%	34%	48%
30-50 Years	47%	47%	37%
>50 Years	24%	20%	15%

## SUSTAINABILITY STATEMENT

*cont'd*

Percentage of Employees by Age, Gender and Employee Category					
FY2024	Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	92%	8%	0%	25%	75%
Management	43%	57%	0%	57%	43%
Executive	39%	61%	25%	46%	29%
Non-Executive	71%	29%	38%	47%	15%
<b>Total</b>	<b>64%</b>	<b>36%</b>	<b>29%</b>	<b>47%</b>	<b>24%</b>

Percentage of Directors by Gender and Age Group			
	FY2024	FY2023	FY2022
<b>Gender</b>			
Male	80%	80%	80%
Female	20%	20%	20%
<b>Age</b>			
<30 Years	0%	0%	0%
30-50 Years	20%	20%	0%
>50 Years	80%	80%	100%

Total Number of Employee Turnover by Employee Category			
	FY2024	FY2023	FY2022
Senior Management	3	4	1
Management	3	8	3
Executive	5	18	8
Non-Executive	58	126	135

Employment Type			
	FY2024	FY2023	FY2022
Contractual	14%	8%	4%
Permanent	86%	92%	96%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

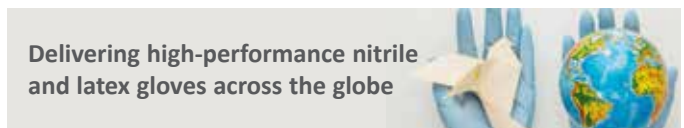
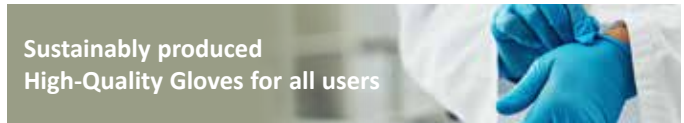
Employee Turnover			
	FY2024	FY2023	FY2022
Total new hires	25	37	225
New hire rate	14.12	20.33	75.76
Turnover rate	40.11	85.71	49.49

# SUSTAINABILITY STATEMENT

cont'd

## MM13: Customer Satisfaction

Our customers' values are important in creating and implementing our sustainability initiatives. Our strategic direction is to build long-term relationships with our customers by not just delivering quality products, but also ensuring their sustainability.



## Quality Management Systems

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



## Innovation



Innovation is fundamental to the success of our business. Our Healthcare division leverages on innovative technologies to ensure the sustainability of our operations. Our strong R&D competencies help us to maintain this edge, thereby ensuring that we stay ahead of the competition and meet the evolving needs of the markets we serve.

Our state-of-the-art glove manufacturing plant features fully automated, high-capacity production lines to achieve maximum production efficiencies. We continue to invest in R&D activities to ensure that our internationally certified product offerings stay ahead of the competition.

## SUSTAINABILITY STATEMENT

cont'd

### MM14: Customer Privacy

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”), which protects the private data of our customers, partners and other stakeholders. We also follow all other applicable personal data protection laws of the countries where we operate as a global supplier. We ensure that all data is protected from unlawful access by unauthorised parties through legal, administrative, and technical procedures. In the year under review, we maintained our flawless record, with no incidents of privacy, cybersecurity or data breaches since the Group’s inception.

No. of Substantiated Cybersecurity Complaints	
FY2024	0
FY2023	0
FY2022	0

### MM15: Local Community

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

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

### Community Engagement

Maintaining close ties with our surrounding communities is important for us as we continue to operate our business in an inclusive manner.

In the year under review, we invested in the clean-up and beautification of *Klinik Kesihatan Pekan Gurney*, which was an initiative undertaken with residents in the vicinity. We also hosted a breaking of fast for five underprivileged families and distributed *bubur lambuk*, a traditional Malaysian rice porridge typically enjoyed during the holy month of Ramadan, to Muslims around the Al-Adly mosque, the vibrant heart of the community in Lumut, Perak. A total of 10 of our employees participated in these community projects.

Period	Total amount invested in the community (RM)	Total number of beneficiaries
FY2024	4,567.91	486
FY2023	2,152.17	30
FY2022	2,675.83	920

The Group maintains professional memberships and associations with the following bodies to ensure it stays aligned with industry standards, gains access to specialised resources, and fosters strong networks within its field. These affiliations provide opportunities for ongoing professional development, contribute to the Group’s reputation, and support its commitment to best practices and innovation.

Through active participation in these organisations, the Group is able to stay informed on regulatory changes, leverage expert insights, and engage in advocacy efforts that shape the future of the industry. Moreover, these memberships offer a platform for knowledge exchange and help strengthen the Group’s competitive position within the market.

- 1) Malaysian Rubber Glove Manufacturers Association
- 2) Malaysia Medical Device Registration
- 3) Malaysian Association of Hotels

# SUSTAINABILITY STATEMENT

cont'd

## Human Rights

Our employment and recruitment practices safeguard the human rights of every individual. We strictly follow a Code of Conduct that clearly states the directives that employees must follow regarding diversity and inclusivity, fair working hours and wages, decent accommodation, as well as other human rights risks, such as slavery and human trafficking.

No. of Substantiated Human Rights Complaints	
FY2024	0
FY2023	0
FY2022	0

We fully subscribe to fair labour practices. We recognise the rights of all individuals as set forth in national laws and regulations and international agreements. Our policies are aligned with the United Nations Guiding Principles on Business and Human Rights (“Guiding Principles”), the International Labour Organization (“ILO”) core conventions, and the Universal Declaration of Human Rights (“UDHR”).

We have established a Whistleblowing Policy, which creates a platform for employees and stakeholders to lodge reports in good faith without fear of reprisal. In the year under review and since our Group was established, there has been no reported incident of human rights violation.

## GOVERNANCE

### MM16: Governance, Ethics and Compliance



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

Our employees and business partners must practise integrity and respect in all activities, as prescribed by our Code of Conduct and Ethics. The Code outlines our ethical and behavioural policies. As stated in our Anti-Bribery and Anti-Corruption (“ABAC”) Policy, we condemn all acts of bribery and corruption in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In addition to our sustainability and other key policies, our Whistleblowing Policy provides a platform where our stakeholders can anonymously raise concerns about possible breaches of policies and other questionable practices without fear of reprisal or retaliation.

In FY2024, our stakeholders reported no incidents of bribery and corruption in our operational activities. There was also no reported incident of human rights violations, child labour, or discrimination against employees and the community. Anti-corruption training and new recruit onboarding inductions are conducted throughout the year.

### Grievance Procedures

As aforementioned, our Whistleblowing Policy provides a platform where our stakeholders can anonymously raise concerns about possible breaches of policies and other questionable practices without fear of reprisal or retaliation.

If necessary, the person receiving the report will conduct an investigation promptly, with assistance from the Group Human Resources Department and Group Internal Audit Department. Appropriate disciplinary action will be taken for breach of trust, compliance, and ethics. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith violations or suspected violations.

## SUSTAINABILITY STATEMENT

cont'd

### Governance Data

Percentage of Employees Who Have Received Training on Anti-Corruption by Employee Category				
Period	Employee Category	Total number of employees	Number of employees who received training	% of employees who received training
FY2024	Senior Management	12	3	25%
	Management	21	11	52%
	Executive	28	9	32%
	Non-executive	116	71	61%
FY2023	Senior Management	15	0	0%
	Management	20	0	0%
	Executive	31	0	0%
	Non-executive	116	0	0%
FY2022	Senior Management	19	0	0%
	Management	23	0	0%
	Executive	41	0	0%
	Non-executive	214	0	0%

Percentage of Operations Assessed for Corruption-Related Risks				
Period	Total number of operations	Total number of operations assessed for corruption risk	% of operations assessed for corruption risk	Confirmed incidents of corruption and action taken
FY2024	7	4	57%	0
FY2023	7	0	0%	0
FY2022	7	0	0%	0

# SUSTAINABILITY STATEMENT

cont'd

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
<b>Economic Performance</b>		
Revenue	MYR	22,609,000.00
Tax expenses	MYR	194,000.00
Employee wages	MYR	11,476,000.00
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	25.00
Management	Percentage	52.00
Executive	Percentage	32.00
Non-executive	Percentage	61.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	57.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,567.91
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	486
Employees participated in community impact programmes	Number	10
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	25.00
Senior Management Above 50	Percentage	75.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	57.00
Management Above 50	Percentage	43.00
Executive Under 30	Percentage	25.00
Executive Between 30-50	Percentage	46.00
Executive Above 50	Percentage	29.00
Non-executive Under 30	Percentage	38.00
Non-executive Between 30-50	Percentage	47.00
Non-executive Above 50	Percentage	15.00
Gender Group by Employee Category		
Senior Management Male	Percentage	92.00
Senior Management Female	Percentage	8.00
Management Male	Percentage	43.00
Management Female	Percentage	57.00
Executive Male	Percentage	39.00
Executive Female	Percentage	61.00
Non-executive Male	Percentage	71.00
Non-executive Female	Percentage	29.00

# SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2024
<b>Bursa (Diversity)</b>		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Gender diversity - Male	Percentage	64.00
Gender diversity - Female	Percentage	36.00
Age diversity - Under 30	Percentage	29.00
Age diversity - Between 30 - 50	Percentage	47.00
Age diversity - Above 50	Percentage	24.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	17,889.18
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.26
Bursa C5(c) Number of employees trained on health and safety standards	Number	9
Total hours worked	Hours	354,000
Number of lost time injuries	Number	4
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	8
Management	Hours	56
Executive	Hours	104
Non-executive	Hours	160
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	14.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Management	Number	3
Executive	Number	5
Non-executive	Number	58
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Average training hours per employee	Hours	2
Total new hires	Number	25
New hire rate	Percentage	14.12
Turnover rate	Percentage	40.11



# SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2024
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	55.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	104.880000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	15.29
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	10.70
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4.59
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2,895.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	656.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-

Internal assurance

External assurance

No assurance

(\*)Restated

## PROFILE OF DIRECTORS

### TAN SRI DATO' TAN KAY HOCK

*Chairman & Chief Executive  
Non-Independent Executive Director*



Age  
77



Gender  
Male



Nationality  
Malaysian

A Barrister-at-Law, Tan Sri Dato' Tan Kay Hock is a lawyer by training having been called to the Bar by the Honourable Society of Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. He is a non-practising lawyer. Since 1982, he was the non-Executive Chairman of George Kent (Malaysia) Berhad ("GKM"). On 12 June 2024, he was re-designated as Executive Chairman of GKM. GKM is listed on the Main Market of Bursa Malaysia Securities Berhad. It is an engineering company engaged in the water infrastructure, rail transportation and hospital construction industry.

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

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

### PUAN SRI DATIN TAN SWEE BEE

*Group Managing Director  
Non-Independent Executive Director*



Age  
78



Gender  
Female



Nationality  
Permanent Resident (Malaysia)

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

Puan Sri Datin Tan Swee Bee was appointed to the Board on 29 January 1983. She is the Chairperson of Remuneration Committee and a member of Risk Management Committee. Her directorships in other listed issuers and public companies, are as follows:-

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

## PROFILE OF DIRECTORS

cont'd

### DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF

*Non-Independent Non-Executive Director*



Age  
83



Gender  
Male



Nationality  
Malaysian

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

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

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff was appointed to the Board on 4 July 2005 as Independent Non-Executive Director and was re-designated as Non-Independent Non-Executive Director on 1 June 2023. He is a member of the Audit Committee, Remuneration Committee and Nominating Committee. His directorships in other listed issuers and public companies, are as follows:-

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

### TAN POH MENG

*Independent Non-Executive Director*



Age  
70



Gender  
Male



Nationality  
Malaysian

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

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

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

## PROFILE OF DIRECTORS

*cont'd*

### MAHATHIR BIN MAHZAN

*Independent Non-Executive Director*



Age  
46



Gender  
Male



Nationality  
Malaysian

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

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

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

Mr Mahathir Bin Mahzan is the Founding and Managing Partner of Mahzan Sulaiman PLT. He is also a Partner in MGI MR.

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

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

#### ADDITIONAL INFORMATION:-

- 1) With the exception of Puan Sri Datin Tan Swee Bee, who is the spouse of Tan Sri Dato' Tan Kay Hock, all directors of the Company do not have any family relationship with any other director and/or major shareholder of the Company.
- 2) None of the directors has any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.
- 3) None of the directors has any convictions for offences (other than traffic offence, if any) within the past five (5) years and none of them was imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT

### SIA CHIN YAP

*General Manager - Operations  
Johan Holdings Berhad*



Age  
49



Gender  
Male



Nationality  
Malaysian

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

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

### LEE TECK SIONG

*Senior Manager - Finance  
Johan Holdings Berhad*



Age  
53



Gender  
Male



Nationality  
Malaysian

Mr Lee Teck Siong first joined Johan Holdings Berhad in November 2007 as an Assistant Accountant in the Finance Division and assumed various managerial positions in some of the Group operating subsidiaries. He has more than 23 years of experience in accounting, financial and operational management for various industries namely manufacturing, trading and retails. He is responsible for the Group’s financial reporting and assist to oversee operating units’ operation.

He is a member of the Malaysian Institute of Accountants.

## PROFILE OF KEY SENIOR MANAGEMENT

*cont'd*

### TIO YIT CHING

*Director - Operations  
Dynacare Sdn Bhd*



Age  
52



Gender  
Male



Nationality  
Malaysian

Mr Tio Yit Ching was appointed as the Senior General Manager of Dynacare Sdn Bhd on 23 June 2021 and was promoted to Director – Operations of Dynacare Sdn Bhd on 2 March 2022. He was formerly the General Manager, Operations of Johan Holdings Berhad from October 2010 to March 2018, where he was entrusted with the responsibility of overseeing the strategic planning and management of the ceramic tiles manufacturing operations of Prestige Assets Sdn Bhd, a wholly owned subsidiary of Johan. Thereafter, Mr Tio joined the Metering Operations in George Kent (Malaysia) Berhad from April 2018 to January 2019 to oversee the water meter manufacturing operations. Prior to joining Dynacare, he was attached to the Planning & Strategy department at Prasarana Malaysia Berhad where he held the position of Executive Vice President.

Mr Tio brings over 27 years of experience in strategic planning, financial, tax and general management at senior level covering various industries including manufacturing and public transportation.

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

### LAU CHONG BENG, ERIC

*General Manager  
The Orient Star Resort, Lumut*



Age  
52



Gender  
Male



Nationality  
Malaysian

Mr Eric Lau Chong Beng joined The Orient Star Resort, Lumut as the Hotel Manager on 1 January 2019. Mr Eric Lau was promoted as the General Manager of The Orient Star Resort, Lumut on 1 August 2022. He is a STPM holder and has over 31 years of experience in the hotel industry.

#### ADDITIONAL INFORMATION:

- 1) None of the Key Senior Management staff holds directorship in any public company or listed issuer.
- 2) None of the Key Senior Management staff has any family relationship with any director and/or major shareholder of the Company.
- 3) None of the Key Senior Management staff has any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.
- 4) None of the Key Senior Management staff has any convictions for offences (other than traffic offence, if any) within the past five (5) years and none of them was imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Year/Period Ended				
	31-Jul-24	31-Jul-23	31-Jul-22	31-Jul-21	31-Jan-20
	RM'000	RM'000	RM'000 Restated	RM'000 Restated	RM'000
<b>Income Statement</b>					
Revenue from continuing operations	<b>22,609</b>	21,042	22,036	49,112	14,559
Profit/(Loss) Before Tax from continuing operations	<b>(24,087)</b>	(61,370)	(16,910)	(38,480)	13,070
Income Tax (Expense)/Credit from continuing operations	<b>(194)</b>	55	(33)	(684)	(5,537)
Profit/(Loss) for the year from continuing operations	<b>(24,281)</b>	(61,315)	(16,943)	(39,164)	7,533
Profit/(Loss) for the year from discontinued operations	-	-	-	200,220	(24,834)
Profit/(Loss) for the year/period	<b>(24,281)</b>	(61,315)	(16,943)	161,056	(17,301)
<b>Statements of Financial Position</b>					
Total non-current assets	<b>205,625</b>	203,797	230,631	163,719	204,239
Total current assets	<b>64,524</b>	80,218	108,397	139,250	768,312
Shareholders' fund	<b>165,258</b>	180,056	221,452	234,540	59,860
Non-controlling Interest	<b>19,941</b>	26,607	29,609	6,184	4,219
Shareholders' Equity	<b>185,199</b>	206,663	251,061	240,724	64,079
Total non-current liabilities	<b>29,697</b>	27,968	29,625	28,834	331,620
Total current liabilities	<b>55,253</b>	49,384	58,342	33,411	576,852
<b>Share Information</b>					
<b>Per Ordinary Share</b>					
Profit/(Loss), basic (sen)	<b>(1.37)</b>	(3.32)	(0.97)	22.89	(3.05)
Net assets (sen)	<b>15.86</b>	17.69	21.49	20.61	10.29
Share price as at 31 July/31 January (RM)	<b>0.055</b>	0.055	0.065	0.11	0.07
<b>Financial Ratios</b>					
Return on equity (%)	<b>(14.69)</b>	(34.05)	(7.65)	68.67	28.90
Net Debt-Equity ratio	<b>0.07:1</b>	N/A	0.05:1	N/A	0.93:1

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Johan Holdings Berhad (“the Company”) is committed to ensuring high standards of corporate governance throughout the Company and its subsidiaries (“the Group”) and endeavours to ensure consistency of policies and procedures across the Group, regardless of geographical region as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the Group.

The Board is pleased to present this Corporate Governance Overview Statement (“CG Statement”) for the financial year ended 31 July 2024 in respect of three (3) principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management, and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Statement shall be read together with the Corporate Governance Report which set out how the Company has applied each practice set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) during the financial year ended 31 July 2024. Where there is a departure from a practice, explanations for the departure and alternative practice adopted to achieve the intended outcomes are also disclosed in the Corporate Governance Report. The Corporate Governance Report is available on the Company’s website at [www.johanholdings.com](http://www.johanholdings.com).

As at the date of the CG Statement, the Company has adopted and applied all the recommended practices in the MCCG except for five (5) practices, i.e. Practices 1.3, 1.4, 5.2, 5.9 and 8.2 as provided and explained in the Corporate Governance Report.

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

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### Roles and Responsibilities of the Board

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

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

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### I. Board Responsibilities *cont'd*

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

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

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

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

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

#### **Company Secretary**

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

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

#### **Access to Information and Advice**

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### I. Board Responsibilities *cont'd*

#### Access to Information and Advice *cont'd*

During the financial year ended 31 July 2024, the number of Board Meetings held and the attendance of each Director are listed as follows:

Directors	No. of Meetings Attended/Held	Percentage of Attendance (%)
Tan Sri Dato' Tan Kay Hock	5/5	100
Puan Sri Datin Tan Swee Bee	5/5	100
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	5/5	100
Tan Poh Meng	5/5	100
Mahathir Bin Mahzan	5/5	100

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

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

#### Board Charter

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

#### Code of Conduct and Ethics

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

#### Whistleblowing Policy

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### I. Board Responsibilities *cont'd*

#### Sustainability Policy

The Company had adopted a Sustainability Policy, demonstrates the Company's commitment to embody sustainable business practices throughout the Group's operations. The Sustainability Policy is available on the Company's website at [www.johanholdings.com](http://www.johanholdings.com).

### II. Board Composition

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

- (i) Tan Sri Dato' Tan Kay Hock  
*Chairman and Chief Executive*
- (ii) Puan Sri Datin Tan Swee Bee  
*Group Managing Director*
- (iii) Dato' Ahmad Khairummuzammil Bin Mohd Yusoff  
*Non-Independent Non-Executive Director*
- (iv) Tan Poh Meng  
*Independent Non-Executive Director*
- (v) Mahathir Bin Mahzan  
*Independent Non-Executive Director*

The current Board composition fulfils the requirement under the Listing Requirements which stipulates that at least one (1) Director is a woman and at least two (2) Directors or one-third of the Board, whichever is higher, must be independent.

Collectively, the Directors have a diverse wealth of experience as well as skills and knowledge in law, economics, accounting and general management. Their profiles can be found on pages 33 to 35 of this Annual Report.

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

#### Tenure of Independent Directors

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### II. Board Composition *cont'd*

#### Board and Senior Management Diversity

The Board does not set any specific target for women Directors and senior management. The criteria to be used by the Nominating Committee in the Director's nomination and appointment process are based on the criteria as set out in the Directors' Fit and Proper Policy. In addition, it is also to ensure the Board is comprised of Directors who have a good mix of skills and experience to discharge their responsibilities in an effective and competent manner, and who are able to commit sufficient time to oversee the Company's matters. Selection of Senior Management also based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender.

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

Currently, Puan Sri Datin Tan Swee Bee is the only woman Director in the Board of five (5) Directors. Whereas, about 8% of the Senior Management positions of the Group are held by women. The Board endeavours to ensure that gender, ethnicity and age diversity are taken into account in the Board and Senior Management recruitment and succession planning process. The details on the workforce diversity is disclosed in the Sustainability Statement on pages 7 to 32 of this Annual Report.

#### Nominating Committee

Currently, the Nominating Committee comprises the following members:-

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

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

- (i) recommend to the Board the appointment of new Directors;
- (ii) assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director in terms of the appropriate size and skill balance between the Executive Directors, Non-Executive Directors and Independent Directors, the mixture of skills and other core competencies required;
- (iii) assess the independence of Independent Directors to consider if they can continue bringing independent and objective judgement to board deliberations; and
- (iv) recommend to the Board if an Independent Director who has served on the Board for more than nine (9) years is justifiable to remain independent on the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### II. Board Composition *cont'd*

#### Directors' Fit and Proper Policy

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

All Directors, including the Directors who are due for retirement at the forthcoming Annual General Meeting, had undertaken the yearly self-evaluation assessment to assess their fit and properness, personality, performance and contribution based on their performance during the financial year ended 31 July 2024. The recommendations by the Nominating Committee and the Board on re-election of the retiring Directors were based on the satisfactory results of the assessment. The details on the yearly self-evaluation assessment is set out in the following section and also in the Corporate Governance Report.

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

The Nominating Committee reviews annually the effectiveness of the Board and Board Committee, performance and contribution of each individual Director and the independence of the Independent Directors. The annual assessment includes the Directors' self-evaluation to assess their fit and properness, calibre and personality.

The Nominating Committee had carried out the annual assessment and evaluation for the financial year ended 31 July 2024 and was satisfied that the Board and Board Committees are effective as a whole considering the required mix of skills, size and composition of the Board and the respective Board Committee. The Nominating Committee was also satisfied that each individual Director has the character, experience, integrity, competence and sufficient time to effectively discharge their respective roles. The Nominating Committee also satisfied that all the Independent Directors fulfil the criteria of independence as defined in the Listing Requirements and are able to continue to bring independent and objective judgement to Board deliberations. The Nominating Committee had recommended to the Board for the re-election of Directors, who are due for retirement, subject to the shareholders' approval at the forthcoming Annual General Meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### II. Board Composition *cont'd*

#### Directors' Training

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

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

	Name of Director	Programme
1.	Tan Sri Dato' Tan Kay Hock	(i) Webinar "Conflict of Interest, Related Party Transactions and failure in Corporate Governance amongst certain listed issuers"
2.	Puan Sri Datin Tan Swee Bee	(i) Webinar "Conflict of Interest, Related Party Transactions and failure in Corporate Governance amongst certain listed issuers"
3.	Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	(i) Webinar "Conflict of Interest, Related Party Transactions and failure in Corporate Governance amongst certain listed issuers" (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
4.	Tan Poh Meng	(i) Webinar "Conflict of Interest, Related Party Transactions and failure in Corporate Governance amongst certain listed issuers" (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
5.	Mahathir Bin Mahzan	(i) Webinar "Conflict of Interest, Related Party Transactions and failure in Corporate Governance amongst certain listed issuers" (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (iii) MIA Webinar Series: Stepping up your AMLA Compliance: Best Practice & Challenges in identifying the beneficial owner (iv) MIA International Accountants Conference 2024 (v) National Tax Conference 2024 (vi) Malaysian Property Tax, Capital Gains Tax, Estates and Trusts (vii) Capital Gains Tax - Understanding the Technicalities

### III Remuneration

#### Directors' Remuneration

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### III Remuneration cont'd

#### Directors' Remuneration cont'd

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

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

The aggregate remuneration of the Directors for the financial year ended 31 July 2024 is as follows:-

	Remuneration received from the Company			Remuneration received from Subsidiaries			Group Total
	Fees	Salaries & Other Emoluments	Benefits- In-Kind	Company Total	Salaries & Other Emoluments	Subsidiaries Total	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Executive Directors</u>							
Tan Sri Dato' Tan Kay Hock	-	845	41	886	275	275	1,161
Puan Sri Datin Tan Swee Bee	-	630	-	630	175	175	805
<u>Non-Executive Directors</u>							
Dato' Ahmad Khairumzammil bin Mohd Yusoff	50	4	-	54	-	-	54
Tan Poh Meng	50	4	-	54	-	-	54
Mahathir Bin Mahzan	50	11	-	61	-	-	61
	150	1,494	41	1,685	450	450	2,135

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

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

The Audit Committee comprises of three (3) members, all of whom are Non-Executive Directors, with the majority being Independent Directors. The Audit Committee is chaired by Mr Mahathir Bin Mahzan, an Independent Non-Executive Director who is not the Chairman of the Board. Annually, the Board via the Nominating Committee review the performance and effectiveness of the Audit Committee and its members. Based on the evaluation and assessment carried out for the financial year ended 31 July 2024, the Board is satisfied that the Audit Committee and its members had discharged their duties effectively and in accordance with its Terms of Reference.

The Terms of Reference of the Audit Committee are available on the Company's website at [www.johanholdings.com](http://www.johanholdings.com).

Procedures are in place for the Audit Committee to assess annually the suitability, objectivity and independence of the Company's External Auditors. Based on the evaluation conducted for the financial year ended 31 July 2024, the Audit Committee was satisfied that Baker Tilly Monteiro Heng PLT has discharged their responsibilities independently, competently and effectively during the financial year under review. The Audit Committee has also obtained assurance from Baker Tilly Monteiro Heng PLT confirming that they are, and have been, independent throughout the audit engagement. The audit partner responsible for the external audit of the Group is subject to rotation at least every seven (7) financial years.

For details on the Audit Committee's composition, attendance record and summary of activities, please refer to the Audit Committee Report on pages 51 to 53 of this Annual Report.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### II. Risk Management and Internal Control Framework

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

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

- (i) Tan Sri Dato' Tan Kay Hock – Chairman  
*Non-Independent Executive Director*
- (ii) Puan Sri Datin Tan Swee Bee  
*Group Managing Director*
- (iii) Sia Chin Yap  
*General Manager – Operations*
- (iv) Lee Teck Siong  
*Senior Manager - Finance*

The Risk Management Committee is responsible for overseeing the overall risk management of the Group, particularly on the strategic areas of the business. The Risk Management Committee, supported by various sub-Risk Management Committees established at respective business units that are responsible for identifying, managing and mitigating risks through a systematic risk evaluation or profiling exercise. The Risk Profile of respective business units is reviewed and revised on a half yearly basis and submitted to the Risk Management Committee for review. Thereafter the Risk Scorecard and Risk Register would be presented to the Audit Committee for further deliberation on half yearly basis. The details of Risk Management Framework can be found in the Statement on Risk Management and Internal Control on pages 54 to 57 of this Annual Report.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### I. Communication with Stakeholders

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

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

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

The Group's corporate information is also available on the Company's website at [www.johanholdings.com](http://www.johanholdings.com).

### II. Conduct of General Meeting

The Annual General Meeting is the principal forum for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint not more than two (2) proxies, who need not be shareholders of the Company, to attend and vote on their behalf. The Board encourages participation at the Annual General Meeting and ensure the Board members, Senior Management and External Auditors are in attendance to respond to shareholders' queries. All resolutions set out in the Notice of the General Meeting will be voted by way of poll, pursuant to Paragraph 8.29A of the Listing Requirements. Every member present in person, by proxy, by attorney or authorised representative shall have one vote for each share he holds. The Board took cognisance of the best practices of the MCGG and has given more than 28 days' notice for the forthcoming Annual General Meeting to allow shareholders sufficient time to go through this Annual Report, consider the proposed resolutions and make the necessary attendance and voting arrangements.

The Company had conducted its Ninety-Eighth Annual General Meeting on 18 January 2024 virtually. Shareholders were invited to submit their questions to the Board and Management prior to the meeting. All those questions received prior to the meeting together with the reply from the Board and Management was presented at the live-streamed Annual General Meeting during the Question-and-Answer session. Shareholders also submitted questions in typed texts through the online meeting platform during the Annual General Meeting and all the questions were properly addressed to. Shareholders cast their votes through the online meeting platform using the remote participation and voting facilities in real time. The poll results were announced to Bursa Securities at the end of the meeting day. The Minutes of the meetings were also published on the Company's website.

The CG Statement together with the Corporate Governance Report were approved by the Board on 19 November 2024.

## DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

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

In preparing these financial statements, the Directors have:-

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

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

## AUDIT COMMITTEE REPORT

### A. MEMBERS

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

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

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

### B. MEETINGS

During the financial year ended 31 July 2024, four (4) AC Meetings were held and the attendance of each AC member were as follows:-

	No. of Meetings Attended/Held	Percentage of Attendance (%)
Mahathir Bin Mahzan ( <i>Chairman</i> )	4/4	100
Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff	4/4	100
Tan Poh Meng	4/4	100

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

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

# AUDIT COMMITTEE REPORT

*cont'd*

## C. ACTIVITIES

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial year ended 31 July 2024 in the discharge of its functions and duties:-

- i) Reviewed the quarterly financial results of the Group including the draft announcements pertaining thereto, and made recommendations to the Board for approval. The reviews, served to ensure that the Company's financial reporting and disclosures present a true and fair view of the Company's financial position and performance and are in compliance with the Listing Requirements and applicable accounting standards in Malaysia;
- ii) Reviewed the results and reported issues arising from the annual statutory audit, as well as the Management's responses to the audit findings;
- iii) Reviewed and recommended to the Board for approval, the annual Audited Financial Statements of the Company to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with all applicable accounting standards, regulatory and other legal requirements;
- iv) Reviewed with the External Auditors their audit plan for the year, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud risk assessment and proposed fees for the audit and non-audit services rendered by the External Auditors;
- v) Met with the External Auditors twice without the presence of Management during the year under review;
- vi) Reviewed and approved the internal audit plan for the year to ensure adequate scope and comprehensive coverage of the Group's activities and sufficient resources within the internal audit team to carry out the audit works;
- vii) Reviewed the internal audit reports issued by the internal audit department and monitored the implementation of management action plan on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are being properly addressed;
- viii) Reviewed the risk profile of the respective business units to ensure the risk being properly managed and mitigated;
- ix) Reviewed the related party transactions entered into by the Group to ensure that current procedures for monitoring of related party transactions have been complied with;
- x) Assessed and reviewed any actual or potential conflict of interest situations that arose, persist or may arise, and to consider and determine measures to resolve, eliminate or mitigate such conflicts.

The AC's review on conflict of interest situations was further extended to encompass Directors and Key Senior Management within the Group. The conflict of interest situations include those arose or persist as well as any potential conflict of interest situations. During the financial year, the AC has reviewed and recommended to the Board for approval, the Conflict of Interest Policy which set out comprehensive framework for the purpose of identifying, reporting and monitoring conflict of interest. The AC enquired and reviewed Conflict of Interest matters, if any, in the quarterly AC meetings. The AC also reviewed the declarations on conflict of interest by the Directors and Key Senior Management. Except for the Directors' family relationship and related party transactions as disclosed in this Annual Report, no conflict of interest situations, including potential conflict of interest, was identified during the financial year.

# AUDIT COMMITTEE REPORT

*cont'd*

## D. INTERNAL AUDIT FUNCTION

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

Ms Loh Bee Lay, the Manager - Internal Audit, is responsible for providing independent audit and value-added assurance and advises to the Group. She has more than 20 years of experience in internal audit. She is free from any relationship or conflict of interest, which could impair her objectivity and independence.

The Internal Audit Charter defines the authority, duties and responsibilities of internal audit function, giving internal audit personnel unrestricted access to all activities across the Group. The internal audit function mainly to review, monitor and ensure compliance with the Group's policies and procedures, as well as the applicable laws and regulations, and to review the adequacy and effectiveness of the system of internal controls by assessing such controls and procedures in place. Audit reports incorporating the audit findings, recommendations to improve on the control weaknesses, management's comments and action plan to rectify the significant weaknesses on the findings are presented to the AC in a timely manner for their review.

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

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

The total cost incurred for the internal audit function for the financial year ended 31 July 2024 was RM162,610 (financial year ended 31 July 2023 : RM161,433).

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 requires the board of directors of a listed company to maintain a sound framework of risk management and internal controls to safeguard shareholders' investments and assets of the Group.

The Board of Directors ("the Board") is pleased to present this Statement on Risk Management and Internal Control for the financial year ended 31 July 2024 which was prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

The statement below outlines the nature and scope of risk management and internal control system of the Company during the financial year ended 31 July 2024.

### BOARD'S RESPONSIBILITIES

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

### RISK MANAGEMENT FRAMEWORK

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

- **Board of Directors**

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

- **Audit Committee**

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## RISK MANAGEMENT FRAMEWORK *cont'd*

- **Risk Management Committee**

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

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

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

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

- **All operating business units**

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

## INTERNAL CONTROL FRAMEWORK

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

- Organisational structures in place for each operating unit with clearly defined levels of authority.
- Operational management has clear responsibility for identifying risks affecting their business and for instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.
- The SOPP of each business units sets out clear definition of authorisation procedures and clear line of accountability, with strict authorisation, approval and control within the Group.
- The Group has in place a Management Information System in which management and financial reports are generated regularly to facilitate the Board and the Group’s Management in performing financial and operating reviews of the various operating units.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## INTERNAL CONTROL FRAMEWORK *cont'd*

- The IAD, staffed by professionally qualified personnel who is independent and has no involvement in the operations of Group companies, provides the AC with reasonable independent assurance on the effectiveness and integrity of the Group's system of internal control. For the financial year ended 31 July 2024, the major internal audit activities undertaken during the year are as follows:
  - Developed a risk-based annual audit plan;
  - Reviewed the adequacy and effectiveness of internal control processes;
  - Reviewed compliance with established policies and procedures and statutory requirements;
  - Performed financial and operational audits in major subsidiaries;
  - Carried out ad-hoc assignments requested by Senior Management; and
  - Followed-up on the implementation of Management Action Plan to ensure that necessary actions have been taken/are being taken to remedy any significant findings and weaknesses.
- The duty of reviewing and monitoring the effectiveness of the Group's system of internal control was vested to the AC which provides independent views. Periodic reports from the IAD to the AC recommend remedial action to be taken by the Management.
- The existence of the RMC to oversee the overall risk management holds responsibility to identify, assessing, managing and monitoring significant risk within the Group.

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

## REVIEW OF EFFECTIVENESS

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

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

## REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2024 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is this statement factually inaccurate.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## CONCLUSION

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

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

This statement is made in respect of the financial year ended 31 July 2024 and in accordance with a resolution of the Board of Directors' dated 19 November 2024.

## ADDITIONAL INFORMATION

### UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

#### Disposal of Land by Prestige Assets Sdn Bhd

	Proposed Utilisation (RM'000)	Actual Utilisation as at 31 July 2024 (RM'000)	Balance Unutilised (RM'000)
Repayment of term loan	14,750	14,750	-
Investment/business opportunities	26,000	26,000	-
General working capital of Johan Group	10,084	10,084	-
Expenses for the Disposal	12,166	12,166	-
General working capital	42,428	9,133	33,295
<b>Total</b>	<b>105,428</b>	<b>72,133</b>	<b>33,295</b>

### AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial year ended 31 July 2024 to the Company's External Auditors and firm affiliated to the External Auditors are set out below:

	Group (RM'000)	Company (RM'000)
Audit fees	318	94
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5	5

### MATERIAL CONTRACTS

Saved as disclosed below, there were no material contracts entered into by the Company and/or its subsidiary companies involving the interest of Directors, major shareholders and chief executive, either still subsisting at the end of the financial year ended 31 July 2024 or entered into since the end of previous financial year:

- At the Extraordinary General Meeting of Johan Holdings Berhad ("JHB") held on 31 May 2021, shareholders' approval was obtained for Dynacare Sdn Bhd ("Dynacare"), a 60%-owned subsidiary of JHB, for the award of the right to George Kent (Malaysia) Berhad ("GKM") as the Design and Build contractor for an estimated period of 24 months to construct a glove manufacturing plant ("Plant") in Lumut Port Industrial Park, Perak, for a contract sum of approximately RM624.1 million plus or minus 10% (excluding sales and service tax). Following from the Letter of Intent dated 20 April 2021 and instructions to proceed dated 8 June 2021, the Letter of Award was issued on 1 October 2021 for a Contract Price of RM686.5 million (excluding Sales & Service Tax). The Contract was on 31 March 2023 revised to limit the scope of works for design, construct, complete, test, commissioning for up to six (6) double formers Lines for a total sum of RM187.3 million in accordance with Dynacare's decision to have six (6) Lines under Phase 1.

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

# FINANCIAL STATEMENTS

- 60 Directors' Report
- 69 Statements of Financial Position
- 71 Statements of Comprehensive Income
- 73 Statements of Changes in Equity
- 76 Statements of Cash Flows
- 81 Notes to the Financial Statements
- 148 Statement by Directors
- 148 Statutory Declaration
- 149 Independent Auditors' Report

## DIRECTORS' REPORT

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

### PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries include manufacturing and dealing of rubber gloves and medical personal protection equipment, provision of secretarial and management services, insurance agent, ticketing and tour management solution, and operation of hotel and resort related business.

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

### RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(24,281)	(13,865)
Attributable to:		
Owners of the Company	(16,075)	(13,865)
Non-controlling interests	(8,206)	-
	(24,281)	(13,865)

### DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 July 2024.

### RESERVES OR PROVISIONS

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

### BAD AND DOUBTFUL DEBTS

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

# DIRECTORS' REPORT

*cont'd*

## **BAD AND DOUBTFUL DEBTS** *cont'd*

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

## **CURRENT ASSETS**

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

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

## **VALUATION METHODS**

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

## **CONTINGENT AND OTHER LIABILITIES**

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

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

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

## **CHANGE OF CIRCUMSTANCES**

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

# DIRECTORS' REPORT

*cont'd*

## ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

## AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM395,000 and RM94,000 respectively.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares and debentures were made by the Company.

## WARRANTS

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

The Company issued 389,342,813 units of the Warrants to the shareholders of the Company on the basis of one (1) warrant for every one (1) right shares subscribed for. The Warrants are listed on the Main Market of Bursa Malaysia Securities Berhad. The main features of the Warrants are disclosed in Note 15(c).

On 19 July 2024, 389,342,813 units of the Warrants remained unexercised and have lapsed. Hence, the warrant reserve of RM15,963,055 have been transferred back to share capital upon expiry.

## DIRECTORS

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

Tan Sri Dato' Tan Kay Hock\*  
Puan Sri Datin Tan Swee Bee\*  
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff  
Tan Poh Meng  
Mahathir Bin Mahzan

\* *Directors of the Company and certain subsidiaries*

# DIRECTORS' REPORT

cont'd

## DIRECTORS cont'd

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

Teh Yong Fah  
 Lee Teck Siong  
 Tan Seng Kee  
 Tio Yit Ching  
 Lau Chong Beng  
 Sia Chin Yap  
 Choo Chin Yoon (Resigned on 19 January 2024)  
 Ooi Chin Khoon (Resigned on 15 July 2024)

## DIRECTORS' INTERESTS

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

	Number of ordinary shares			At 31 July 2024
	At 1 August 2023	Bought	Sold	
<b>Interests in the Company</b>				
Indirect interests:				
Tan Sri Dato' Tan Kay Hock **	708,676,584	-	-	708,676,584
Puan Sri Datin Tan Swee Bee **	708,676,584	-	-	708,676,584
<b>Interests in the holding company</b>				
<b>- Sky Wealth Ventures Limited</b>				
Direct interests:				
Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee (Joint holders)	2	-	-	2
<b>Number of warrants 2021/2024 ("Warrant B")</b>				
	At 1 August 2023	Bought	Expired	At 31 July 2024
<b>Interests in the Company</b>				
Indirect interests:				
Tan Sri Dato' Tan Kay Hock **	236,225,527	-	(236,225,527)	-
Puan Sri Datin Tan Swee Bee **	236,225,527	-	(236,225,527)	-

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

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



# DIRECTORS' REPORT

*cont'd*

## DIRECTORS' INTERESTS *cont'd*

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

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

## DIRECTORS' BENEFITS

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

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

	2024	
	Group	Company
	RM'000	RM'000
<b>Directors of the Company</b>		
- Salaries and other related costs	2,094	1,644
- Estimated money value of benefits-in-kind	41	41
	2,135	1,685

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

## INDEMNITY TO DIRECTORS AND OFFICERS

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

## ULTIMATE HOLDING COMPANY

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

# DIRECTORS' REPORT

*cont'd*

## SUBSIDIARIES

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

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
<b>Direct subsidiaries</b>				
Johan Management Services Sdn. Bhd.	Malaysia	100%	100%	Provision of secretarial and management services and insurance agent
Johan Land Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Johan Properties Sdn. Bhd.	Malaysia	100%	100%	Property holding and investment
Johan Equities Sdn. Bhd.	Malaysia	100%	100%	Investment trading
Johan Pasifik Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Prestige Assets Sdn. Bhd.	Malaysia	100%	100%	Property investment
William Jacks & Company (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Investment holding, provision of data processing services and trading of engineering and building material
Nature's Farm (Health Foods) Sdn. Bhd.	Malaysia	100%	100%	Trading in health foods and supplements
Johan Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding and management services
JCC Equities Sdn. Bhd.	Malaysia	100%	100%	Inactive
Johan Nominees (Tempatan) Sdn. Bhd.	Malaysia	100%	100%	Inactive
Dynacare Sdn. Bhd.	Malaysia	60%	60%	Manufacturing and dealing of rubber gloves and medical personal protection equipment
AIH Holdings Ltd.	Hong Kong	100%	100%	Investment holding and management services
Johan International Limited	Hong Kong	100%	100%	Investment holding

# DIRECTORS' REPORT

cont'd

## SUBSIDIARIES cont'd

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
<b>Subsidiaries of William Jacks &amp; Company (Malaysia) Sdn. Bhd.</b>				
Jacks Edar Sdn. Bhd.	Malaysia	100%	100%	Inactive
WJM Trading Sdn. Bhd. (formerly known as Syabas Kayamas Sdn. Bhd.)	Malaysia	100%	-	Inactive
<b>Subsidiary of Nature's Farm (Health Foods) Sdn. Bhd.</b>				
Vitamin World Sdn. Bhd.	Malaysia	100%	100%	Inactive
<b>Subsidiaries of Johan Capital Sdn. Bhd.</b>				
Johan Leasing Sdn. Bhd.	Malaysia	100%	100%	Inactive
Strategic Usage Sdn. Bhd.	Malaysia	100%	100%	Investment holding
J Capital Investments Pte. Ltd.	Singapore	100%	100%	Ticketing and tour management solution provider
<b>Subsidiary of Strategic Usage Sdn. Bhd.</b>				
Diners Club (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ceased its card activities as processor for Diners Club issued by overseas franchisees and currently, it continues to collect outstanding principal and earns interest income from outstanding cardholders
<b>Subsidiaries of Diners Club (Malaysia) Sdn. Bhd.</b>				
Diners World Travel (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ticketing and tour management solution provider
Lumut Park Resort Sdn. Bhd.	Malaysia	80%	80%	Property development and operation of hotel and resort related business

# DIRECTORS' REPORT

*cont'd*

## SUBSIDIARIES *cont'd*

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
<b>Subsidiary of Johan Land Sdn. Bhd.</b>				
Mustika Resort Sdn. Bhd.	Malaysia	85%	85%	Inactive
<b>Subsidiary of Johan Pasifik Sdn. Bhd.</b>				
Lumut Marine Resort Bhd.	Malaysia	70%	70%	Inactive
<b>Subsidiary of AIH Holdings Ltd.</b>				
Abacus Pacific N.V.	The Netherlands	100%	100%	Investment holding
<b>Subsidiary of Abacus Pacific N.V.</b>				
Johan Investment Private Limited	Singapore	100%	100%	Investment holding
<b>Subsidiary of Dynacare Sdn. Bhd.</b>				
Dynahealth Pte. Ltd.	Singapore	100%	100%	Inactive

## INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

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

# DIRECTORS' REPORT

*cont'd*

## AUDITORS

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

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

**DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF**  
Director

**PUAN SRI DATIN TAN SWEE BEE**  
Director

Date: 19 November 2024

# STATEMENTS OF FINANCIAL POSITION

As at 31 July 2024

	Note	Group			Company	
		2024 RM'000	2023 RM'000	2022 RM'000 (Restated)	2024 RM'000	2023 RM'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	5	165,501	163,306	162,822	2,996	1,568
Investment properties	6	40,040	40,400	40,570	-	-
Inventories	7	30	30	30	-	-
Intangible assets	8	54	61	-	-	-
Investment in subsidiaries	9	-	-	-	101,273	111,037
Other receivable	10	-	-	27,209	-	-
<b>Total non-current assets</b>		<b>205,625</b>	<b>203,797</b>	<b>230,631</b>	<b>104,269</b>	<b>112,605</b>
<b>Current assets</b>						
Inventories	7	3,314	4,841	12,283	-	-
Other investments	11	11,087	11,205	12,620	-	-
Trade and other receivables	10	4,762	6,439	33,883	27,276	21,805
Tax assets	12	152	357	388	-	-
Deposits, cash and bank balances	13	45,209	57,376	49,223	34,304	43,981
<b>Total current assets</b>		<b>64,524</b>	<b>80,218</b>	<b>108,397</b>	<b>61,580</b>	<b>65,786</b>
<b>TOTAL ASSETS</b>		<b>270,149</b>	<b>284,015</b>	<b>339,028</b>	<b>165,849</b>	<b>178,391</b>

# STATEMENTS OF FINANCIAL POSITION

As at 31 July 2024

cont'd

		Group			Company	
	Note	2024	2023	2022	2024	2023
		RM'000	RM'000	RM'000	RM'000	RM'000
				(Restated)		
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to owners of the Company</b>						
Share capital	14	429,635	413,672	413,672	429,635	413,672
Other reserves	15	9,821	24,507	27,013	-	15,963
Accumulated losses		(274,198)	(258,123)	(219,233)	(335,536)	(321,671)
		165,258	180,056	221,452	94,099	107,964
Non-controlling interests		19,941	26,607	29,609	-	-
<b>TOTAL EQUITY</b>		<b>185,199</b>	<b>206,663</b>	<b>251,061</b>	<b>94,099</b>	<b>107,964</b>
<b>Non-current liabilities</b>						
Loan and borrowings	16	2,765	1,596	2,178	2,499	1,253
Deferred tax liabilities	17	26,932	26,372	27,447	-	-
<b>Total non-current liabilities</b>		<b>29,697</b>	<b>27,968</b>	<b>29,625</b>	<b>2,499</b>	<b>1,253</b>
<b>Current liabilities</b>						
Loan and borrowings	16	606	582	521	530	508
Trade and other payables	18	54,042	48,048	57,620	68,721	68,666
Contract liabilities	19	604	754	201	-	-
Tax liabilities		1	-	-	-	-
<b>Total current liabilities</b>		<b>55,253</b>	<b>49,384</b>	<b>58,342</b>	<b>69,251</b>	<b>69,174</b>
<b>TOTAL LIABILITIES</b>		<b>84,950</b>	<b>77,352</b>	<b>87,967</b>	<b>71,750</b>	<b>70,427</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>270,149</b>	<b>284,015</b>	<b>339,028</b>	<b>165,849</b>	<b>178,391</b>

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

## STATEMENTS OF 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	20	22,609	21,042	60	15,020
Cost of sales	21	(28,185)	(30,473)	-	-
<b>Gross (loss)/profit</b>		(5,576)	(9,431)	60	15,020
Other income		588	922	399	107
Net reversal of impairment losses on trade and other receivables		2,763	3,197	571	1,705
Net impairment losses on property, plant and equipment		(5,326)	(35,594)	-	-
Administrative expenses		(17,369)	(19,233)	(4,855)	(5,152)
Other expenses		(486)	(1,721)	(10,963)	(40,617)
		(20,418)	(53,351)	(15,247)	(44,064)
Loss from operations		(25,406)	(61,860)	(14,788)	(28,937)
Finance income		1,447	1,387	1,212	921
Finance costs	22	(128)	(897)	(116)	(70)
<b>Loss before tax</b>	23	(24,087)	(61,370)	(13,692)	(28,086)
Tax (expense)/credit	25	(194)	55	(173)	-
<b>Loss for the financial year</b>		(24,281)	(61,315)	(13,865)	(28,086)



# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 July 2024

cont'd

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Other comprehensive income/(loss), net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation gain/(loss) on property, plant and equipment, net of deferred tax liabilities		1,851	(2,740)	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		166	57	-	-
<b>Other comprehensive income/(loss) for the financial year</b>		2,017	(2,683)	-	-
<b>Total comprehensive loss for the financial year</b>		(22,264)	(63,998)	(13,865)	(28,086)
<b>Loss attributable to:</b>					
Owners of the Company		(16,075)	(38,890)	(13,865)	(28,086)
Non-controlling interests		(8,206)	(22,425)	-	-
		(24,281)	(61,315)	(13,865)	(28,086)
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(14,798)	(41,396)	(13,865)	(28,086)
Non-controlling interests		(7,466)	(22,602)	-	-
		(22,264)	(63,998)	(13,865)	(28,086)
<b>Basic and diluted loss per share (sen)</b>	26	(1.37)	(3.32)		

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

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2024

Group	← Attributable to owners of the Company →						Non-controlling interests	Total equity
	Share capital	Exchange reserve	Revaluation reserve	Warrant reserve	Accumulated losses	Sub-total		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2023</b>	413,672	(2,729)	12,818	15,963	(257,511)	182,213	24,450	206,663
Effect of restatement (Note 32)	-	-	(1,545)	-	(612)	(2,157)	2,157	-
Restated balance as at 1 August 2023	413,672	(2,729)	11,273	15,963	(258,123)	180,056	26,607	206,663
<b>Total comprehensive loss for the financial year</b>								
Loss for the financial year	-	-	-	-	(16,075)	(16,075)	(8,206)	(24,281)
Other comprehensive income for the financial year	-	166	1,111	-	-	1,277	740	2,017
Total comprehensive loss	-	166	1,111	-	(16,075)	(14,798)	(7,466)	(22,264)
<b>Transaction with owners</b>								
Non-controlling interest arising from investment in a subsidiary	-	-	-	-	-	-	800	800
Transfer warrant reserves to share capital upon expiry of warrants	15,963	-	-	(15,963)	-	-	-	-
Total transactions with owners	15,963	-	-	(15,963)	-	-	800	800
<b>At 31 July 2024</b>	429,635	(2,563)	12,384	-	(274,198)	165,258	19,941	185,199

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2024

cont'd

Group	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Exchange reserve	Revaluation reserve	Warrant reserve	Accumulated losses	Sub-total	controlling interests		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2022</b>	413,672	(2,786)	15,381	15,963	(218,621)	223,609	27,452	251,061	
Effect of restatement (Note 32)	-	-	(1,545)	-	(612)	(2,157)	2,157	-	
Restated balance as at 1 August 2022	413,672	(2,786)	13,836	15,963	(219,233)	221,452	29,609	251,061	
<b>Total comprehensive loss for the financial year</b>									
Loss for the financial year	-	-	-	-	(38,890)	(38,890)	(22,425)	(61,315)	
Other comprehensive income/(loss) for the financial year	-	57	(2,563)	-	-	(2,506)	(177)	(2,683)	
Total comprehensive loss	-	57	(2,563)	-	(38,890)	(41,396)	(22,602)	(63,998)	
<b>Transaction with owners</b>									
Non-controlling interests arising from investment in a subsidiary, representing total transaction with owners	-	-	-	-	-	-	19,600	19,600	
<b>At 31 July 2023</b>	413,672	(2,729)	11,273	15,963	(258,123)	180,056	26,607	206,663	

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 July 2024

*cont'd*

Company	← Attributable to owners of the Company →			
	Share capital	Warrant reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2022</b>	413,672	15,963	(293,585)	136,050
<b>Total comprehensive loss for the financial year</b>				
Loss for the financial year, representing total comprehensive loss	-	-	(28,086)	(28,086)
<b>At 31 July 2023</b>	413,672	15,963	(321,671)	107,964
<b>Total comprehensive loss for the financial year</b>				
Loss for the financial year, representing total comprehensive loss	-	-	(13,865)	(13,865)
<b>Transaction with owners</b>				
Transfer warrant reserves to share capital upon expiry of warrants, representing total transaction with owners	15,963	(15,963)	-	-
<b>At 31 July 2024</b>	429,635	-	(335,536)	94,099

The accompanying 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
<b>Cash flows from operating</b>					
Loss before tax		(24,087)	(61,370)	(13,692)	(28,086)
Adjustments for:					
Amortisation of intangible assets	8	7	7	-	-
Bad debts written off		-	12	-	-
Depreciation of property, plant and equipment	5	5,997	5,111	503	528
Fair value loss on investment properties		360	170	-	-
Fair value loss on other investment		118	1,415	-	-
Gain on early settlement		-	(480)	-	-
Gain on disposal of property, plant and equipment		(110)	-	(110)	-
Impairment loss on goodwill		3	-	-	-
Impairment loss on property, plant and equipment		5,326	36,071	-	-
Impairment loss on trade and other receivables		1	2	260	98
Impairment loss on investment in subsidiaries		-	-	10,965	40,617
Interest expense		128	897	116	70
Interest income		(1,447)	(1,387)	(1,212)	(921)
(Gain)/Loss on lease modification		(190)	7	(190)	-
Property, plant and equipment written off		4	1	-	-
Reversal of impairment loss on property, plant and equipment		-	(477)	-	-
Reversal of impairment loss on trade and other receivables		(2,764)	(3,199)	(831)	(1,803)
Unrealised gain on foreign exchange		(1)	(118)	(1)	(1)
		7,432	38,032	9,500	38,588
<b>Operating (loss)/profit before changes in working capital, carried forward</b>		(16,655)	(23,338)	(4,192)	10,502

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2024

*cont'd*

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b> <i>cont'd</i>					
<b>Operating (loss)/profit before changes in working capital, brought forward</b>		(16,655)	(23,338)	(4,192)	10,502
Changes in working capital:					
Inventories		1,527	7,442	-	-
Trade and other receivables		4,440	58,318	(157)	(25)
Trade and other payables		6,156	(9,533)	(45)	(2)
Contract liabilities		(150)	553	-	-
		11,973	56,780	(202)	(27)
Net cash (used in)/from operations		(4,682)	33,442	(4,394)	10,475
Tax refunded		181	-	-	-
Tax paid		(192)	(103)	(173)	-
Net cash (used in)/from operating activities		(4,693)	33,339	(4,567)	10,475
<b>Cash flows from investing activities</b>					
Additional investment in a subsidiary	9(b)	-	-	(1,200)	(29,400)
Advances to subsidiaries		-	-	(4,743)	(397)
Interest received		1,447	1,387	1,212	921
Purchase of property, plant and equipment	5(a)	(9,227)	(47,878)	(72)	(8)
Purchase of other intangible assets	8	-	(68)	-	-
Proceeds from capital reduction in subsidiary		-	-	-	27,408
Proceeds from disposal of property, plant and equipment		110	7	110	-
Refund received		-	3,068	-	-
Change in pledged deposits		(4)	(3)	-	-
Net cash used in investing activities		(7,674)	(43,487)	(4,693)	(1,476)

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2024

*cont'd*

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from financing activities</b>	(a)				
Advances from subsidiaries		-	-	101	449
Interest paid		(128)	(897)	(116)	(70)
Repayment of hire purchase payable		(75)	(23)	(51)	-
Repayments of lease liabilities		(402)	(498)	(351)	(422)
Subscription of shares by non-controlling interests in a subsidiary		800	19,600	-	-
Net cash from/(used in) financing activities		195	18,182	(417)	(43)
Net (decrease)/increase in cash and cash equivalents		(12,172)	8,034	(9,677)	8,956
<b>Cash and cash equivalents at the beginning of the financial year</b>		57,220	49,070	43,981	35,025
Effects of exchange rate changes on cash and cash equivalents		1	116	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	13	45,049	57,220	34,304	43,981

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2024

*cont'd*

(a) Reconciliation of liabilities arising from financing activities:

	Note	← Non-cash →			31.7.2024 RM'000
		1.8.2023 RM'000	Cash flows RM'000	Acquisition RM'000	
<b>Group</b>					
Hire purchase payables	16	125	(75)	566	616
Lease liabilities	16	2,053	(402)	2,697	2,755
		2,178	(477)	3,263	3,371
<b>Company</b>					
Hire purchase payable	16	-	(51)	566	515
Lease liabilities	16	1,761	(351)	2,697	2,514
Amounts owing to subsidiaries	18	68,367	101	-	68,468
		70,128	(301)	3,263	71,497
<b>Group</b>					
	Note	1.8.2022 RM'000	Cash flows RM'000	Non-cash Others RM'000	31.7.2023 RM'000
Hire purchase payable	16	148	(23)	-	125
Lease liabilities	16	2,551	(498)	-	2,053
		2,699	(521)	-	2,178
<b>Company</b>					
Lease liabilities	16	2,183	(422)	-	1,761
Amounts owing to subsidiaries	18	102,110	449	(34,192)	68,367
		104,293	27	(34,192)	70,128



## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 July 2024

*cont'd*

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

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Included in net cash (used in)/from operating activities:</b>					
Interest paid in relation to lease liabilities	22	110	79	101	67
Payments relating to short-term leases and low-value assets	23	102	174	43	41
<b>Included in net cash from/(used in) financing activities:</b>					
Payments of lease liabilities		402	498	351	422
<b>Total cash outflows for leases</b>		<b>614</b>	<b>751</b>	<b>495</b>	<b>530</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

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

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries include manufacturing and dealing of rubber gloves and medical personal protection equipment, provision of secretarial and management services, insurance agent, ticketing and tour management solution, and operation of hotel and resort related business. There have been no significant changes in the nature of these activities during the financial year.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 November 2024.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

### 2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following the following applicable new MFRS and amendments to MFRSs for the current financial year:

#### New MFRS

MFRS 17	Insurance Contracts
---------	---------------------

#### Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. BASIS OF PREPARATION *cont'd*

### 2.2 Adoption of new MFRS and amendments to MFRSs *cont'd*

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Company.

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

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

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. BASIS OF PREPARATION *cont'd*

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

#### *MFRS 18 Presentation and Disclosure in Financial Statements cont'd*

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

### 2.5 Basis of measurement

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

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 3.1 Basis of consolidation

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

### 3.1 Basis of consolidation *cont'd*

#### (a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

#### (b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

### 3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

### 3.3 Financial instruments

#### **Financial assets at fair value through profit or loss**

The Group subsequently measures these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

#### **Debt instruments at amortised cost**

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Financial liabilities – subsequent measurement and gains and losses**

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

The Group and the Company subsequently measure financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

### 3.4 Property, plant and equipment

Property, plant and equipment (other than land and building and right-of-use assets as disclosed in Note 3.5) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land and building are measured using revaluation model, based on valuations by external independent valuer, less accumulated depreciation on leasehold land and buildings and any accumulated impairment losses recognised after the date of revaluation. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

All property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on the straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal useful lives and depreciation rates are as follows:

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

### 3.5 Leases

#### (a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 16.

#### Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expenses on a straight-line basis over the term of the lease.

#### Right-of-use assets

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the 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 useful life of the right-of-use asset or the end of the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

### 3.5 Leases *cont'd*

#### (a) Lessee accounting *cont'd*

##### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

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

#### (b) Lessor accounting

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of revenue.

### 3.6 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

### 3.7 Intangible assets

Inangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

### 3.8 Inventories

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

### 3.9 Revenue and other income

#### (a) Charge and credit card operations

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

#### (b) Ticketing and travel revenue

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

#### (c) Sales of goods

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

#### (d) Revenue from resort operations

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

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

#### (e) Interest income

Interest income is recognised using the effective interest method.

#### (f) Dividend income

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

#### (g) Rental income

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



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

### 3.9 Revenue and other income *cont'd*

#### (h) Management fees and services

Management fees and services are recognised when services are rendered.

### 3.10 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

#### (a) Valuation of property, plant and equipment

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (b) Fair value of investment properties

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

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

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

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

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

### (d) Funding requirements

The Group and the Company apply judgement in determining the funding requirements and their ability to meet short term obligations. The Group and the Company consider the facts and circumstances and make assumptions about the future, including the cash flows to be generated from the operations of the Group and the Company and the available financing activities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 29(b)(ii) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Equipment, furniture and fittings	Motor vehicles	Plant and machinery	Capital work-in progress	Right-of- use assets	Total
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost/Valuation</b>							
At 1 August 2023	28,439	13,620	1,073	69,893	10,697	94,171	217,893
Additions	-	266	621	87	8,429	3,087	12,490
Adjustment on revaluation	(69)	-	-	-	-	2,320	2,251
Derecognition*	-	-	-	-	-	(2,808)	(2,808)
Disposals	-	-	(609)	-	-	-	(609)
Reclassification	-	-	-	14,304	(14,304)	-	-
Written off	-	-	-	(4)	-	-	(4)
At 31 July 2024	28,370	13,886	1,085	84,280	4,822	96,770	229,213
<b>Accumulated depreciation and Aimpairment loss</b>							
At 1 August 2023	202	12,279	931	34,468	3,791	2,916	54,587
Depreciation charge for the financial year (Note 23)	580	261	66	2,391	-	2,699	5,997
Derecognition*	-	-	-	-	-	(1,404)	(1,404)
Disposals	-	-	(609)	-	-	-	(609)
Adjustment on revaluation	-	-	-	-	-	(185)	(185)
Impairment loss	-	13	14	5,273	26	-	5,326
Reclassification	-	-	-	458	(458)	-	-
At 31 July 2024	782	12,553	402	42,590	3,359	4,026	63,712
<b>Carrying amount</b>							
At cost	-	1,333	683	41,690	1,463	2,632	47,801
At valuation	27,588	-	-	-	-	90,112	117,700
At 31 July 2024	27,588	1,333	683	41,690	1,463	92,744	165,501

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

Company	Furniture and fittings RM'000	Motor vehicles RM'000	Right-of- use assets RM'000	Total RM'000
<b>Cost</b>				
At 1 August 2022	2,263	740	2,808	5,811
Additions	8	-	-	8
At 31 July 2023	2,271	740	2,808	5,819
Additions	17	621	2,697	3,335
Derecognition*	-	-	(2,808)	(2,808)
Disposal	-	(609)	-	(609)
At 31 July 2024	2,288	752	2,697	5,737
<b>Accumulated depreciation</b>				
At 1 August 2022	2,262	681	780	3,723
Depreciation charge for the financial year (Note 23)	2	58	468	528
At 31 July 2023	2,264	739	1,248	4,251
Depreciation charge for the financial year (Note 23)	4	44	455	503
Derecognition*	-	-	(1,404)	(1,404)
Disposal	-	(609)	-	(609)
At 31 July 2024	2,268	174	299	2,741
<b>Carrying amount</b>				
At 31 July 2023	7	1	1,560	1,568
At 31 July 2024	20	578	2,398	2,996

\* Derecognition of the right-of-use assets during the financial year ended 31 July 2024 and 31 July 2023 was a result of termination of certain leases.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM12,490,000 (2023: RM47,878,000) and RM3,335,000 (2023: RM8,000) respectively which are satisfied by the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash payments	9,227	47,878	72	8
Financed by way of lease agreement	2,697	-	2,697	-
Financed by way of hire purchases agreement	566	-	566	-
	12,490	47,878	3,335	8

- (b) Right-of-use assets

The Group and the Company lease several assets including leasehold land and buildings, leasehold hotel properties, and hostels.

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

	Long-term leasehold land RM'000	Long-term leasehold land and buildings RM'000	Long-term leasehold hotel properties RM'000	Buildings RM'000	Hostels RM'000	Total RM'000
	<b>Group</b>					
<b>Carrying amount</b>	← At valuation →			← At cost →		
At 1 August 2022	47,030	11,260	37,490	2,029	366	98,175
Additions	-	-	517	-	-	517
Adjustment on revaluation	(4,718)	-	-	-	-	(4,718)
Depreciation	(629)	(162)	(1,374)	(461)	(79)	(2,705)
Derecognition*	-	-	-	(7)	-	(7)
Disposal	-	(7)	-	-	-	(7)
At 31 July 2023	41,683	11,091	36,633	1,561	287	91,255
Additions	-	-	390	2,697	-	3,087
Adjustment on revaluation	2,505	-	-	-	-	2,505
Depreciation	(643)	(165)	(1,382)	(456)	(53)	(2,699)
Derecognition*	-	-	-	(1,404)	-	(1,404)
At 31 July 2024	43,545	10,926	35,641	2,398	234	92,744

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

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

	<b>Building RM'000</b>
<b>Company</b>	
<b>Carrying amount</b>	
At 1 August 2022	2,028
Depreciation	(468)
At 31 July 2023	1,560
Addition	2,697
Depreciation	(455)
Derecognition*	(1,404)
At 31 July 2024	2,398

The Group and the Company lease land and buildings for their office space and operation site. The leases for office space and operation site generally have remaining useful life of 20 years to 81 years.

The Group and the Company also leases buildings and hostels with lease terms of 6 years (2023: 6 years) and 3 years (2023: 3 years) respectively.

### (c) Fair value information

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

	<b>Group Level 3 RM'000</b>
<b>2024</b>	
Buildings	27,588
Long-term leasehold land	43,545
Long-term leasehold land and buildings	10,926
Long-term leasehold hotel properties	35,641
	<b>117,700</b>

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (c) Fair value information *cont'd*

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

	<b>Group Level 3 RM'000</b>
<b>2023</b>	
Buildings	28,237
Long-term leasehold land	41,683
Long-term leasehold land and buildings	11,091
Long-term leasehold hotel properties	36,633
	117,644

#### Level 3 fair value

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

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

#### Valuation processes applied by the Group

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



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

### (c) Fair value information *cont'd*

#### Highest and best use

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

- (d) During the financial year, an impairment loss of RM5,326,000 (2023: RM36,071,000) was recognised in profit or loss of the Group as other expenses as the carrying amount of the property, plant and equipment was higher than the recoverable amount.

The Group estimated the recoverable amount based on the fair value less cost of disposal of the property, plant and equipment determined by external independent valuers.

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

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Equipment, furniture and fittings, motor vehicles, plant and machinery	Cost approach	Replacement cost of the plant and equipment	The higher the cost price, the higher the fair value

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

	Group	
	2024 RM'000	2023 RM'000
Buildings	26,842	27,128
Long-term leasehold land	29,776	30,174
Long-term leasehold land and buildings	1,605	1,654
Long-term leasehold hotel properties	7,725	8,945
	65,948	67,901

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 6. INVESTMENT PROPERTIES

	Group	
	2024	2023
	RM'000	RM'000
<b>At fair value:</b>		
At beginning of the financial year	40,400	40,570
Net loss arising from fair value adjustment (Note 23)	(360)	(170)
At end of the financial year	40,040	40,400

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

	Group	
	2024	2023
	RM'000	RM'000
Rental income	194	142
Direct operating expenses:		
- income generating investment properties	67	63
- non-income generating investment properties	136	139

(b) Fair value information

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

	Level 3 RM'000
<b>2024</b>	
Freehold land and buildings	13,185
Leasehold land and buildings	26,855
	40,040
<b>2023</b>	
Freehold land and buildings	13,380
Leasehold land and buildings	27,020
	40,400

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 6. INVESTMENT PROPERTIES *cont'd*

### (b) Fair value information *cont'd*

There are no Level 1 investment properties or transfers between Level 1 and Level 2 during the financial year ended 31 July 2024 and 31 July 2023.

#### Level 3 fair value

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

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

#### Valuation processes applied by the Group

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

#### Highest and best use

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 7. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
<b>Non-current:</b>		
Property held for development		
- Leasehold land	15	15
- Development costs	15	15
	30	30
<b>Current:</b>		
Raw materials	913	337
Work-in-progress	1,723	4,252
Finished goods	678	252
	3,314	4,841
	3,344	4,871

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM18,545,000 (2023: RM22,882,000).

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 8. INTANGIBLE ASSETS

	Group			Total RM'000
	Goodwill RM'000	Computer software RM'000	Trademark RM'000	
<b>Cost</b>				
At 1 August 2022	64	1,280	-	1,344
Additions	-	-	68	68
At 31 July 2023	64	1,280	68	1,412
Additions	3	-	-	3
At 31 July 2024	67	1,280	68	1,415
<b>Accumulated Aamortisation/impairment</b>				
At 1 August 2022	64	1,280	-	1,344
Amortisation charge for the financial year (Note 23)	-	-	7	7
At 31 July 2023	64	1,280	7	1,351
Amortisation charge for the financial year (Note 23)	-	-	7	7
Impairment	3	-	-	3
At 31 July 2024	67	1,280	14	1,361
<b>Carrying amount</b>				
At 31 July 2023	-	-	61	61
At 31 July 2024	-	-	54	54

### Impairment of goodwill

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

The impairment loss on goodwill was allocated on the CGU of WJM Trading Sdn. Bhd. (formerly known as Syabas Kayamas Sdn. Bhd.), which is under the general trading segment, as the carrying amount of the goodwill is below its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 9. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
<b>At cost</b>		
Unquoted shares, at cost		
At beginning of the financial year	396,857	429,057
Additions	1,200	29,400
Less: Capital reduction	-	(61,600)
At end of the financial year	398,057	396,857
<b>Accumulated impairment loss</b>		
At beginning of the financial year	(285,820)	(245,203)
Impairment loss (Note 23)	(10,964)	(40,617)
At end of the financial year	(296,784)	(285,820)
	101,273	111,037

Additional impairment loss was recognised during the financial year due to continuous losses incurred by the subsidiaries. The impairment loss was recognised based on the recoverable amount of the subsidiaries.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
Johan Management Services Sdn. Bhd.	Malaysia	100%	100%	Provision of secretarial and management services and insurance agent
Johan Land Sdn. Bhd.	Malaysia	100%	100%	Property development and investment holding
Johan Properties Sdn. Bhd.	Malaysia	100%	100%	Property holding and investment
Johan Equities Sdn. Bhd.	Malaysia	100%	100%	Investment trading
Johan Pasifik Sdn. Bhd.	Malaysia	100%	100%	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
Prestige Assets Sdn. Bhd.	Malaysia	100%	100%	Property investment
William Jacks & Company (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Investment holding, provision of data processing services and trading of engineering and building material
Nature's Farm (Health Foods) Sdn. Bhd.	Malaysia	100%	100%	Trading in health foods and supplements
Johan Capital Sdn. Bhd.	Malaysia	100%	100%	Investment holding and management services
JCC Equities Sdn. Bhd.	Malaysia	100%	100%	Inactive
Johan Nominees (Tempatan) Sdn. Bhd.	Malaysia	100%	100%	Inactive
Dynacare Sdn. Bhd.	Malaysia	60%	60%	Manufacturing and dealing of rubber gloves and medical personal protection equipment
AIH Holdings Ltd.*	Hong Kong	100%	100%	Investment holding and management services
Johan International Limited*	Hong Kong	100%	100%	Investment holding
<b>Subsidiaries of William Jacks &amp; Company (Malaysia) Sdn. Bhd.</b>				
Jacks Edar Sdn. Bhd.	Malaysia	100%	100%	Inactive
WJM Trading Sdn. Bhd. (formerly known as Syabas Kayamas Sdn. Bhd.)	Malaysia	100%	-	Inactive

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
<b>Subsidiary of Nature's Farm (Health Foods) Sdn. Bhd.</b>				
Vitamin World Sdn. Bhd.	Malaysia	100%	100%	Inactive
<b>Subsidiaries of Johan Capital Sdn. Bhd.</b>				
Johan Leasing Sdn. Bhd.	Malaysia	100%	100%	Inactive
Strategic Usage Sdn. Bhd.	Malaysia	100%	100%	Investment holding
J Capital Investments Pte. Ltd. <sup>&gt;</sup>	Singapore	100%	100%	Ticketing and tour management solution provider
<b>Subsidiary of Strategic Usage Sdn. Bhd.</b>				
Diners Club (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ceased its card activities as processor for Diners Club issued by overseas franchisees and currently, it continues to collect outstanding principal and earns interest income from outstanding cardholders
<b>Subsidiaries of Diners Club (Malaysia) Sdn. Bhd.</b>				
Diners World Travel (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Ticketing and tour management solution provider
Lumut Park Resort Sdn. Bhd.	Malaysia	80%	80%	Property development and operation of hotel and resort related business
<b>Subsidiary of Johan Land Sdn. Bhd.</b>				
Mustika Resort Sdn. Bhd.	Malaysia	85%	85%	Inactive



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 9. INVESTMENT IN SUBSIDIARIES cont'd

Details of the subsidiaries are as follows: cont'd

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023	
<b>Subsidiary of Johan Pasifik Sdn. Bhd.</b>				
Lumut Marine Resort Bhd.	Malaysia	70%	70%	Inactive
<b>Subsidiary of AIH Holdings Ltd.</b>				
Abacus Pacific N.V. <sup>&gt;</sup>	The Netherlands	100%	100%	Investment holding
<b>Subsidiary of Abacus Pacific N.V.</b>				
Johan Investment Private Limited <sup>#</sup>	Singapore	100%	100%	Investment holding
<b>Subsidiary of Dynacare Sdn. Bhd.</b>				
Dynahealth Pte. Ltd. <sup>#</sup>	Singapore	100%	100%	Inactive

<sup>#</sup> Audited by an independent member firm of Baker Tilly International.

<sup>\*</sup> Audited by auditors other than Baker Tilly Monteiro Heng PLT.

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

### (a) Acquisition of WJM Trading Sdn. Bhd. (formerly known as Syabas Kayamas Sdn. Bhd.)

On 16 June 2024, a subsidiary of the Company, namely William Jacks & Company (Malaysia) Sendirian Berhad acquired shares in WJM Trading Sdn. Bhd. (formerly known as Syabas Kayamas Sdn. Bhd.), representing 100% of the issued and paid up share capital of WJM Trading Sdn. Bhd. for total consideration of RM2. The principal activity of the subsidiary is general trading. The subsidiary has been a dormant company since its incorporation.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 9. INVESTMENT IN SUBSIDIARIES *cont'd*

### (a) Acquisition of WJM Trading Sdn. Bhd.

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

	<b>2024</b> <b>RM'000</b>
<hr/>	
<b>Asset</b>	
Bank balance	*
<b>Liabilities</b>	
Other payables	(3)
<hr/>	
<b>Total identifiable net liabilities acquired</b>	<b>(3)</b>
Goodwill arising on acquisition	3
<hr/>	
<b>Fair value of consideration transferred</b>	<b>^</b>
<hr/>	

(ii) Effects for acquisition on cash flows:

	<b>2024</b> <b>RM'000</b>
<hr/>	
Fair value of consideration transferred	^
Less: Cash and cash equivalents of the subsidiary acquired	*
<hr/>	
Net cash outflow on acquisition	-
<hr/>	

\* This represents cash and cash equivalents of the subsidiary acquired amounting to RM2 on 16 June 2024.

^ This represents fair value of consideration transferred amounting to RM2 on 16 June 2024.

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

	<b>2024</b> <b>RM'000</b>
<hr/>	
Loss for the financial year	(5)
<hr/>	

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

In the previous financial year, the Company subscribed additional 29,400,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM29,400,000.

On 29 November 2023, the Company further subscribed for additional 1,200,000 shares of Dynacare Sdn. Bhd. for a total consideration of RM1,200,000.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 9. INVESTMENT IN SUBSIDIARIES cont'd

### (c) Share capital reduction

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

### (d) Non-controlling interests in subsidiaries

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

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000	Total RM'000
<b>2024</b>					
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	16,874	38	1,837	1,192	19,941
Loss allocated to NCI	(7,754)	(68)	(274)	(110)	(8,206)
Total comprehensive loss allocated to NCI	(7,014)	(68)	(274)	(110)	(7,466)
<b>2023</b>					
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	23,088	106	2,111	1,302	26,607
Loss allocated to NCI	(21,814)	(69)	(368)	(174)	(22,425)
Total comprehensive loss allocated to NCI	(21,439)	(69)	(368)	(726)	(22,602)
<b>2022 (Restated)</b>					
NCI Percentage of ownership interest and voting interest	40%	30%	20%	15%	
Carrying amount of NCI	24,927	175	2,479	2,028	29,609
Loss allocated to NCI	(5,156)	(82)	(253)	(68)	(5,559)
Total comprehensive (loss)/ income allocated to NCI	(4,750)	(47)	128	(63)	(4,732)

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

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

	Dynacare Sdn. Bhd. RM'000	Lumut Marine Resort Bhd. RM'000	Lumut Park Resort Sdn. Bhd. RM'000	Mustika Resort Sdn. Bhd. RM'000
<b>Summarised statement of financial position</b>				
<b>As at 31 July 2024</b>				
Non-current assets	89,067	10,926	57,810	25,801
Current assets	8,455	31	11,889	-
Non-current liabilities	(1,279)	(1,040)	(11,960)	(6,133)
Current liabilities	(54,055)	(9,791)	(21,343)	(11,728)
Net assets	42,188	126	36,396	7,940
<b>Summarised statement of comprehensive income</b>				
<b>Financial year ended 31 July 2024</b>				
Revenue	6,906	-	5,583	-
Loss for the financial year	(19,385)	(226)	(1,370)	(736)
Total comprehensive loss	(17,534)	(226)	(1,370)	(736)
<b>Summarised cash flow information</b>				
<b>Financial year ended 31 July 2024</b>				
Net cash flows (used in)/from operating activities	(8,443)	(63)	481	(135)
Net cash flows (used in)/from investing activities	(8,520)	-	(690)	-
Net cash flows from financing activities	12,332	63	485	135
Net (decrease)/increase in cash and cash equivalents	(4,631)	-	276	-
Dividends paid	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 9. INVESTMENT IN SUBSIDIARIES *cont'd*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 10. TRADE AND OTHER RECEIVABLES

	Note	Group			Company	
		2024 RM'000	2023 RM'000	2022 RM'000	2024 RM'000	2023 RM'000
<b>Non-current:</b>						
<b>Non-trade</b>						
External parties		-	-	27,209	-	-
<b>Current:</b>						
<b>Trade</b>						
Amounts owing by related parties		47	42	36	-	-
External parties		58,613	62,454	77,819	-	-
		58,660	62,496	77,855	-	-
Less: Impairment losses for:						
- amounts owing by related parties		(3)	(3)	-	-	-
- External parties		(58,477)	(60,904)	(64,142)	-	-
	(a)	(58,480)	(60,907)	(64,142)	-	-
		180	1,589	13,713	-	-
<b>Non-trade</b>						
Amounts owing by subsidiaries	(b)	-	-	-	36,330	31,587
Amounts owing by related parties	(c)	125	7	11	125	7
Other receivables		199	39	14,767	94	60
Deposits		3,639	4,043	4,607	172	178
Prepayments		630	772	796	11	-
		4,593	4,861	20,181	36,732	31,832
Less: Impairment losses for:						
- amounts owing by subsidiaries	(b)	-	-	-	(9,456)	(10,027)
- other receivables	(d)	(11)	(11)	(11)	-	-
		4,582	4,850	20,170	27,276	21,805
Total trade and other receivables		4,762	6,439	33,883	27,276	21,805
Total trade and other receivables (non-current and current)		4,762	6,439	61,092	27,276	21,805

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 10. TRADE AND OTHER RECEIVABLES *cont'd*

### (a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (2023: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

#### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	60,907	64,142
Charge for financial year		
- Individually assessed	1	2
Reversal of impairment loss	(2,764)	(3,199)
Written off	(1)	(79)
Exchange differences	337	41
At end of the financial year	58,480	60,907

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

- (b) Amounts owing by subsidiaries represent advances to subsidiaries which are unsecured, subject to interest at 2.95% (2023: 2.95%) and repayable upon demand in cash and cash equivalents.

The amounts owing by subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of amounts owing by subsidiaries are as follows:

	Company	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	10,027	11,732
Charge for financial year		
- Individually assessed	260	98
Reversal of impairment loss	(831)	(1,803)
At end of the financial year	9,456	10,027

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 10. TRADE AND OTHER RECEIVABLES *cont'd*

- (c) Amounts owing by related parties represent the companies in which certain directors of the Company have interests, which are unsecured and non-interest bearing.
- (d) The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning/end of the financial year	11	11

### 11. OTHER INVESTMENTS

	Group	
	2024	2023
	RM'000	RM'000
<b>Financial assets at fair value through profit or loss</b>		
<b>At fair value:</b>		
Quoted securities in Malaysia	11,087	11,205

Investment in quoted securities comprised investment in George Kent (Malaysia) Berhad in which certain directors of the Company are deemed interested by virtue of their directorship and/or financial interest in George Kent (Malaysia) Berhad.

### 12. TAX ASSETS

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



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 13. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	43,878	56,778	34,304	43,981
Deposit placed with licensed banks (Note (a))	1,171	442	-	-
Time deposits (Note (b))	160	156	-	-
<b>Deposits, cash and bank balances as reported in the statements of financial position</b>	<b>45,209</b>	<b>57,376</b>	<b>34,304</b>	<b>43,981</b>
Less: Time deposits	(160)	(156)	-	-
<b>Cash and cash equivalents as reported in the statements of cash flows</b>	<b>45,049</b>	<b>57,220</b>	<b>34,304</b>	<b>43,981</b>

- (a) The deposit placed with a licensed bank of the Group bears interest at a rate of 2.30% (2023: 1.85%) per annum.
- (b) Time deposits are deposits placed with licensed banks for periods of more than 3 months and earn interest at rate of 2.60% (2023: 2.80%) per annum.

Included in the time deposits placed with licensed banks of the Group is a deposit of RM110,000 (2023: RM110,000) pledged as security for bank guarantees granted to the subsidiary, Lumut Park Resort Sdn. Bhd.

- (c) The foreign currency exposure profile of cash and bank balances of the Group is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Singapore Dollar	1,311	1,123
United States Dollar	539	1,850

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 14. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		← Amounts →	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
<b>Issued and fully paid up (no par value):</b>				
At beginning of the financial year	1,168,028	1,168,028	413,672	413,672
Transfer warrant Areserves to share Acapital upon expiry of Awarrants	-	-	15,963	-
At end of the financial year	1,168,028	1,168,028	429,635	413,672

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 15. OTHER RESERVES

	Note	Group			Company	
		2024 RM'000	2023 RM'000	2022 RM'000 (Restated)	2024 RM'000	2023 RM'000
Exchange reserve	(a)	(2,563)	(2,729)	(2,786)	-	-
Revaluation reserve	(b)	12,384	11,273	13,836	-	-
Warrant reserve	(c)	-	15,963	15,963	-	15,963
		9,821	24,507	27,013	-	15,963

### (a) Exchange reserve

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

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 15. OTHER RESERVES *cont'd*

### (b) Revaluation reserve

	2024	Group 2023	2022
	RM'000	RM'000	RM'000 (Restated)
At beginning of the financial year	11,273	13,836	11,593
Arising from revaluation of property, plant and equipment	527	(1,698)	3,212
Deferred tax relating to revaluation reserve (Note 17)	584	(865)	(969)
At end of the financial year	12,384	11,273	13,836

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

### (c) Warrant reserve

This comprises the fair values of 3-year Warrants 2021/2024 ("Warrants B"). Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at the reporting date, 389,342,813 Warrants remained unexercised and have lapsed. Hence, the fair values have been transferred back to share capital upon expiry.

## 16. LOAN AND BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Non-current:</b>				
<b>Secured:</b>				
Hire purchase payables	487	101	410	-
<b>Unsecured:</b>				
Lease liabilities	2,278	1,495	2,089	1,253
	2,765	1,596	2,499	1,253

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 16. LOAN AND BORROWINGS *cont'd*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Current:</b>				
<b>Secured:</b>				
Hire purchase payables	129	24	105	-
<b>Unsecured:</b>				
Lease liabilities	477	558	425	508
	606	582	530	508
<b>Total loan and borrowings:</b>				
Hire purchase payables	616	125	515	-
Lease liabilities	2,755	2,053	2,514	1,761
	3,371	2,178	3,029	1,761

### (a) Hire purchase payables

Hire purchase payables of the Group and of the Company bear interest ranging from 2.12% to 2.40% (2023: 2.12%) and 2.40% (2023: Nil) per annum respectively and are secured by the Group's and the Company's motor vehicles with carrying amount of RM683,000 (2023: RM142,000) and RM578,000 (2023: RM Nil) respectively under hire purchase arrangements as disclosed in Note 5.

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Minimum lease payments</b>				
Not later than 1 year	154	27	127	-
Later than 1 year and not later than 5 years	532	116	443	-
	686	143	570	-
Less: Future finance charges	(70)	(18)	(55)	-
Present value of minimum lease payments	616	125	515	-

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 16. LOAN AND BORROWINGS *cont'd*

### (a) Hire purchase payables *cont'd*

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Present value of minimum lease payments</b>				
Not later than 1 year	129	24	105	-
Later than 1 year and not later than 5 years	487	101	410	-
	616	125	515	-
Less: Amount due within 12 months	(129)	(24)	(105)	-
Amount due after 12 months	487	101	410	-

### (b) Lease liabilities

The incremental borrowing rate applied to lease liabilities ranging from 3.45% to 4.70% (2023: 3.45%) per annum.

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Minimum lease payments</b>				
Not later than 1 year	592	619	532	559
Later than 1 year and not later than 5 years	2,326	1,562	2,127	1,302
Later than 5 years	177	-	177	-
	3,095	2,181	2,836	1,861
Less: Future finance charges	(340)	(128)	(322)	(100)
Present value of minimum lease payments	2,755	2,053	2,514	1,761

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 16. LOAN AND BORROWINGS *cont'd*

### (b) Lease liabilities *cont'd*

Future minimum lease payments together with the present value of the net minimum lease payments are as follows: *cont'd*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Present value of minimum lease payments</b>				
Not later than 1 year	477	558	425	508
Later than 1 year and notlater than 5 years	2,102	1,495	1,913	1,253
Later than 5 years	176	-	176	-
	2,755	2,053	2,514	1,761
Less: Amount due within 12 months	(477)	(558)	(425)	(508)
Amount due after 12 months	2,278	1,495	2,089	1,253

## 17. DEFERRED TAX LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	26,372	27,447
Recognised in profit or loss (Note 25)	(24)	(189)
Deferred tax relating to revaluation reserve (Note 15(b))	584	(865)
Exchange differences	-	(21)
At end of the financial year	26,932	26,372

(a) Presented after appropriate offsetting as follows:

	Group	
	2024	2023
	RM'000	RM'000
Deferred tax assets	1,589	1,573
Deferred tax liabilities	(28,521)	(27,945)
	(26,932)	(26,372)

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 17. DEFERRED TAX LIABILITIES *cont'd*

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

	Group	
	2024	2023
	RM'000	RM'000
<b>Deferred tax assets</b>		
Unabsorbed capital allowances	1,552	1,337
Provisions	-	233
Others	37	3
	1,589	1,573
<b>Deferred tax liabilities</b>		
Accrued interest income	(6,589)	(6,589)
Differences between the carrying amount of property, plant and equipment and their tax bases	(5,284)	(5,297)
Revaluation gain on investment properties	(7)	(2)
Revaluation surplus arising from revaluation of property, plant and equipment	(16,641)	(16,057)
	(28,521)	(27,945)
	(26,932)	(26,372)

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

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

	Group	
	2024	2023
	RM'000	RM'000
Unabsorbed capital allowances	28,501	25,344
Unutilised tax losses	225,784	216,901
Unabsorbed investment tax allowances	17,504	17,504
	271,789	259,749
Potential deferred tax assets not recognised at 24% (2023: 24%)	65,230	62,340

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 17. DEFERRED TAX LIABILITIES *cont'd*

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

	Company	
	2024	2023
	RM'000	RM'000
Unabsorbed capital allowances	190	101
Unutilised tax losses	21,271	21,155
	21,461	21,256
Potential deferred tax assets not recognised at 24% (2023: 24%)	5,150	5,101

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

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

	Group	Company
	2024	2024
	RM'000	RM'000
2029	175,971	19,457
2030	8,367	782
2031	1,586	670
2032	2,240	246
2033	10,310	-
2034	16,245	116
2035	11,065	-
	225,784	21,271



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current:</b>					
<b>Trade</b>					
Third parties	(a)	806	1,131	-	-
<b>Non-trade</b>					
Amounts owing to subsidiaries	(b)	-	-	68,468	68,367
Other payables	(c)	42,736	36,497	1	1
Deposits		56	76	-	-
Accruals		10,444	10,344	252	298
		53,236	46,917	68,721	68,666
<b>Total trade and other payables</b>		<b>54,042</b>	<b>48,048</b>	<b>68,721</b>	<b>68,666</b>

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 120 days (2023: 30 to 120 days).
- (b) The amounts owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash and cash equivalents.
- (c) During the financial year, included in other payables of the Group are amounts of RM37,584,000 (2023: RM31,889,000) owing to related parties. The amounts are non-trade in nature, unsecured, bear interest at rate of 5.50% (2023: 5.50%) per annum and repayable on demand in cash and cash equivalents.

These related parties represent companies in which certain directors of the Company have interests.

- (d) The foreign currency exposure profile of accruals of the Group is as follows:

	Group	
	2024 RM'000	2023 RM'000
Hong Kong Dollar	21	20

For explanations on the Group's and the Company's liquidity risk management processes, are disclosed in Note 29(b) (ii).

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 19. CONTRACT LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
Contract liabilities relating to rendering of services	152	12
Contract liabilities relating to goods sold	452	742
	604	754

(a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	2024	2023
	RM'000	RM'000
<b>Group</b>		
Revenue recognised that was included in contract liability at the beginning of the financial year	754	201
Increases due to advances received from customers, but revenue not recognised	(604)	(754)

## 20. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contract customers:</b>				
<b>At a point in time:</b>				
Air ticketing and travel	-	(44)	-	-
Food and beverages	1,914	1,477	-	-
Sale of goods	16,417	15,805	-	-
Others	84	55	-	-
	18,415	17,293	-	-
<b>Over time:</b>				
Management fees	-	-	60	60
Management services	72	71	-	-
Resort operations	3,574	3,064	-	-
	3,646	3,135	60	60

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 20. REVENUE *cont'd*

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue from other sources:</b>				
Dividend income from subsidiary	-	-	-	14,960
Dividend income from other investments	354	472	-	-
Rental income	194	142	-	-
	548	614	-	14,960
Total revenue	22,609	21,042	60	15,020

## 21. COST OF SALES

	Group	
	2024 RM'000	2023 RM'000
Air ticketing and travel	-	30
Resort operations	633	506
Purchase of goods	27,428	29,815
Others	124	122
	28,185	30,473

## 22. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amount owing to related parties	-	812	-	-
Hire purchase payable	16	4	13	-
Lease liabilities	110	79	101	67
Others	2	2	2	3
	128	897	116	70

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 23. LOSS BEFORE TAX

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

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of intangible assets	8	7	7	-	-
Auditors' remuneration					
- statutory audit					
- Baker Tilly Monteiro Heng PLT		220	210	94	90
- Member firms of Baker Tilly International		98	89	-	-
- Other auditors		77	74	-	-
- non-statutory audit		5	5	5	5
Bad debts written off		-	12	-	-
Bad debts recovered		(148)	(137)	-	-
Depreciation of property, plant and equipment	5	5,997	5,111	503	528
Employee benefits expense	24	11,476	13,934	3,414	3,676
Expenses relating to short-term leases		91	163	43	41
Expenses relating to lease of low value assets		11	11	-	-
Fair value loss on investment properties	6	360	170	-	-
Fair value loss on other investments		118	1,415	-	-
Impairment loss on goodwill		3	-	-	-
Gain on early settlement		-	(480)	-	-
(Gain)/Loss on lease modification		(190)	7	(190)	-
Gain on disposal of property, plant and equipment		(110)	-	(110)	-
Impairment loss on property, plant and equipment		5,326	36,071	-	-
Impairment loss on:					
- amounts owing by subsidiaries		-	-	260	98
- investment in subsidiaries		-	-	10,965	40,617
- trade receivables		1	2	-	-

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 23. LOSS BEFORE TAX *cont'd*

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

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income		(1,447)	(1,387)	(1,212)	(921)
Property, plant and equipment written off		4	1	-	-
Rental income		-	-	(100)	(108)
Reversal of impairment loss on property, plant and equipment		-	(477)	-	-
Reversal of impairment loss on trade and other receivables		(2,764)	(3,199)	(831)	(1,803)
Net forex exchange loss/(gain):					
- realised		88	33	-	-
- unrealised		(1)	(118)	(1)	(1)

### 24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	9,823	11,958	2,639	2,836
Defined contribution plan	881	1,131	221	231
Social security contribution	106	123	16	17
Other staff related expenses	666	722	538	592
	11,476	13,934	3,414	3,676

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 24. EMPLOYEE BENEFITS EXPENSE *cont'd*

Included in employee benefits expenses are:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company</b>				
Executive:				
Salaries, bonus and emoluments	1,925	2,160	1,475	1,620
Benefits-in-kind	41	107	41	107
	1,966	2,267	1,516	1,727
Non-executive:				
Fees	150	148	150	148
Allowances	19	19	19	19
	169	167	169	167
	2,135	2,434	1,685	1,894
<b>Directors of subsidiaries</b>				
Salaries, bonus and emoluments	516	597	-	-
Benefits-in-kind	9	9	-	-
	525	606	-	-
	2,660	3,040	1,685	1,894

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 25. TAX EXPENSE/(CREDIT)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Statements of comprehensive income</b>				
<b>Current income tax:</b>				
Current income tax charge	47	96	-	-
Adjustment in respect of prior years	171	38	173	-
	218	134	173	-
<b>Deferred tax (Note 17):</b>				
Origination and reversal of temporary differences	(268)	(256)	-	-
Adjustment in respect of prior years	244	67	-	-
	(24)	(189)	-	-
Total expense/(credit)	194	(55)	173	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable loss for the financial year.

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss before tax	(24,087)	(61,370)	(13,692)	(28,086)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	(5,781)	(14,729)	(3,286)	(6,741)
Different tax rates in other countries	80	669	-	-
Income not subject to tax	(260)	(2,484)	(395)	(4,284)
Expenses not deductible for tax purposes	2,850	12,321	3,632	10,987
Utilisation of previously unrecognised deferred tax assets	(569)	(405)	-	-
Deferred tax assets not recognised during the financial year	3,459	4,468	49	38
Adjustment in respect of current income tax of prior years	171	38	173	-
Adjustment in respect of deferred tax of prior years	244	67	-	-
Total expense/(credit)	194	(55)	173	-

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 26. LOSS PER SHARE

### Basic loss per ordinary share

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

	Group	
	2024	2023
	RM'000	RM'000
Loss attributable to the owners of the Company	(16,075)	(38,890)
Weighted average number of ordinary shares for basic loss per share (unit'000)	1,168,028	1,168,028
Basic loss per share (sen)	(1.37)	(3.32)

### Diluted earnings per ordinary share

The diluted loss per ordinary share of the Group for the financial year ended 31 July 2024 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

## 27. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2024	2023
	RM'000	RM'000
In respect of capital expenditure for property, plant and equipment:		
- Approved and contracted	81,979	90,776



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 28. RELATED PARTIES

### (a) Identity of related parties

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

Related parties of the Group include:

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

### (b) Significant related party transactions

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

	Group	
	2024 RM'000	2023 RM'000
Transactions with corporations in which certain directors of the Company are deemed related through their directorship and/or financial interest in George Kent (Malaysia) Berhad are as follows:		
- Interest paid/payable	-	813
- Purchase of goods and services	8,428	42,498
- Dividend processing fee received/receivable	(12)	(12)
- Sales of property, plant and equipment	(110)	-
- Share maintenance fee received/receivable	(42)	(44)
- Others	(8)	(5)

	Company	
	2024 RM'000	2023 RM'000
Transactions with subsidiaries are as follows:		
- Dividend income	-	(14,960)
- Interest income	(14)	(15)
- Management fees received/receivable	(60)	(60)
- Rental income	(100)	(108)
- Secretarial fee paid/payable	103	101

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 28. RELATED PARTIES *cont'd*

### (c) Compensation of key management personnel

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

The remuneration of the key management personnel is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term employees benefits	3,430	3,544	2,510	2,459
Defined contribution plan	151	128	96	67
	3,581	3,672	2,606	2,526

## 29. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

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

	Carrying amount	Amortised cost	FVPL
	RM'000	RM'000	RM'000
<b>2024</b>			
<b>Financial assets</b>			
<b>Group</b>			
Trade and other receivables, excluding prepayments	4,132	4,132	-
Deposits, cash and bank balances	45,209	45,209	-
Other investments	11,087	-	11,087
	60,428	49,341	11,087
<b>Company</b>			
Trade and other receivables	27,265	27,265	-
Deposits, cash and bank balances	34,304	34,304	-
	61,569	61,569	-

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

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

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

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
<b>2024</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Trade and other payables	54,042	54,042	-
Hire purchase payable	616	616	-
	54,658	54,658	-
<b>Company</b>			
Trade and other payables	68,721	68,721	-
Hire purchase payable	515	515	-
	69,236	69,236	-
<b>2023</b>			
<b>Financial assets</b>			
<b>Group</b>			
Trade and other receivables, excluding prepayments	5,667	5,667	-
Deposits, cash and bank balances	57,376	57,376	-
Other investments	11,205	-	11,205
	74,248	63,043	11,205
<b>Company</b>			
Trade and other receivables	21,805	21,805	-
Deposits, cash and bank balances	43,981	43,981	-
	65,786	65,786	-

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

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

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

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
<b>2023</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Trade and other payables	48,048	48,048	-
Hire purchase payable	125	125	-
	48,173	48,173	-
<b>Company</b>			
Trade and other payables	68,666	68,666	-

### (b) Financial risk management

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

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

#### (i) Credit risk

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (i) Credit risk *cont'd*

##### Trade receivables

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

##### Credit risk concentration profile

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

	2024		Group 2023	
	RM'000	%	RM'000	%
<b>By country:</b>				
Malaysia	176	98%	1,584	100%
Singapore	4	2%	5	0%
	180	100%	1,589	100%
<b>By segment:</b>				
Credit and charge cards business and hospitality	127	71%	113	7%
General trading	7	4%	1,433	90%
Healthcare products	15	8%	12	1%
Investment holding and secretarial services	31	17%	31	2%
	180	100%	1,589	100%

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (i) Credit risk *cont'd*

##### Trade receivables *cont'd*

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

	<b>Gross carrying amount at default RM'000</b>
<hr/>	
<b>Group</b>	
<b>At 31 July 2024</b>	
Current	130
1-30 days past due	3
31-90 days past due	2
91-360 days past due	9
>360 days past due	36
	180
Impairment losses	58,480
	58,660
<b>At 31 July 2023</b>	
Current	73
1-30 days past due	666
31-90 days past due	1
91-360 days past due	819
>360 days past due	30
	1,589
Impairment losses	60,907
	62,496

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (i) Credit risk *cont'd*

##### **Other receivables and other financial assets**

For other receivables and other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and did not recognise any loss allowance for impairment for other receivables and other financial assets.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables and loans and borrowings.

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

The Group and the Company incurred continuous net losses of RM24,281,000 and RM13,865,000 respectively. The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumption and judgements are used in the preparation of the cash flow forecast.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (ii) Liquidity risk *cont'd*

##### Maturity analysis

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

Group	Carrying amount RM'000	← Contractual undiscounted cash flows →			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>2024</b>					
<b>Financial liabilities:</b>					
Trade and other payables	54,042	54,042	-	-	54,042
Hire purchase payables	616	154	532	-	686
Lease liabilities	2,755	592	2,326	177	3,095
	57,413	54,788	2,858	177	57,823
<b>2023</b>					
<b>Financial liabilities:</b>					
Trade and other payables	48,048	48,048	-	-	48,048
Hire purchase payable	125	27	116	-	143
Lease liabilities	2,053	619	1,562	-	2,181
	50,226	48,694	1,678	-	50,372



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (ii) Liquidity risk *cont'd*

##### Maturity analysis *cont'd*

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: *cont'd*

Company	Carrying amount RM'000	Contractual undiscounted cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>2024</b>					
<b>Financial liabilities:</b>					
Trade and other payables	68,721	68,721	-	-	68,721
Hire purchase payable	515	127	443	-	570
Lease liabilities	2,514	532	2,127	177	2,836
	71,750	69,380	2,570	177	72,127
<b>2023</b>					
<b>Financial liabilities:</b>					
Trade and other payables	68,666	68,666	-	-	68,666
Lease liabilities	1,761	559	1,302	-	1,861
	70,427	69,225	1,302	-	70,527

#### (iii) Foreign currency risk

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (iii) Foreign currency risk *cont'd*

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

	HKD RM'000	SGD RM'000	USD RM'000	Total RM'000
<b>Functional currency of the Group</b>				
<b>At 31 July 2024</b>				
Ringgit Malaysia	-	257	539	796
United States Dollars	(20)	1,054	-	1,034
	(20)	1,311	539	1,830
<b>At 31 July 2023</b>				
Ringgit Malaysia	-	280	1,850	2,130
United States Dollars	(20)	843	-	823
	(20)	1,123	1,850	2,953

#### Sensitivity analysis

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

	Change in rate	Effect on loss after tax for the financial year	
		2024 RM'000	2023 RM'000
<b>Group</b>			
- HKD	+ 5%	(1)	(1)
	- 5%	1	1
- SGD	+ 5%	50	43
	- 5%	(50)	(43)
- USD	+ 5%	20	70
	- 5%	(20)	(70)

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (b) Financial risk management *cont'd*

#### (iv) Market price risk

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

#### Sensitivity analysis for equity price risk

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

	Change in % of share price	Effect on loss for the financial year RM'000	Effect on equity RM'000
<b>Group:</b>			
<b>31 July 2024</b>	+ 5%	421	421
	- 5%	(421)	(421)
<b>31 July 2023</b>	+ 5%	426	426
	- 5%	(426)	(426)

### (c) Fair value measurement

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

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

The carrying amounts of long-term floating rate term loans is reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either directions).

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 29. FINANCIAL INSTRUMENTS *cont'd*

### (c) Fair value measurement *cont'd*

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Total RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>2024</b>									
<b>Financial assets</b>									
Other investments	11,087	11,087	-	-	11,087	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase payables	616	-	-	-	-	-	-	616	616
<b>2023</b>									
<b>Financial assets</b>									
Other investments	11,205	11,205	-	-	11,205	-	-	-	-
<b>Financial liabilities</b>									
Hire purchase payables	125	-	-	-	-	-	-	125	125
<b>Company</b>									
<b>2024</b>									
<b>Financial liabilities</b>									
Hire purchase payables	515	-	-	-	-	-	-	515	515

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. SEGMENT INFORMATION

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

The five reportable operating segments are as follows:

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

Other non-reportable segment comprises dormant companies.

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

### Segment profit

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

### Segment assets and liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. SEGMENT INFORMATION cont'd

2024	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services			Adjustments and eliminations		Total RM'000
					RM'000	Healthcare products RM'000	Others RM'000	RM'000	RM'000	
<b>Revenue</b>										
		Revenue from external customers	(a)	9,511	-	5,572	620	6,906	-	22,609
		Inter-segment revenue	(b)	-	-	11	200	-	(211)	-
		Total revenue		9,511	-	5,583	820	6,906	(211)	22,609
<b>Results</b>										
		<i>Included in the measure of segment loss are:</i>	(b)							
		Depreciation and amortisation		-	-	(2,202)	(503)	(3,299)	-	(6,004)
		Finance costs		-	-	(9)	(129)	(4)	14	(128)
		Fair value loss on investment properties		-	-	-	(360)	-	-	(360)
		Fair value loss on other investments		-	-	-	(118)	-	-	(118)
		Unrealised (loss)/gain on foreign exchange		-	-	-	(4)	5	-	1
		Gain on disposal of property, plant and equipment		-	-	-	110	-	-	110
		Bad debts recovered		-	-	-	148	-	-	148
		Bad debts written off		-	-	-	(831)	-	831	-
		Impairment loss on goodwill		(3)	-	-	-	-	-	(3)
		Impairment loss on trade and other receivables		(1)	-	-	(66,119)	(7)	66,126	(1)

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. SEGMENT INFORMATION cont'd

2024 cont'd	Note	General trading RM'000	Property RM'000	Hospitality & card services RM'000	Investment holding & secretarial services RM'000	Healthcare products RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
<b>Results</b>									
<i>Included in the measure of segment loss are: cont'd</i>									
Impairment loss on property, plant and equipment		-	-	-	-	(5,326)	-	-	(5,326)
Interest income		53	4	42	1,291	57	-	-	1,447
Property, plant and equipment written off		-	-	-	-	(4)	-	-	(4)
Reversal of impairment loss on trade receivables		-	-	2,715	49	-	-	-	2,764
Segment loss		(50)	(150)	(300)	(70,308)	(19,426)	(15)	66,162	(24,087)
Tax (expense)/credit		-	-	20	(214)	-	-	-	(194)
Loss for the financial year		(50)	(150)	(280)	(70,522)	(19,426)	(15)	66,162	(24,281)
<b>Assets:</b>									
Additions to non-current assets	(c)	3	-	634	3,336	8,520	-	-	12,493
Segment assets	(d)	63	68,192	86,328	1,166,186	97,521	2	(1,148,143)	270,149
<b>Liabilities:</b>									
Segment liabilities	(e)	9,369	25,788	87,691	761,693	55,515	895	(856,001)	84,950

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. SEGMENT INFORMATION cont'd

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



## NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. SEGMENT INFORMATION cont'd

2023 cont'd	Note	General trading		Property		Hospitality & card services		Investment holding & secretarial services		Healthcare products		Others		Adjustments and eliminations		Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Results</b>																
<i>Included in the measure of segment loss are: cont'd</i>																
Impairment loss on property, plant and equipment		-	-	-	-	-	-	-	-	(36,071)	-	-	-	-	-	(36,071)
Interest income		72	3	28	1,203	285	-	-	-	-	-	-	-	-	-	1,591
Property, plant and equipment written off		-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	(1)
Reversal of revaluation loss on property, plant and equipment		-	-	-	-	477	-	-	-	-	-	-	-	-	-	477
Reversal of impairment loss on trade receivables		-	-	3,117	82	-	-	-	-	-	-	-	-	-	-	3,199
Segment loss		(172)	(153)	(1,135)	(37,619)	(54,584)	(19)	32,312	(61,370)							
Tax (expense)/credit		-	(2)	184	(127)	-	-	-	55							
Loss for the financial year		(172)	(155)	(951)	(37,746)	(54,584)	(19)	32,312	(61,315)							
<b>Assets:</b>																
Additions to non-current assets	(c)	-	-	834	8	47,104	-	-	-	-	-	-	-	-	-	47,946
Segment assets	(d)	1,483	67,735	87,838	1,237,366	101,913	-	(1,212,320)	284,015							
<b>Liabilities:</b>																
Segment liabilities	(e)	10,736	25,181	88,912	762,524	44,330	879	(855,210)	77,352							

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 30. SEGMENT INFORMATION *cont'd*

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

(a) Revenue

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	22,609	21,042

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Intangible assets	3	68
Property, plant and equipment	12,490	47,878
	12,493	47,946

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

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

#### Geographical information

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

	<b>Revenue</b>	<b>Non-current assets</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>2024</b>		
Malaysia	22,609	205,625
<b>2023</b>		
Malaysia	21,042	203,797

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. SEGMENT INFORMATION *cont'd*

### Geographical information *cont'd*

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

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	165,501	163,306
Investment properties	40,040	40,400
Inventories	30	30
Intangible assets	54	61
	<b>205,625</b>	<b>203,797</b>

## 31. CAPITAL MANAGEMENT

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

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2024 and 31 July 2023.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 31. CAPITAL MANAGEMENT *cont'd*

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loan and borrowings	3,371	2,178	3,029	1,761
Trade and other payables	54,042	48,048	68,721	68,666
Deposits, cash and bank balances	(45,209)	(57,376)	(34,304)	(43,981)
Net debt/(cash)	12,204	(7,150)	37,446	26,446
Equity attributable to the owners of the Company				
Total capital	165,258	180,056	94,099	107,964
<b>Capital and net debt</b>	<b>177,462</b>	<b>172,906</b>	<b>131,545</b>	<b>134,410</b>
<b>Gearing ratio</b>	7%	*	28%	20%

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

## 32. COMPARATIVE FIGURES

As disclosed in Notes 9 and 15 to the financial statements, there were adjustment of non controlling interest and revaluation reserve in the previous financial years. Accordingly, the financial statements for the previous financial years included herein as comparative have been restated.

The audited financial statements of the Group for the financial years ended 31 July 2022 and 31 July 2023 were restated during the financial year as follows:

Group	As previously reported RM'000	Adjustment RM'000	As restated RM'000
<b>2022</b>			
<b>Statements of financial position</b>			
<b>Equity attributable to owners of the Company</b>			
Accumulated losses	(218,621)	(612)	(219,233)
Revaluation reserve	15,381	(1,545)	13,836
Non-controlling interests	27,452	2,157	29,609

## STATEMENT BY DIRECTORS

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

We, **DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF** and **PUAN SRI DATIN TAN SWEE BEE**, being two of the directors of Johan Holdings Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 69 to 147 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024 and of their financial performance and cash flows for the financial year then ended.

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

**DATO' AHMAD KHAIRUMMUZAMMIL BIN MOHD YUSOFF**  
Director

**PUAN SRI DATIN TAN SWEE BEE**  
Director

Date: 19 November 2024

## STATUTORY DECLARATION

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

I, **LEE TECK SIONG**, being the officer primarily responsible for the financial management of Johan Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 69 to 147 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**LEE TECK SIONG**  
**MIA Membership No.: 47078**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 November 2024.

Before me,

**ONG SIEW KEE (No. W839)**  
COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Johan Holdings Berhad, which comprise the statements of financial position as at 31 July 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 147.

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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

# INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

*cont'd*

## Key Audit Matters

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

## Group

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

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The Group has significant balance of property, plant and equipment relating to its glove manufacturing operation. The emergence of new glove suppliers in the market and weak market sentiment has impacted the demand for the Group's products. This indicates that the property, plant and equipment may be impaired. As such, there is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. The Group performed an impairment assessment to estimate the recoverable amount of these assets based on information provided and the valuation performed by an external independent valuer which requires significant judgement by directors in key assumptions used.

#### Our audit response:

Our audit procedures included, among others:

- considering and evaluating the appropriateness of the methodology and method adopted by the Group in measuring the recoverable amount is in accordance to the requirements of MFRS 136 *Impairment of Assets*;
- considering the competence, capabilities and objectivity of the external valuers which includes consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- reading the valuation reports and discussing with external valuer on their valuation approach and the significant judgements they made; and
- understanding the relevance of the key input data used by the external valuers.

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

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The carrying amount of investment properties is RM40,040,000 as at 31 July 2024. The Group estimated the fair value of the investment properties based on information provided and the market valuation performed by an external independent valuer. We focused on this area because the estimation of recoverable amount and fair value of investment properties requires significant judgement by directors in key assumptions used.

#### Our audit response:

Our audit procedures included, among others:

- considering the competence, capabilities and objectivity of the external valuers which includes consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- reading the valuation reports and discussing with external valuer on their valuation approach and the significant judgements they made; and
- understanding the relevance of the key input data used by the external valuers.

# INDEPENDENT AUDITORS' REPORT

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

## Key Audit Matters *cont'd*

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

## Group *cont'd*

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

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The carrying amount of the inventories of the Group is RM3,314,000 as at 31 July 2024. The Group's policy is to state the inventories at the lower of cost and net realisable value. The review of saleability and valuation of inventories at the lower of cost and net realisable value are an area of significant judgement and estimate by directors. The Group specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

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

#### Our audit response:

Our audit procedures included, among others:

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

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### Funding requirements and ability to meet short term obligations (Notes 4(d) and 29(b)(ii) to the financial statements)

---

The Group continued to incur net losses for consecutive three years and recorded net operating cash outflows for the financial year ended 31 July 2024.

The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year.

We focused on this area due to the significant amount of the short term liabilities and significant directors' judgement and estimates involved in the preparation of the cash flow forecast.

#### Our response:

Our audit procedures included, among others:

- reading and discussing the cash flow forecast prepared by the Group;
- reviewing the Group's assumptions in the cash flow forecast in relation to key inputs;
- performing stress tests for a range of reasonably possible scenarios; and
- testing the mathematical accuracy of the cash flow forecast calculation.



# INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

*cont'd*

## **Key Audit Matters** *cont'd*

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

## **Company**

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

## **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

## **Responsibilities of the Directors for the Financial Statements**

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

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

# INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

*cont'd*

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT

To the Members of Johan Holdings Berhad

(Incorporated in Malaysia)

*cont'd*

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

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

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

## **OTHER MATTERS**

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

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

Kuala Lumpur

Date: 19 November 2024

**Jason Wong Yew Ming**  
No. 03668/06/2026 J  
Chartered Accountant

## ANALYSIS OF SHAREHOLDINGS

As at 30 October 2024

### SHARE CAPITAL INFORMATION

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

### DISTRIBUTION OF SHAREHOLDINGS

No. of Holders	%	Size of Holdings	Total Holdings	%
104	1.51	Less than 100 shares	3,192	0.00
1,850	26.84	100 to 1,000 shares	1,644,357	0.14
2,937	42.60	1,001 to 10,000 shares	13,020,854	1.11
1,430	20.74	10,001 to 100,000 shares	57,615,674	4.93
569	8.25	100,001 to less than 5% of issued shares	527,005,779	45.12
4	0.06	5% and above of issued shares	568,738,584	48.70
<b>6,894</b>	<b>100.00</b>	<b>Total</b>	<b>1,168,028,440</b>	<b>100.00</b>

### LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS

(as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
1	RHB NOMINEES (TEMPATAN) SDN BHD <i>OSK CAPITAL SDN BHD FOR MUSTIKA MANIS SDN BHD</i>	250,408,140	21.44
2	KURNIA MENANG SDN BHD	111,414,919	9.54
3	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR STAR WEALTH INVESTMENT LIMITED</i>	106,915,525	9.15
4	MUSTIKA MANIS SDN BHD	100,000,000	8.56
5	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KIN FAI INTERNATIONAL LIMITED</i>	56,134,500	4.81
6	CIMB GROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR DBS BANK LTD (SFS-PB)</i>	46,012,500	3.94
7	APMS INVESTMENT FUND LTD	45,750,000	3.92
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>DEUTSCHE BANK AG SINGAPORE FOR ALBULA INVESTMENT FUND LIMITED</i>	45,000,750	3.85
9	CITIGROUP NOMINEES (ASING) SDN BHD <i>BANK OF SINGAPORE LIMITED FOR KWOK HENG HOLDINGS LIMITED</i>	37,791,000	3.24
10	LOTUS GLOBAL INVESTMENTS LTD	30,577,700	2.62

## ANALYSIS OF SHAREHOLDINGS

As at 30 October 2024

cont'd

### LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS cont'd (as shown in the Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
11	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)</i>	12,000,000	1.03
12	RCI VENTURES SDN BHD	8,325,000	0.71
13	RHB NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)</i>	6,934,400	0.59
14	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR LGT BANK AG (FOREIGN)</i>	5,700,000	0.49
15	TING JER HUAN	4,683,000	0.40
16	MEGA FIRST HOUSING DEVELOPMENT SDN BHD	4,251,300	0.36
17	NG CHIUN WEI	3,200,000	0.27
18	HK WONG HOLDINGS SDN BHD	3,000,000	0.26
19	LOH NYOU CHOO	3,000,000	0.26
20	ACO-BINA SDN BHD	2,700,000	0.23
21	WAN SAU LEONG	2,529,100	0.22
22	CHAN TIN WAI	2,500,000	0.21
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>HUON CHEK NGIE</i>	2,500,000	0.21
24	YICK HOE FERROUS STEEL SDN. BHD.	2,500,000	0.21
25	CHOON SIEW WAH	2,398,500	0.21
26	SITI MUNAJAT BINTI MD GHAZALI	2,250,000	0.19
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOO SAY GUAN (LOO0121C)</i>	2,222,000	0.19
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG(E-TMR)</i>	2,103,700	0.18
29	CHONG YEW MUN	2,100,000	0.18
30	LIM POH FONG	1,863,700	0.16
		<b>906,765,734</b>	<b>77.63</b>

## ANALYSIS OF SHAREHOLDINGS

As at 30 October 2024  
cont'd

### SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2024

(as per Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest	No. of Ordinary Shares		
		%	Deemed Interest %	
Tan Sri Dato' Tan Kay Hock	-	-	708,676,584*	60.67
Puan Sri Datin Tan Swee Bee	-	-	708,676,584*	60.67
Sky Wealth Ventures Limited	-	-	597,261,665*	51.13
Mustika Manis Sdn Bhd	350,408,140	30.00	-	-
Star Wealth Investment Limited	106,915,525	9.15	-	-
Kurnia Menang Sdn Bhd	111,414,919	9.54	-	-

#### Notes:-

\* Deemed interested by virtue of Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee's joint equity interest of 100% in Sky Wealth Ventures Limited which in turn holds 100% equity interest in Mustika Manis Sdn Bhd, Kin Fai International Limited, Kwok Heng Holdings Limited, Suncrown Holdings Limited and Star Wealth Investment Limited. In addition, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee each hold 50% direct equity interest in Kurnia Menang Sdn Bhd.

### DIRECTORS' INTEREST IN SHARES AS AT 30 OCTOBER 2024

(as per the Register of Directors' Shareholdings)

Name of Director	Direct Interest	No. of Ordinary Shares		
		%	Deemed Interest %	
Tan Sri Dato' Tan Kay Hock	-	-	708,676,584*	60.67
Puan Sri Datin Tan Swee Bee	-	-	708,676,584*	60.67
Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	-	-	-	-
Tan Poh Meng	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-

#### Notes:-

\* Deemed interested by virtue of Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee's joint equity interest of 100% in Sky Wealth Ventures Limited which in turn holds 100% equity interest in Mustika Manis Sdn Bhd, Kin Fai International Limited, Kwok Heng Holdings Limited, Suncrown Holdings Limited and Star Wealth Investment Limited. In addition, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee each hold 50% direct equity interest in Kurnia Menang Sdn Bhd.

### Holding Company

- Sky Wealth Ventures Limited

Name of Director	Direct Interest	No. of Ordinary Shares		
		%	Deemed Interest %	
Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee (Joint holder)	2	100	-	-

## LIST OF PROPERTIES HELD

As at 31 July 2024

Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
<b>MALAYSIA</b>							
Lot 1104 Jalan Titi Panjang 32200 Lumut, Perak	Marine Club	12,142	Leasehold – Expiring 29.4.2093	10,926	31	2022	1996
Lot 1025 Mukim Lumut Daerah Manjung Perak Darul Ridzuan	Hotel	13,167	Leasehold – Expiring 14.1.2092	35,641	31	2022	1992
Lot No. 15096 & Lot No. 15098 Pulau Pangkor Mukim Lumut Daerah Manjung	Leasehold land	58.73 acres	Leasehold – Expiring 4.5.2094	25,801	-	2022	1995
Lot No. 15528 Mukim of Lumut District of Manjung Perak Darul Ridzuan	Offices, factory and warehouse	71,980	Leasehold – Expiring 9.7.2105	45,332	23	2024	2021
Unit No. S01-13, S01-03, S01-05, S01-06 USJ One Persiaran Subang Permai, USJ 1, 47500 Subang Jaya Selangor Darul Ehsan	Retail units	1,136	Freehold	6,005	-	2024	2019
PT 348 No. 1 Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	685	Freehold	7,180	7	2024	2019
PT 2529, No 16, Jalan 22/5, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	251	Leasehold – Expiring 6.8.2113	2,475	7	2024	2019

## LIST OF PROPERTIES HELD

As at 31 July 2024

*cont'd*

Location	Description	Area Sq. metre	Tenure	Net Book Value RM'000	Age of Building (Years)	Year of Revaluation	Year of Acquisition
PT 2519, No 29, Jalan 22/6, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Three-storey terrace factories	287	Leasehold – Expiring 6.8.2113	2,995	7	2024	2019
Lot 1024 Town of Lumut District of Manjung Perak Daruk Ridzuan	Leasehold land	6,857	Leasehold – Expiring 14.1.2092	6,275	-	2024	1993
Lot 1100 Town of Lumut District of Manjung Perak Daruk Ridzuan	Leasehold land	2,585	Leasehold – Expiring 14.1.2092	2,785	-	2024	1993
Lot 1106 & 1107 Town of Lumut District of Manjung Perak Daruk Ridzuan	Leasehold land	20,236	Leasehold – Expiring 21.12.2094	12,325	-	2024	1995



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Ninth Annual General Meeting (“99<sup>th</sup> AGM”) of the Company will be conducted virtually on Thursday, 9 January 2025 at 11:00 a.m. from the Broadcast Venue at Boardroom of Johan Holdings Berhad, 11<sup>th</sup> Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur and via our Share Registrar’s online meeting platform at <https://www.johanmanagement.com.my> (Domain registration number D1A403973) for the following purposes:-

### **ORDINARY BUSINESS**

1. To receive the Audited Financial Statements for the financial year ended 31 July 2024 and the Directors’ and Auditors’ Reports thereon. *(Please refer to Note A)*
  
2. To re-elect the following Directors, who retire by rotation pursuant to Clause 90 of the Constitution of the Company and being eligible, offer themselves for re-election:
  - (a) Tan Sri Dato’ Tan Kay Hock *Ordinary Resolution 1*
  - (b) Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff *Ordinary Resolution 2*
  
3. To approve the payment of Directors’ fees and benefits of up to an amount of RM169,000 to Non-Executive Directors for the financial year ending 31 July 2025. *Ordinary Resolution 3*
  
4. To re-appoint Baker Tilly Monteiro Heng PLT, as External Auditors of the Company for the financial year ending 31 July 2025 and to authorise the Directors to fix their remuneration. *Ordinary Resolution 4*

### **SPECIAL BUSINESS**

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

5. **Authority to Allot and Issue Shares in General Pursuant to Sections 75 and 76 of the Companies Act, 2016** *Ordinary Resolution 5*

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon the terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

# NOTICE OF ANNUAL GENERAL MEETING

*cont'd*

6. To transact any other business of which due notice shall have been given.

By order of the Board

**TEH YONG FAH**

Group Secretary  
SSM PC No.: 201908003410  
MACS 00400

KUALA LUMPUR  
29 November 2024

**Notes:-**

- A. *This Agenda item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act, 2016 and the Constitution of the Company require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.*

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

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

2. *Members may submit questions to the Board prior to the AGM using the Question-and-Answer platform at <https://www.johanmanagement.com.my>, no later than 11.00 a.m. on Tuesday, 7 January 2025. Members may also submit questions in typed texts through the online meeting platform during the virtual AGM.*
3. *A member of the Company entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing proxy/proxies shall be in writing under the hand of the appointor or his attorney, or if such an appointor is a corporation, under its Common Seal or the hands of its attorney. A proxy need not be a member of the Company.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
5. *The instrument appointing proxy/proxies and the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at 11<sup>th</sup> Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur or e-mailed to the Company at [johanms1@outlook.com](mailto:johanms1@outlook.com) not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjourned meeting (as the case may be).*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 31 December 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## Explanatory Notes

### 1. Ordinary Resolution 1 and 2 - Proposed Re-election of Directors in accordance with Clause 90 of the Company's Constitution

Pursuant to Clause 90 of the Company's Constitution, Tan Sri Dato' Tan Kay Hock ("Tan Sri Tan") and Dato' Ahmad Khairummuzammil Bin Mohd Yusoff ("Dato' Ahmad K") are due for retirement by rotation at the AGM.

Tan Sri Tan and Dato' Ahmad K had offered themselves for re-election at the 99<sup>th</sup> AGM. The Board through the Nominating Committee, conducted an annual performance evaluation of the Directors including Tan Sri Tan and Dato' Ahmad K and was satisfied with their performance and effectiveness. The Board had recommended the re-election of Tan Sri Tan and Dato' Ahmad K as Directors, subject to shareholders' approval at the 99<sup>th</sup> AGM. Tan Sri Tan and Dato' Ahmad K had abstained from deliberation and decision on their own eligibility and suitability to stand for re-election at the respective Nominating Committee and Board resolutions. The profiles of Tan Sri Tan and Dato' Ahmad K are set out in the Profile of Directors of the Annual Report 2024.

### 2. Ordinary Resolution 3 - Directors' Fees and Benefits

The estimated Directors' fees and benefits payable to the Non-Executive Directors for financial year ending 31 July 2025 are based on the current Board size and number of scheduled Board and Committee meetings to be held. As disclosed in the Corporate Governance Overview Statement, the total Directors' fees and benefits paid to the Non-Executive Directors for financial year ended 31 July 2024 amounted to RM169,000, was approved by shareholders at the last AGM held on 18 January 2024.

### 3. Ordinary Resolution 5 - Authority to Allot and Issue Shares in General Pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution, if passed, will empower the Directors to issue shares of the Company up to ten per cent (10%) of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delays and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The Company has not issued any new shares under this general authority which was approved at the last AGM held on 18 January 2024 and which will lapse at the conclusion at this AGM. A renewal of this general authority is being sought at this AGM under the proposed Ordinary Resolution 5. The renewed mandate is to provide flexibility to the Company for any possible future fund raising activities, including but not limited to placement of shares for purposes of funding future investments, working capital and/or acquisition.

# Johan Holdings Berhad

Registration No. 192001000038 (314-K)

## FORM OF PROXY

(Please read the notes on the next page before completing this form)

No. of Shares held	
CDS Account No.	

I/We\*, \_\_\_\_\_ (Company/NRIC/Passport No. \_\_\_\_\_)

of \_\_\_\_\_

being a member/members\* of **JOHAN HOLDINGS BERHAD** hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or\*

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Ninety-Ninth Annual General Meeting of the Company to be conducted virtually from the Broadcast Venue at Boardroom of Johan Holdings Berhad, 11<sup>th</sup> Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur and via our Share Registrar's online meeting platform at <https://www.johanmanagement.com.my> (Domain registration number D1A403973) on Thursday, 9 January 2025 at 11:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as hereunder indicated.

ORDINARY RESOLUTIONS		For	Against
1	Re-election of Tan Sri Dato' Tan Kay Hock as a Director		
2	Re-election of Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as a Director		
3	Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 July 2025		
4	Re-appointment of Baker Tilly Monteiro Heng PLT as the Company's External Auditors for the financial year ending 31 July 2025 and to authorise the Board of Directors to fix their remuneration		
5	Authority to allot and issue shares pursuant to the Companies Act, 2016		

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Signature / Common Seal

\* Strike out whichever is not relevant.

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AFFIX  
STAMP

The Company Secretary  
**JOHAN HOLDINGS BERHAD**  
11<sup>th</sup> Floor, Wisma E&C  
No. 2 Lorong Dungun Kiri  
Damansara Heights  
50490 Kuala Lumpur

Then Fold Here

5. *The instrument appointing proxy/proxies and the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at 11<sup>th</sup> Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur or e-mailed to the Company at [johanms1@outlook.com](mailto:johanms1@outlook.com) not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjourned meeting (as the case may be).*
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