



JAG BERHAD

[Registration No. 199701023733 (439230-A)]



ANNUAL REPORT 2021

*Developing a
Sustainable Future*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Stacey Tan Siew Ching
Chairperson and Executive Director

Dato' Ng Meow Giak
Executive Director

Ewe Chuan Seng
Senior Independent Non-Executive Director

Roy Thean Chong Yew
Independent Non-Executive Director

Datuk Md. Hassim Bin Pardi
Independent Non-Executive Director

AUDIT COMMITTEE

Roy Thean Chong Yew
Chairman

Ewe Chuan Seng
Member

Datuk Md. Hassim Bin Pardi
Member

NOMINATION COMMITTEE

Ewe Chuan Seng
Chairman

Roy Thean Chong Yew
Member

Datuk Md. Hassim Bin Pardi
Member

REMUNERATION COMMITTEE

Datuk Md. Hassim Bin Pardi
Chairman

Ewe Chuan Seng
Member

Roy Thean Chong Yew
Member

RISK MANAGEMENT COMMITTEE

Roy Thean Chong Yew
Chairman

Datin Stacey Tan Siew Ching
Member

Dato' Ng Meow Giak
Member

Ewe Chuan Seng
Member

Datuk Md. Hassim Bin Pardi
Member

FORM OF LEGAL ENTITY

Incorporated in Malaysia on 14 July 1997 as a private limited company
Converted to a public limited company on 16 December 2002

REGISTRATION NUMBER

199701023733 (439230-A)

STOCK EXCHANGE LISTING

Listed on ACE Market of Bursa Malaysia Securities Berhad on 28 July 2003
Stock Code : 0024
Stock Name : JAG
Sector : Industrial Property and Services

COMPANY SECRETARIES

Chua Siew Chuan
SSM PC No. 201908002648
MAICSA 0777689

Cheng Chia Ping
SSM PC No. 202008000730
MAICSA 1032514

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Telephone no. : +603-2084 9000
Facsimile no. : +603-2094 9940/
+603-2095 0292
Email : info@sshhsb.com.my
(for Annual Report
request and/or general
meeting registration
matters)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Telephone no. : +603-2084 9000
Facsimile no. : +603-2094 9940/
+603-2095 0292
Email : Jason.Cheng@sshhsb.com.my

PRINCIPAL OFFICES

JAG Berhad
D65-3A, Block D, Jaya One,
72A, Jalan Universiti,
46200 Petaling Jaya,
Selangor Darul Ehsan
Telephone no. : +603-7497 2558
Facsimile no. : +603-5740 8912
Website : www.jagb.com.my

Jaring Metal Industries Sdn. Bhd.
No. 7, Jalan Sungai Kayu Ara 32/37,
Taman Berjaya, Seksyen 32,
40460 Shah Alam,
Selangor Darul Ehsan
Telephone no. : +603-5740 8823
Facsimile no. : +603-5740 8912
Website : www.jaringmetal.com

AUDITORS

Messrs. Russell Bedford LC PLT (AF 1237)
Chartered Accountants
Suite 37, Level 21, Mercu 3,
No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur,
Wilayah Persekutuan
Telephone no. : +603-2202 6666
Facsimile no. : +603-2202 6699

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad
Public Bank Berhad
Hong Leong Bank Berhad

GROUP CORPORATE STRUCTURE

JAG BERHAD

[199701023733 (439230-A)]

100%

JARING METAL INDUSTRIES SDN. BHD. [199701010289 (425785-T)]

Principal Activities:

- 1) Recycling and extraction of precious metals via the recovery and reclamation of industrial and electronic waste.
- 2) Trading of ferrous and non-ferrous metals.

100%

JAG NASMECH SDN. BHD.

[201501005407 (1130737-D)]

Principal Activity:

Operating twenty-four (24) hours coin-operated laundry business

100%

JAG ECO SDN.BHD.

[200901024397 (867497-X)]

Principal Activity:

Real property

100%

JAG RENEWABLE ENERGY SDN. BHD. [202001017576 (1373896-U)]

Principal Activity:

Production and manufacturing of renewable energy business, currently dormant

100%

JAG CAPITAL EQUITY SDN. BHD. [199001015039 (206708-P)]

Principal Activity:

Investment holding

100%

JAG LAND SDN. BHD. [201501005354 (1130684-K)]

Principal Activity:

Property developer, real estate project development, building constructor and property investment

100%

JAG DEVELOPMENT SDN. BHD. [201701035547 (1249718-T)]

Principal Activities:

Property developer, real estate project development, building constructor and property investment

100%

JAG PROP SDN. BHD. [201901027499 (1336826-T)]

Principal Activities:

Property developer, real estate project development, building constructor and property investment

100%

JAG SCOOPS SDN. BHD. [202001038572 (1394893-U)]

Principal Activity:

Manufacturing, distribution, sale and other related services of confectionery, ice-cream and gelato products

ABBREVIATIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Annual Report:-

Abbreviations	Description
“ACE LR” or “Listing Requirements”	ACE Market Listing Requirements of Bursa Securities
“AGM”	Annual General Meeting
“Bursa Securities”	Bursa Malaysia Securities Berhad
“FYE 2020”	Financial year ended 31 December 2020
“FYE 2021”	Financial year ended 31 December 2021
“FYE 2022”	Financial year ending 31 December 2022
“JAG” or “the Company”	JAG Berhad [Registration No. 199701023733 (439230-A)]
“JAG Group” or “the Group”	JAG and its subsidiaries
“JMI”	Jaring Metal Industries Sdn. Bhd. [Registration No. 199701010289 (425785-T)], a wholly-owned subsidiary of the Company
“LPD”	Latest practicable date, which is on 18 March 2022
“MFRS”	Malaysian Financial Reporting Standard
“MCCG”	Malaysian Code on Corporate Governance 2021
“SC”	Securities Commission Malaysia
“the Act” or “CA 2016”	Companies Act 2016

TECHNICAL INFORMATION SHEET

Technical Terms	Description
DOE	Department of Environment, an agency of Ministry of Natural Resources and Environment
E&E	Electrical and Electronic
E-waste(s)/e-waste(s)	E&E waste(s)
Ferrous	Chemical compound that indicates the presence of iron
Non-ferrous	Metals other than iron and alloys that do not contain an appreciable amount of iron
Scheduled Waste(s)	Wastes that fall into the categories of waste listed in Malaysia's First Schedule of the Environmental Quality (Scheduled Waste) Regulations 2005. Scheduled wastes can be categorised into five (5) types of wastes, which consist of:- <ul style="list-style-type: none"> metal or metal-bearing wastes; wastes with inorganic constituents which may include metal and organic materials; wastes with organic constituents which may contain metal or inorganic materials; wastes that contain inorganic or organic materials; and other wastes
Non-Scheduled Waste(s)	Wastes that do not fall into the categories of waste listed in Malaysia's First Schedule of the Environmental Quality (Scheduled Waste) Regulations 2005. Non-scheduled wastes include wastes such as paper, plastic and glass
Licensed Scheduled Waste(s)	Categories of Scheduled Wastes where JMI is licensed to carry out recycling activities by the DOE – Please refer to Table A below for full listing
LME	London Metal Exchange

Category	Description
SW1	Metal and metal-bearing wastes
SW104	Dust, slag, dross or ash containing aluminium, arsenic, mercury, lead, cadmium, chromium, nickel, copper, vanadium, beryllium, antimony, tellurium, thallium or selenium excluding slag from iron and steel factory
SW110	Waste from E&E assemblies containing components such as accumulators, mercury-switches, glass from cathode-ray tubes and other activated glass or polychlorinated biphenyl capacitors, or contaminated with cadmium, mercury, lead, nickel, chromium, copper, lithium, silver, manganese or polychlorinated biphenyl
SW2	Wastes containing principally inorganic constituents which may contain metals and organic materials
SW202	Wastes catalysts
SW204	Sludges containing one or several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium and beryllium
SW206	Spent inorganic acids
SW3	Wastes containing principally organic constituents which may contain metals and inorganic materials
SW325	Uncured resin waste containing organic solvents or heavy metals including epoxy resin and phenolic resin
SW4	Wastes which may contain either inorganic or organic constituents
SW401	Spent alkalis containing heavy metals
SW410	Rags, plastics, papers or filters contaminated with Scheduled Wastes
SW411	Spent activated carbon excluding carbon from the treatment of potable water and processes of the food industry and vitamin production
SW414	Spent aqueous alkaline solution containing cyanide
SW422	A mixture of Scheduled and Non-Scheduled Wastes
SW423	Spent processing solution, discarded photographic chemicals or discarded photographic wastes

CHAIRPERSON'S STATEMENT



COMMITTED TO A CULTURE OF EXCELLENCE

While JAG Group experienced the profound consequences of the COVID-19 pandemic which impacted the world in 2021, it was also a year where we demonstrated resilience, and the immense need for adaptability.”



Dear Valued Shareholders

We began 2021 with optimism and hope that the year would be better. As we all know, 2020 was unprecedented.

As we eagerly hoped for a clean break from the COVID-19 pandemic, the mutated virus from Delta to the latest Omicron continued to dominate headlines, keeping lives, economies, and industries on edge. While it had been a challenging period for many, the future is still looking hopeful as concerted efforts on vaccination programmes have yielded encouraging results.

Yet, in spite of the difficulties, our resilience has been defined as much by our strong financial discipline and strategic progress as it is by our ability to offer clarity and care during the unprecedented crisis. On this note, I am pleased to report that we sustained our financial health during the year under review and delivered solid returns to our shareholders.

We accomplished this by leveraging on good business fundamentals, focused strategies and robust operational efficiencies. We also continued to focus our efforts on optimising our business while strengthening our foundations for a sustainable future.

In all of these, our people have remained resilient and gone beyond their comfort zones. I view resilience as a positive outcome as we navigated the year and beam with pride when I think about the dedication shown by our JAG Berhad (or the Group) family this past year.

On that note and on behalf of the Board, I am pleased to present to you the Annual Report for JAG Berhad for the FYE 2021.

CHAIRPERSON'S STATEMENT

cont'd

ECONOMIC LANDSCAPE

The global economy was on a recovery path in 2021 but weakened in the third quarter due to localised lockdowns to curb the highly transmissible Delta variants.

However, Malaysia's overall economic performance for 2021 showed a recovery momentum with a growth of 3.1% compared to a decline of 5.6% in 2020¹. The growth was backed by the rebounded fourth quarter 2021 performance, as economic activities resumed with the easing of containment measures coupled with the impressive vaccine rollout.

For FYE 2022, the domestic economy is expected to remain on its recovery path, supported by increased economic activities as containment measures have been progressively relaxed as well as the resumption of projects with high multiplier effects and strong external demand.

The electrical and electronics ('E&E') industry, which the Group is dependent on for raw materials, had a strong 2021. In the first eight (8) months of 2021², Malaysia's total trade in E&E products amounted to RM477 billion, while exports rose 18.8% to RM282 billion.

Managing the uncertainties of COVID-19 has been a dominant feature for the last two (2) years. Our decisions have been focused on supporting our stakeholders whilst keeping our people safe and adapting the way we work.

FINANCIAL PERFORMANCE

"The capacity for change often begins during times of adversity, when limitations drive imagination."

For FYE 2021, the Group registered a profit after tax (PAT) of RM18.6 million, a commendable two-fold increase from the RM9.0 million recorded a year ago. Revenue for the year stood at RM224.0 million, a significant increase from the RM159.0 million recorded a year ago.

JAG Berhad's strong financial performance was achieved on the back of strong commodity prices and the growing demand for e-waste locally and globally. In addition to external factors, the Group also successfully increased its supplier contracts while its sustainable efforts, including the installation of green energy solar panels and the switch to using gas for heating process, resulted in additional savings.

Earnings per share for the year under review stood at 3.17 sen compared with 2.01 sen a year ago.

A more in-depth analysis of JAG Berhad's financial performance can be found in the Management Discussion and Analysis segment in this 2021 Annual Report.

DIVIDEND

Committed to delivering sustainable shareholder value, the Board of Directors has proposed a first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3.13 million for the FYE 2021, payable on 25 March 2022.

CORPORATE DEVELOPMENTS

Preparing for Growth

On 23 April 2021, JAG Berhad entered into a Sale and Purchase Agreement with CBH Property Sdn. Bhd. for the purchase of a piece of freehold land held under H.S.(D) 144686, PT 136940, Mukim Klang, District of Klang, State of Selangor, measuring approximately 980 square meters, together with a semi-detached factory together with three (3) storey office, for a total purchase price of RM5.0 million.

Private Placement

As of 3 June 2021, JAG Berhad had an issued share capital of RM179,072,171 comprising 544,109,892 ordinary shares in JAG Berhad of which 7,325,000 shares were held as treasury shares. Based on the above, on 4 June 2021, JAG Berhad proposed to undertake a private placement involving the issuance of up to 161,035,400 new JAG Berhad shares, representing not more than 30% of the existing total number of issued shares of the company of 536,784,892 shares.

COMMITTED TO GOOD CORPORATE GOVERNANCE

JAG Berhad recognises that good corporate governance is essential in supporting its businesses in the executing of strategies and in generating long term shareholder value. The Group adheres to the highest principles of transparency and accountability, and aligns its corporate governance standards to relevant regulatory frameworks and best practices.

Our corporate governance initiatives are detailed in the "**Corporate Governance Overview Statement**" section of this 2021 Annual Report.

¹ https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=100&bul_id=ckRWIQRNVF4K2k3M1BWYU8vVTM0Zz09&menu_id=TE5CRUZCbIh4ZTZMODZlBmk2aWRRQT09

² <https://www.theedgemarkets.com/article/mustapa-skills-shortage-lack-rd-ee-industry-must-be-addressed>

CHAIRPERSON'S STATEMENT

cont'd

SOLIDIFYING OUR SUSTAINABILITY AGENDA

"We are committed to delivering sustainable futures in a way that creates long term value through a culture of transparency, with genuine care and respect for our people and the communities we operate in."

The Group recognises climate change as one of the most critical issues facing generations today and into the future. Investors, regulators and other stakeholders are now challenging companies to take responsibility by taking an integrated, strategic approach to addressing climate change.

The Group remains steadfast in its commitment to sustainability. Our sustainability goals are fundamental to how we do business as it enables us to create long lasting value for our stakeholders.

Our strategic direction and efforts towards sustainable practices during the year under review are detailed in the **"Sustainability Statement"** section of this 2021 Annual Report.

OUTLOOK

After two (2) tough years, we remain hopeful that 2022 will provide the reprieve which we are all in search of though we are still cautious as waves of new COVID-19 variants are surging across the world, as we speak. The possibility of lockdowns remains, depending on the severity of new variants and new cases, which we are closely monitoring.

The World Bank estimates that global economic growth will decrease by 4.1% in 2022. Meanwhile, Malaysia's economy grew by 3.1% in 2021 and is set to grow 5.8% in 2022³, as domestic and external demand recovers, according to the latest edition of the World Bank Malaysia Economic Monitor.

The global semiconductor industry is expected to be on an uptrend with World Semiconductor Trade Statistics (WSTS) predicting that the industry will grow by 8.8% over 2022, to USD 601 billion, driven by double-digit growth of the sensors and logic category⁴.

Consumer spending is also expected to grow this year, with a research house forecasting that household spending in Malaysia will grow by a real rate of 5.1% over 2022 as consumers recover from two years of contraction in spending levels⁵. The report, which was released in October 2021, further added that spending will follow the wider economic recovery as higher vaccination rates over

the first half of 2022 will allow for more localities to lift restrictions that have hampered sales.

This will bode well for us, and we are cautiously optimistic of another strong year. Although we expect 2022 to be challenging due to the ongoing pandemic, our strong financial position and diversified operations places us in a good position for growth.

Our focus in the year ahead will be on executing our strategic agenda in delivering our targets while ensuring that we remain ahead of emerging trends towards sustained value creation for our stakeholders. JAG Berhad is confident that with our strong organisational culture coupled with a strong balance sheet we will continue to deliver value to stakeholders and take advantage of opportunities that arise.

A NOTE OF GRATITUDE

The Group experienced an extraordinary 2021 despite operating in such a challenging landscape. Our greatest source of strength is our people. On behalf of the management, I would like to express my gratitude to all JAG Berhad's employees, who have shown the highest levels of dedication and professionalism to safely deliver our promises, and transform the way we work while upholding our core values.

We would also like to express our appreciation to the Board of Directors for their faith in our resilience, for their wisdom in charting our future, and for their guidance in ensuring we operate ethically and with good governance.

Finally, we wish to sincerely thank our valued customers, business partners, relevant authorities and bankers for their continued support and faith in JAG Berhad, for their continued support and belief in the Group's ability to navigate the stormy waters of FYE 2021.

The Group remains committed to creating value for all our stakeholders, and with the sum of all your assistance, we are poised to deliver better results in FYE 2022, as the world finds its way back to recovery.

"Let us together look forward to 2022 and emerge stronger. Till then, keep well and stay safe."

Yours sincerely,

Datin Stacey Tan Siew Ching
Chairperson & Executive Director

³ <https://www.worldbank.org/en/country/malaysia/publication/malaysia-economic-monitor-reports>

⁴ <https://evertiq.com/news/51047>

⁵ <https://www.theedgemarkets.com/article/malysias-consumer-spending-begin-recovery-2022-says-fitch>

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

The JAG Group is a diversified group of companies involved in the business of total waste management, lifestyle and services (“lifestyle services”), investment holding and property investment and development through its subsidiaries.

The flagship subsidiary, JMI, which operates as a total waste management (“TWM”) company focusing on recycling of e-waste, contributed approximately 92% of JAG’s total revenue, followed by the investment holding business segment and the lifestyle services business segment.

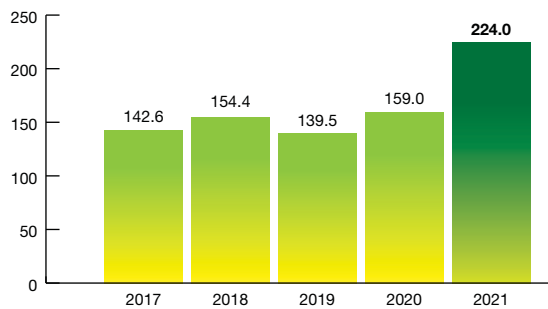
GROUP FINANCIAL PERFORMANCE

The FYE 2021 was the Group’s best performing year since the beginning of its operations. Revenue for the year stood at RM224.0 million, a significant 41% increase from FYE 2020.

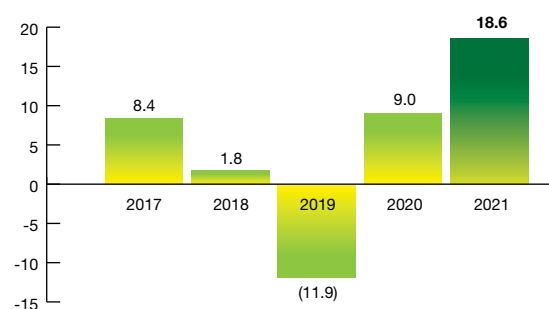
Net profit recorded a commendable two (2) fold increase from RM9.0 million in FYE 2020 to RM18.6 million in FYE 2021. Earnings per share improved by 57.7% from 2.01 sen to 3.17 sen in FYE 2021 while net assets increased by 24.5% from RM177.0 million to RM220.4 million in the FYE 2021.

The five (5) years summary of the Group’s financial performance are as below:-

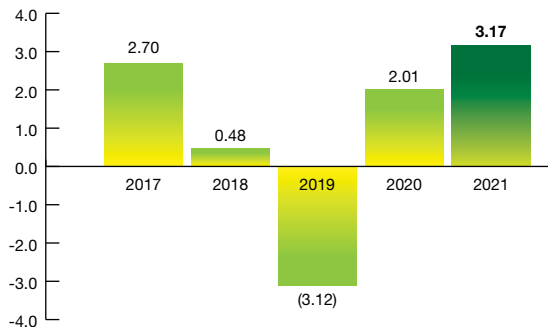
Revenue (RM' million)



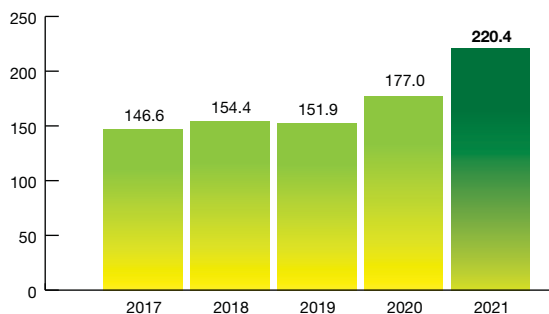
Net Profit (RM' million)



Basic Earnings Per Share (Sen)



Net Assets (RM' million)



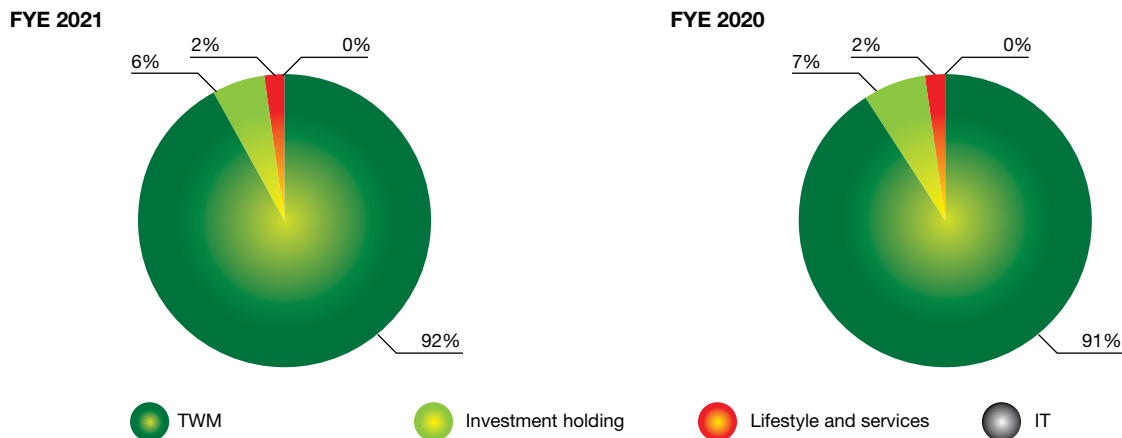
MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

REVENUE

In FYE 2021, JAG recorded the highest revenue since its operations at RM224.0 million. It marked an increase of 41% or RM65.0 million compared to FYE 2020 of RM159.0 million.

The breakdown of the revenue is as below:-



The TWM business segment, being the main contributor to the Group, recorded a revenue of RM207.3 million in FYE 2021, representing an increase of RM62.5 million or 43% compared to FY2020. The strong growth was mainly due to improved production capacity, greater procurement of waste supply as well as strong commodity prices during the year, especially copper, tin and nickel.

As for the investment holding business segment, the increase in revenue was due to the disposal of quoted investments held, which simultaneously led to the increase in direct cost as corresponding cost of disposal had been recognised in the Statement of Comprehensive Income.

In respect of the lifestyle services business segment which are driven by the coin-operated laundry business and the newly incorporated company which carries out the retail and manufacturing of gelato products, were recovering from the pandemic.

NET PROFIT

The Group reported its strongest net profit of RM18.6 million as compared to RM9.0 million in FYE 2020. The excellent profit was mainly contributed by the TWM business segment, with RM22.5 million net profit reported compared to RM10.1 million in FYE 2020, representing a remarkable improvement of 122% or RM12.4 million.

Referring to Note 34.1 in the note to the account of audited financial statements, the investment holding business segment reported a decrease in net profit in FYE 2021 compared to FYE 2020. Net profit reported for the year was RM5.0 million, compared to FYE 2020 of RM13.8 million. This was mainly due to lesser share investment activity conducted during the year, leading to lower profit generated.

In contrast, the lifestyle services business segment and property investment and development business segment registered losses in FYE 2021. The losses in lifestyle services segment was mainly due to the business segment undergoing recovery stage after the various movement control orders since FYE 2020. Fixed operating overhead costs of the business segment such as rental and staff costs remained despite low revenue generated.

The loss for property investment and development business segment was due to no development project being carried out during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

TOTAL ASSETS AND LIABILITIES

The Group's total assets as at FYE 2021 rose by 18% or RM41.2 million to RM270.4 million as compared to RM229.2 million in FYE 2020. The increase was mainly due to the recognition of additional capital investment in plant and equipment, right of use assets, increased in inventory level as well as other receivables, deposits and prepayments. The decrease in the Group's liabilities was mainly due to the lower amount recorded in other payables and accruals.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2021, the Group has cash and cash equivalents amounting to RM32.4 million compared to RM5.1 million in FYE 2020. The Group's bank borrowings have decreased from RM22.0 million to RM21.3 million due to repayments of term loans.

The Group's capital expenditure ("CAPEX") for FYE 2021 amounted to RM5.7 million and was financed by internally generated funds as well as proceeds from private placement exercise. CAPEX is largely driven by the production capacity demand, production and processes upgrade from time to time to expand the production facilities.

BUSINESS SEGMENT REVIEW

Total Waste Management

The core activity of JMI is to procure e-waste, of which majority are non-ferrous metals and precious metals from local semiconductor manufacturers. JMI then processes and/or converts the e-waste in an environmentally sound manner into its final products which are commodities based secondary metals such as copper, tin, nickel, silver and gold. These commodities are then sold to customers locally and abroad.

In respect of market position, JMI is one (1) of the market leaders in the e-waste recovery business in Malaysia. JMI is also one (1) of twelve (12) recycling companies in Malaysia with full recovery facility license awarded by the Department of Environment (DOE) (License No. 003685)¹. The full recovery facility license allows JMI to carry out all stages of the recycling process such as collection, transportation, processing and disposal of scheduled wastes.

The Group's mission is to contribute towards a greener earth for current and future generations. It is therefore essential for JMI to constantly develop energy-efficient and cost-effective processes to bring out the best results in its recycling and recovery activities. The company also aims to create zero-waste in production processes and is consistently working towards achieving this objective.

As such, JMI regularly reviews and monitors production efficiency. During the year, major production process controls were fine-tuned to reduce wastage wherever possible. Furthermore, the company is constantly investing in state-of-the-art equipment in order to cater to the increased input volume. These investments in CAPEX are usually customised to the requirements of the company. From the long-term perspective, the investments in the equipment are crucial in improving the efficiency of the production process as well as cost reductions.

In respect of quality control, JMI strongly believes that quality (in terms of operations and processes) is important as it lends credibility to JMI's operations. Hence, JMI has obtained the following certifications:-

ISO 9001:2015

Certification for the trading, processing and recovery of ferrous, non-ferrous and precious metals.

ISO 14001:2015

Certification for the trading, processing and recovery of ferrous, non-ferrous and precious metals.

OHSAS 18001:2007

Certification for the trading, processing and recovery of ferrous, non-ferrous and precious metals.

¹ <https://eswis.doe.gov.my/>

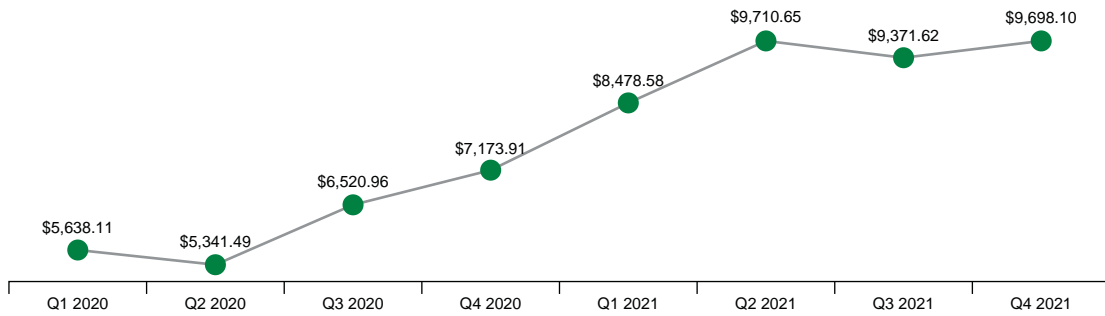
MANAGEMENT DISCUSSION AND ANALYSIS

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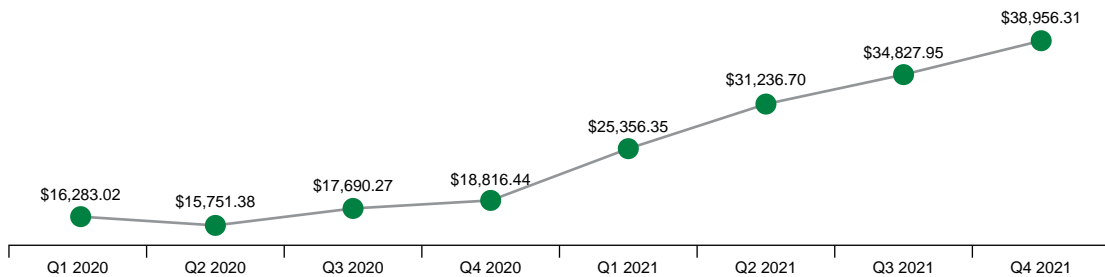
As the final products of the company are commodities based secondary metals, the fluctuations of the commodities price will have direct impact on the profitability and performance of the company. However, strategic approaches have been established to reduce dependence on the fluctuating commodities price and exchange rate in order to mitigate the negative impact to the company especially during adverse business environment.

In FYE 2021, 91% of JMI's sales revenue was derived from export markets to countries such as China, Japan and others. The commonly traded commodities by the company were copper, tin, nickel, silver and gold. The fluctuation of major commodity prices traded by JMI in 2020 and 2021 are illustrated below:-

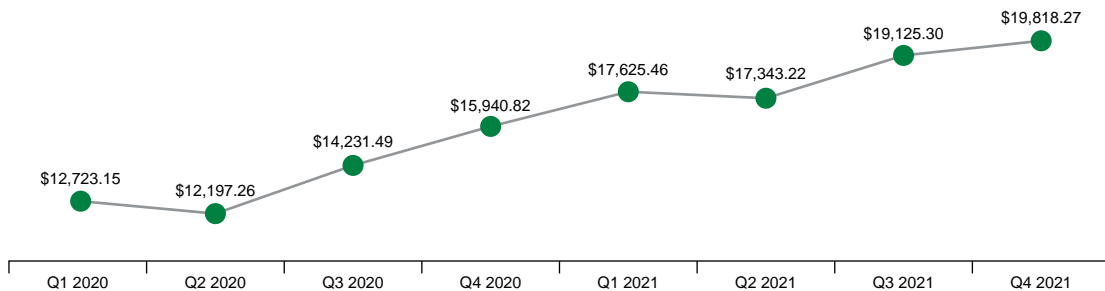
Copper Price Trend from 2020 to 2021 (USD/mt)



Tin Price Trend from 2020 to 2021 (USD/mt)



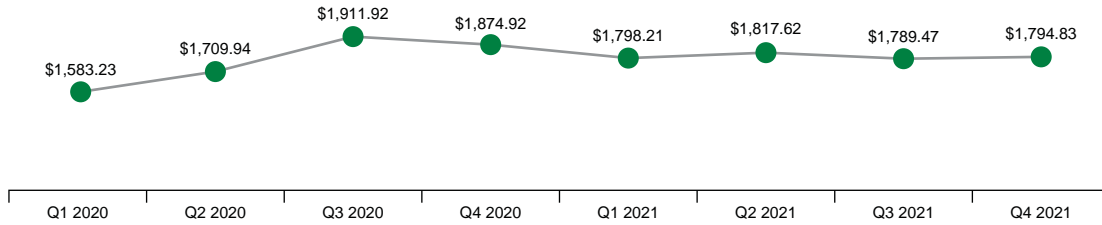
Nickel Price Trend from 2020 to 2021 (USD/mt)



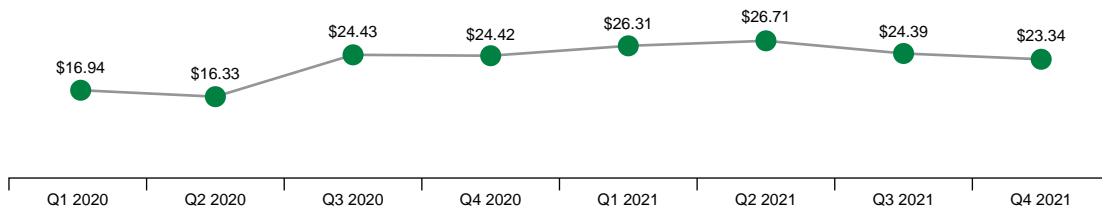
MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Gold Price Trend from 2020 to 2021 (USD/Ozt)

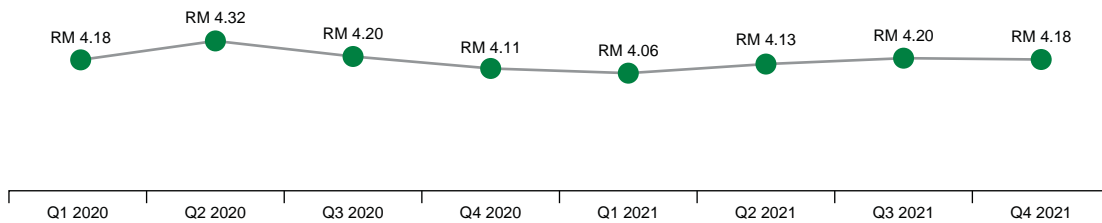


Silver Price Trend from 2020 to 2021 (USD/Ozt)



Source: Average price extracted from Argus Metal

Exchange Rate from 2020 to 2021 (USD 1: MYR)



Source: Average price extracted from Bank Negara Malaysia

Lifestyle Services

The lifestyle services business segment consist of two (2) subsidiaries, JAG Nasmeh Sdn. Bhd., being a chain of coin operated launderettes and JAG Scoops Sdn. Bhd., being a manufacturer and retailer for gelato and its related products respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

JAG Nasmeh Sdn. Bhd. (“JAGN”)

JAGN began its journey with its first outlet in September 2015. During FYE 2021, one (1) outlet was closed due to termination of tenancy. To-date, there are a total of thirteen (13) outlets operated by JAGN in carefully identified densely populated areas around Klang Valley.

FYE 2021 was a challenging year for this business segment as business operations were severely disrupted by the pandemic. This model of the business is based on minimum manpower requirement with the ability to generate income via its twenty four (24) hours business operation.

By adhering to the Standard Operating Procedures (“SOP”) as announced by the authorities, we had to limit the operation hours of the outlet thereby impacting the income generation of this division whilst operation cost had also increased. The operations hours of the outlets resumed to twenty four (24) hours only in mid of October 2021.

JAG Scoops Sdn. Bhd. (“JAGS”)

The Group on 25 November 2020 incorporated a 75% owned new subsidiary, namely JAG Scoops Sdn. Bhd. which operates as a manufacturer and retailer for gelato and its related products. The company carrying the trade name of “Gelato Fruity” to-date, has eight (8) outlets as listed below:-

- Pavilion
- Sunway Pyramid
- Fahrenheit 88
- Setapak Central
- One Utama
- Mid Valley Megamall
- Sunway Velocity (Ground Floor)
- Sunway Velocity (First Floor)

The operations of the retail industry in Malaysia have been severely impacted by the pandemic due to the MCO leading to a fall in consumer consumption. Retail Group Malaysia stated the retail sector recorded a decrease of 27.8% in third quarter sales compared to the same period last year².

On 17 December 2021, the Group had successfully increased its stake to 100% in JAGS and JAGS is now a wholly owned subsidiary of the Group. Further to the exercise, the management has taken the opportunity to roll out the transformation plan for JAGS with the intention to create better value by diversifying the product range, ensuring quality and service to customers.

The transformation plans include product rebranding from “top to toe” changes such as changes to the trading name from “Gelato Fruity” to “**fRost n bites**”, introduction of new products, new concepts and many more.

Property Investment and Development

The property arm of the Group is formed by three (3) subsidiaries, JAG Land Sdn. Bhd. (“**JAG Land**”), JAG Development Sdn. Bhd. (“**JAG Development**”) and JAG Prop Sdn. Bhd. (“**JAG Prop**”).

The management noted that the recovery path for Malaysia’s property sector remained uneven in 2021 and the property sector was significantly affected by the various movement curbs rolled out by the authorities³. After taking into consideration of various factors, the management decided to cease the only development project in JAG Development. The said land will remain for investment purposes and concurrently, other options are being analysed to determine their suitability in the current market with the aim to monetise the capital incurred.

The list of property and investment properties are listed in page 161 in this 2021 Annual Report.

² <https://themalaysianreserve.com/2021/12/08/malaysias-retail-sectors-hit-hard-by-the-covid-19-pandemic/>

³ <https://www.propertyguru.com.my/property-news/2021/12/202806/rehda-property-market-sentiment-remains-subdued-in-2021>

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

COVID-19 Pandemic Measures

The health and safety of the employees are always the Group's first priority. One (1) of our key measures during the pandemic is to safeguard our employees' well-being by embracing the use of hybrid and video conferencing to conduct meetings.

This includes also providing hand sanitisers and personal protection equipment such as face masks, conducting regular COVID-19 test for all employees and distributing self-test kits to reduce the risk of COVID-19 in the workplace.

The Group also ensures that strict hygiene and SOP are adhered to in our workplaces. These include enhanced cleaning of work-stations and common areas after every shift, regular chemical sanitisation, daily temperature monitoring of employees working on site and social distancing practices.

Prospects and Moving Forward

Looking into FYE 2022, the Group is confident of another solid financial year backed by external factors such as the macro environment and prices for commodity which are on an encouraging trend. Commonly traded commodities such as copper, silver, tin and nickel are trading upwards.

The TWM business segment is highly dependent on its supply chain which is backed by E&E industry participants and semiconductors in Malaysia. The development of E&E industries in Malaysia remains robust as E&E sector is one (1) of major contributors to the Malaysia economy and plays an essential role.

Furthermore, the semiconductor industry, which we are dependent on for raw materials remains positive underpinned by developments in 5G, Internet of Things (IoT), Electric Vehicle ("EV") as well as the shortage of global chips in various industries such as the automotive and manufacturing industries.

The global chips shortage is expected to stretch through 2022⁴, in this event, Malaysia's E&E sector is benefiting from the chip shortages as we hold a strategic position in global value chains, being among the larger net exporters of semiconductor products. The E&E production activity has recorded a strong rebound and continues to record markedly high levels. In particular, production has been above pre-pandemic levels since June 2020⁵, which in turn, greater waste generated.

In addition, the EV market is getting popular and is growing in demand. The production for EV and batteries required significant volume of nickel⁶, copper and tin, which will bode well for the Group.

On our end, we are also increasing our production downstream to cater to the needs of related industries. Internally, the Group is undertaking several measures to drive company growth. We are continuing to work towards securing more long-term contracts from local semiconductors as well as Multinational Corporations (MNCs).

On the operations side, we have plans to expand investment and CAPEX for our processing capacity this year, to the tune of RM50 million.

In respect of the lifestyle services business segment, coin-operated launderette business segment will continue to search for suitable and strategic location for expansion.

For JAGS, the management has planned to re-brand its gelato business, establish an in-house R&D to develop and introduce new gelato-based products and refurbish selected outlets. These are all strategic actions plans geared towards improving revenue contribution from this segment.

⁴ <https://www.bloomberg.com/news/articles/2022-01-25/biden-team-says-global-chip-shortage-to-stretch-through-2022>

⁵ <https://www.bnm.gov.my/documents/20124/4325086/box-article.pdf>

⁶ <https://www.cnbc.com/2022/03/08/nickel-price-surge-could-threaten-automakers-ev-plans.html#:~:text=Older%20lithium%2Dion%20batteries%20used,contain%20at%20least%2060%25%20nickel>

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

The Government's announcement to fully reopen the borders on 1 April 2022 will augur well to the strategic plans the management has implemented for this business segment. Moreover, the government announced the full reopening of its border beginning from 1 April 2022 after nearly two (2) years⁷. The said policy will attract more international travelers and hence, stimulate the business environment of retail industry.

Moving forward, TWM business segment will continue to be the major revenue and profit contributor to the Group in 2022. The Group will continue to emphasize on developing its key strengths of sourcing capabilities, and to invest heavily to improve the production capacity, efficiency and technology in order to remain at the forefront of the E-Waste recycling industry.

The Group is committed to maintaining its financial resilience, led by strategic business strategies to improve operational efficiencies, optimise cost, as well as create stronger returns to shareholders.

On behalf of the Management,

Dato' Ng Meow Giak

Executive Director

⁷ <https://www.tourism.gov.my/media/view/malaysia-ready-to-welcome-international-travellers-as-borders-fully-reopen-on-1-april>

PROFILES OF THE BOARD OF DIRECTORS

DATIN STACEY TAN SIEW CHING

*Chairperson and Executive Director
Malaysian, aged 53, Female*

Date of appointment as Director	: 15 March 2011
Length of service as director since appointment (as at LPD)	: 11 years
Board Committee(s) Membership	: Member of Risk Management Committee
Academic/Professional Qualification(s)	: Bachelor of Science (Honours) degree in Business Economics from the University of Salford in the United Kingdom
Present Directorship(s) in other Public Companies and Listed Companies	: Datin Stacey Tan does not hold any directorship in other public companies or public listed companies, but Datin Stacey Tan sits on the Board of several private companies.
Working experience	: Datin Stacey Tan possesses vast experience in various fields namely trading, retailing, information technology, education and training, interior design, refurbishment and contracting.
Time committed	: Datin Stacey Tan attended all the five (5) Board of Directors' Meetings of the Company held in the FYE 2021.

DATO' NG MEOW GIAK

*Executive Director
Malaysian, aged 50, Male*

Date of appointment as Director	: 5 December 2013
Length of service as director since appointment (as at LPD)	: 8 years 3 months
Board Committee(s) Membership	: Member of Risk Management Committee
Academic/Professional Qualification(s)	: Upper secondary education, Form 5 in Malaysia
Present Directorship(s) in other Public Companies and Listed Companies	: Dato' Ng does not hold any other directorship in other public companies or public listed companies, but Dato' Ng sits on the Board of several private companies.
Family relationship with any Director and/or major shareholder of the Company	Dato' Ng is a major shareholder of the Company effective from 10 December 2013. He is a brother to Dato' Ng Aik Kee and Mr. Ng Yaw Long.
Working experience	: Dato' Ng started his career in JMI from 1 January 1998 and has over 24 years of experience in recycling and E-Wastes recycling industry. Dato' Ng is responsible for the overall business development activities of JMI which includes the review of sales strategies, review of contracts and maintaining good working relationships with customers.
Time committed	: Dato' Ng attended all the five (5) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

ROY THEAN CHONG YEW

Independent Non-Executive Director

Malaysian, aged 51, Male

Date of appointment as Director : 18 October 2010

Length of service as director since appointment (as at LPD) : 11 years 4 months

Board Committee(s) Membership :

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

Academic/Professional Qualification(s) :

- Member of the Malaysian Institute of Certified Public Accountants (“**MICPA**”)
- Member of the Malaysian Institute of Accountants (“**MIA**”)
- Chartered Member of Institute of Internal Auditors of Malaysia (“**CMIIA**”)

Present Directorship(s) in other Public Companies and Listed Companies :

- Malaysia Steel Works (KL) Berhad
- Teladan Setia Group Berhad

Working experience :

Mr. Roy Thean started embarking on his career path in year 1994 with PKF Malaysia. After accumulating extensive working experience in his field, Mr. Roy Thean left PKF Malaysia as an Audit Manager in year 2003 to join a professional services firm, Russell Bedford Malaysia Business Advisory Sdn. Bhd. (“**RBMBA**”) for another six (6) years, rising to the position of an Executive Director. In 2009, he left RBMBA to start his own business venture.

With over 27 years of working experience in local and international professional services firms, Mr. Roy Thean has been involved in rendering a wide and diverse range of professional services to public listed companies and multinational and large national enterprises. His work encompasses a wide range of professional services with his core practice being in corporate finance and advisory work for transaction support services including business valuations, financial due diligence, preparation of business plans and financial modeling, internal control and business risk review, corporate governance, risk management, merger/acquisition related services, internal and external auditing.

Time committed : Mr. Roy Thean attended all the five (5) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

DATUK MD. HASSIM BIN PARDI

*Independent Non-Executive Director
Malaysian, aged 70, Male*

Date of appointment as Director	: 26 August 2011
Length of service as director since appointment (as at LPD)	: 10 years 6 months
Board Committee(s) Membership	: <ul style="list-style-type: none"> • Chairman of Remuneration Committee • Member of Audit Committee • Member of Nomination Committee • Member of Risk Management Committee
Academic/Professional Qualification(s)	: <ul style="list-style-type: none"> • Honours degree in Bachelor of Arts, University of Malaya • Diploma in Public Administration, University of Malaya
Present Directorship(s) in other Public Companies and Listed Companies	: Nil
Working experience	: Datuk Md. Hassim had served the Malaysian Customs Department for 34 years until August 2010, with last held position as the Assistant Director General of Customs. Out of the thirty-four (34) years' tenure, he had held the position as the State Customs Director in the states of Perlis, Melaka and Sarawak for eleven (11) years.
Time committed	: Datuk Md. Hassim attended all the five (5) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

EWE CHUAN SENG

*Senior Independent Non-Executive Director
Malaysian, aged 66, Male*

Date of appointment as Director : 13 August 2014

Length of service as director since appointment (as at LPD) : 8 years and 2 months

Previous Appointment: 7 months
03.11.2010 to 20.06.2011

Current Appointment: 7 years and 7 months
13.08.2014 to present

Mr. Ewe was once a Director of the Company in year 2010 for a period of seven (7) months and rejoined the Board on 13 August 2014 as an Independent Non-Executive Director

Board Committee(s) Membership :

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

Academic/Professional Qualification(s) :

- Honours degree in Bachelor of Arts, Universiti Sains Malaysia
- LLB (Hons), University of East London
- Certificate of Legal Practice (CLP)
- Member of Chartered Institute of Arbitrators (CIArb), United Kingdom

Present Directorship(s) in other Public Companies and Listed Companies : Nil

Working experience : Mr. Ewe joined the police force as an Assistant Superintendent of Police in February 1983 before joining the private sector as a Factory Manager and then a General Manager.

He joined Tan Cheong Leong & Sons Realty Sdn. Bhd. Group of Companies (with business activities in property development, property management and manufacturing) and rose to become its Group General Manager in charge of legal affairs and human resources.

Currently he is the senior partner in Messrs. Ewe Chong & Khoo since July 1999 to present.

Time committed : Mr. Ewe attended all the five (5) Board of Directors' Meetings of the Company held in the FYE 2021.

Notes:-

Save as disclosed above, none of the Directors has:-

(a) any family relationship with any Director and/or major shareholder of the Company;

(b) any conflict of interest with the Company; and

(c) any conviction for offences (other than traffic offences) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT

DATIN STACEY TAN SIEW CHING

*Chairperson and Executive Director
Malaysian, aged 53, Female*

Please refer to page 17 for profile of Datin Stacey Tan.

DATO' NG MEOW GIAK

*Executive Director
Malaysian, aged 50, Male*

Please refer to page 17 for profile of Dato' Ng.

DATO' NG AIK KEE, THOMAS

*Managing Director, JMI
Malaysian, aged 52, Male*

Date first appointed to the key senior management position : 1 January 1998

Academic/Professional Qualification(s) : Upper secondary education, Form 5 in Malaysia

Present Directorship(s) in other Public Companies and Listed Companies : Dato' Thomas Ng does not hold any other directorship in other public companies or public listed companies, but he sits on the Board of several private companies.

Family relationship with any Director and/or major shareholder of the Company : Dato' Thomas Ng is a major shareholder of the Company effective from 10 December 2013.

He is the brother to Dato' Ng Meow Giak, who is an Executive Director of the Company.

Working experience : Dato' Thomas Ng joined JMI since 1 January 1998 and has over 24 years of experience in recycling and E-Wastes recycling industry. His main role in JMI is to oversee the overall performance and operation, provide direction and strategy of the Company.

Disclosure on Conflict of Interest and Convictions for Offences (if any) : He has no conflict of interest with the Company and has no convictions for any offences, other than traffic offences (if any) within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT

cont'd

NG YAW LONG, TONY

*Operation Director, JMI
Malaysian, aged 46, Male*

Date first appointed to the key senior management position : 1 September 2000

Academic/Professional Qualification(s) : Mr. Tony Ng graduated with a Bachelor of Business Information Systems in year 1998 and subsequently a Master's degree in Practising Accounting in year 2000 from Monash University, Australia.

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Tony Ng does not hold any other directorship in other public companies or public listed companies, but he sits on the Board of several private companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Tony Ng is the brother to Dato' Ng Aik Kee and Dato' Ng Meow Giak. Dato' Ng Aik Kee is a major shareholder of the Company, whilst Dato' Ng Meow Giak is an Executive Director of the Company.

Working experience : Mr. Tony Ng joined the Company in year 2000 as the Information Technology ("IT") Manager managing IT, hardware and software systems. He was subsequently promoted to be the Operation Director in year 2007. Over the years, his job scope has grown to include overseeing various departments operations such as human resource, production, plant facilities, legal compliance, government affairs and administrations. With over 22 years of working experience in the metal recycling industry, Mr. Tony Ng has gained a wide knowledge in business operations and management.

Disclosure on Conflict of Interest and Convictions for Offences (if any) : He has no conflict of interest with the Company and has no convictions for any offences, other than traffic offences (if any) within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT

cont'd

GOH CHEE HONG

*Finance Manager, JMI
Malaysian, aged 51, Male*

Date first appointed to the key senior management position : 17 May 2010

Academic/Professional Qualification(s) : Mr. Goh obtained his Association of Chartered Certified Accountants (“**ACCA**”) qualification in year 1998 and was admitted as an Associate of the ACCA in the same year.

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Goh does not hold any other directorship in other public companies or public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Goh has no family relationship with any director and/or major shareholder of the Company.

Working experience : Prior to joining JMI, he was employed as an Assistant Manager in The Valiram Group (a luxury goods retailer), in charge of the Inventory Department, Internal Audit Department and Merchandising Department.

Disclosure on Conflict of Interest and Convictions for Offences (if any) : He has no conflict of interest with the Company and has no convictions for any offences, other than traffic offences (if any) within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Sustainability Governance Initiatives		
1.	Anti-Bribery and Anti-Corruption (“ ABAC ”) policy	Compliance Officer <i>[to monitor the adequacy and operating effectiveness of ABAC Policy]</i>
2.	Risk Management Working Group (“ RMWG ”)	Head of RMWG <i>[reporting to the Risk Management Committee]</i>

PROFILES OF KEY SENIOR MANAGEMENT

cont'd

KEK BENG SOON

*Financial Controller, JAG Berhad
Malaysian, aged 34, Male*

Date first appointed to the key senior management position : 1 November 2016

Academic/Professional Qualification(s) : Mr. Kek graduated from Tunku Abdul Rahman University College with a Bachelor's Degree and Advanced Diploma in Business Studies, Administration and Management in year 2011. He is a member of Malaysian Institute of Accountants as well as ACCA.

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Kek does not hold any other directorship in other public companies or public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Kek has no family relationship with any director and/or major shareholder of the Company.

Working experience : Prior to joining the Group, Mr. Kek started his career as an Audit Assistant Executive with Russell Bedford LC & Co ("**RBLC**"), a medium tier audit firm in Malaysia rising to the position of Assistant Audit Manager and left RBLC in 2016 to join the Group.

Whilst with RBLC, he was involved in several finance and accounting projects such as Goods and Services Tax implementation project, MFRS implementation project, financial due diligence etc. Besides, he was also having vast experience in leading audit assignments of listed and private companies from various industries.

Disclosure on Conflict of Interest and Convictions for Offences (if any) : He has no conflict of interest with the Company and has no convictions for any offences, other than traffic offences (if any) within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Sustainability Governance Initiatives		
1.	ABAC policy	Compliance Officer <i>[to monitor the adequacy and operating effectiveness of ABAC Policy]</i>
2.	RMWG	Head of RMWG

PROFILES OF KEY SENIOR MANAGEMENT

cont'd

NG SENG TEIK

*Project Director, JAG Land Sdn. Bhd.
Malaysian, aged 46, Male*

Date first appointed to the key senior management position : 2 November 2015

Academic/Professional Qualification(s) : Mr. ST Ng graduated from University of Hertfordshire, United Kingdom with a Bachelor of Civil Engineering in year 1999.

Present Directorship(s) in other Public Companies and Listed Companies : Mr. ST Ng does not hold any other directorship in other public companies or public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. ST Ng has no family relationship with any director and/or major shareholder of the Company.

Working experience : Mr. ST Ng is currently heading the property development division of the Group.

Prior to joining the Group, he began his career as a Geotechnical Engineer with a geologist firm in Malaysia. He was also involved in geotechnical design, analysis as well as failure investigation during his career path. Thereafter, he was attached to two (2) local property development companies and last position he held in that company was Head of Project Department where he was responsible for project development, planning and construction, property management and maintenance works.

Disclosure on Conflict of Interest and Convictions for Offences (if any) : He has no conflict of interest with the Company and has no convictions for any offences, other than traffic offences (if any) within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

“Corporate governance is the system by which companies are directed and controlled.”

The Institute of Chartered Accountants in England and Wales, United Kingdom (“**ICAEW**”)

Taking the cue from the ICAEW, the Board of Directors of JAG recognises that the purpose of corporate governance (“**CG**”) is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.

JAG’s Commitment

The Board of JAG is committed towards ensuring good CG practices are implemented and maintained throughout the Group as a fundamental part of discharging its duties to protect shareholders’ interests.

As part of this commitment, the Board is pleased to present this CG Overview Statement (“**CG Statement**”) to provide investors with an overview of the extend of compliance with the Practices as set out in the MCCG under the stewardship of the Board. In doing so, the Board has taken guidance from the three (3) key Principles below as set out in the MCCG:-

Principle A	Principle B	Principle C
Board Leadership & Effectiveness	Effective Audit & Risk Management	Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

This Statement also serves as a compliance with Rule 15.25(1) of the ACE LR of Bursa Securities and should be read together with the CG Report of the Company for the financial year ended 31 December 2021 (“**FYE 2021**”), which are available for public access on the Company’s corporate website at:-

<http://www.jagb.com.my>

The CG Report 2021 provides the detailed explanations on how JAG has applied each Practice as set out in the MCCG during the FYE 2021 and/or up to 18 March 2022, being the latest practicable date (where applicable) (hereinafter referred to as “**Applicable Period**”).


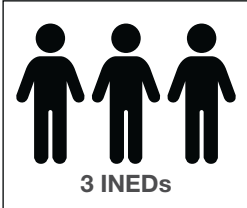
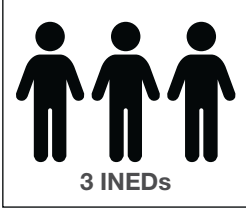
JAG’s Key Focus Area

The Board is pleased to provide below a snapshot of the key CG focus areas for the Applicable Period:-

MCCG Practice	Applications by JAG			
<table border="1"> <tr> <td></td> <td> <p>Practice 1.1</p> <p>Key Responsibilities of the Board</p> </td> <td></td> </tr> </table>		<p>Practice 1.1</p> <p>Key Responsibilities of the Board</p>		<ul style="list-style-type: none"> ■ Strategic planning and direction to Executive Management ■ Group business overview and financial performance oversight ■ Risk Management oversight – assisted by Risk Management Committee (“RMC”) ■ Internal Control and compliance – ensure robustness, adequate and with integrity ■ Stakeholders’ communication – designated spokesperson for external parties and general public ■ Human resources planning and remuneration – ensure Executive Management retain key senior management personnel with integrity and competence
	<p>Practice 1.1</p> <p>Key Responsibilities of the Board</p>			

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

<p style="text-align: center;">Practice 5.2</p> <p style="text-align: center;">At least half the Board comprises independent directors</p>	<ul style="list-style-type: none"> 60% of the Board comprises Independent Non-Executive Directors (“INEDs”) and remaining 40% are Executive Directors (“EDs”). <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>2 EDs</p> </div> <div style="text-align: center;">  <p>3 INEDs</p> </div> </div>
<p style="text-align: center;">Practice 5.8</p> <p style="text-align: center;">Nomination Committee is chaired by an independent or senior independent director</p>	<ul style="list-style-type: none"> The Nomination Committee is chaired by Mr. Ewe Chuan Seng (“Mr. Ewe”), the Senior INED Mr. Ewe has been designated as contact person to whom shareholders may raise their concern
<p style="text-align: center;">Practice 6.1</p> <p style="text-align: center;">Formal and objective evaluation on Board, its Committees and each individual director</p>	<ul style="list-style-type: none"> Facilitated by the Company Secretary, Mr. Ewe, as the Chair of the Nomination Committee led the annual review of board effectiveness, ensuring the performance of each Director, the Board Committees, as well as the Board as a whole were duly assessed by the Nomination Committee and be documented by the Company Secretary
<p style="text-align: center;">Step-up Practice 9.4</p> <p style="text-align: center;">The Audit Committee comprises solely of independent director</p>	<ul style="list-style-type: none"> The Audit Committee comprises solely of three (3) INEDs <div style="text-align: center;">  <p>3 INEDs</p> </div>
<p style="text-align: center;">Step Up Practice 10.3</p> <p style="text-align: center;">Risk Management Committee with a majority of independent directors</p>	<ul style="list-style-type: none"> Formation of a Board-level Committee i.e. RMC since 26 February 2018 The RMC is chaired by Mr. Roy Thean Chong Yew, an INED 60% of the RMC comprises INEDs and the remaining 40% are identified key senior management personnel – having due regards to the nature of business and operating environment of the core business of JAG

The detail applications of each of the three (3) key CG principles were set out below:-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Duties and responsibilities of the Board

The Board is responsible for the leadership, oversight and the long-term success of the Group.

Certain responsibilities of the Board are delegated to other Board Committees, which operate within clearly defined Terms of Reference. Standing committees of the Board include the Audit Committee (“**AC**”), Nomination Committee (“**NC**”), Remuneration Committee (“**RC**”) and Risk Management Committee (“**RMC**”).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through the reports made by the Chairman or representative of each Committee and tabling of Minutes of Board Committees' Meeting of the applicable period for notation by the Board.

It is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of its function and duties, the primary responsibilities of the Board include (but are not limited to) the following:-

(a) Enhancement of Strategic Plan to include sustainability considerations

The Movement Control Order (“MCO”) imposed by the Malaysian Government was further extended and relaxed to different phases in 2020 and 2021, including the Conditional MCO and Recovery MCO. Several phases had been enacted nationwide, and other measures had been localised to individual states and federal territories or smaller areas, included in the National Recovery Plan launched in June 2021.

The Board reviewed and enhanced the measures on the Group's existing strategic objectives and its implementation strategies, including work-from-home requirements for the staff of the Group, as well as all relevant preventive measures for factory employees in compliance with the Government guideline.

The Board also noted the strategic plan for the Company, including its goals and business direction, have been enhanced to include sustainability considerations, and its underlying environmental, social and governance (“ESG”) issues, notwithstanding the outbreak of COVID-19 pandemic.

The Board believes that the current strategic plan supports long-term value creation, which includes strategies on economic, environment and social considerations underpinning sustainability.

(b) Review of Management's Proposals and Conduct of the Group's business

It is the practice of the Board to deliberate, review and approve the business proposals and strategic initiatives proposed by the Management.

The Board constantly monitors the implementation of the initiatives, through reporting updates by the Senior Management Team, to ensure that the Group is aligned with its objectives set.

For the FYE 2021, the Management had presented to the Board the following proposals and strategic initiatives:-

i) Annual Budget Plan

As a financial activity tracking initiative to support the strategic plan, the Management had tabled to the Board, the annual budget plan of the Group for FYE 2021 for review and approval.

The Board reviewed and deliberated the basis and underlying assumptions made by the Management when preparing the annual budget plan of the Group for FYE 2021 and provided guidance to ensure that the assumptions made were realistic and applicable to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

(b) Review of Management's Proposals and Conduct of the Group's business *cont'd*

ii) Proposed Private Placement of up to 20% of the total number of issued shares in the Company ("Proposed Private Placement")

The proposal on Proposed Private Placement was tabled by the Management to the Board for consideration for the purpose of raising funds for the Group's acquisition of equipment, working capital, repayment of bank borrowings, as well as the expenses for the Proposed Private Placement.

Upon review by the Board and deemed appropriate, on 4 June 2021, the Company announced to undertake the Proposed Private Placement.

The shareholders, at the Extraordinary General Meeting held on 28 July 2021, approved the Proposed Private Placement and Bursa Securities had via its letter dated 30 June 2021, approved the listing of and quotation for up to 161,035,400 ordinary shares on ACE Market of Bursa Securities.

Subsequent to the first tranche of 90,000,000 placement shares allotted on 9 August 2021, the Board agreed to apply for extension of time ("EOT") to complete the implementation of the Company's private placement with Bursa Securities and the said application was approved by Bursa Securities on 23 February 2022 for the EOT of six (6) months up to 30 June 2022.

iii) Proposed Acquisition of Property by JMI

On 23 April 2021, the Company entered into a Sale and Purchase Agreement with CBH Property Sdn. Bhd., for the purchase of a piece of freehold land held under H.S.(D) 144686, PT 136940, Mukim Klang, District of Klang, State of Selangor ("**Property**"), measuring approximately 980 square meters, together with a semi-detached factory together with three (3) storey office, for a total purchase price of RM5.0 million.

Followed by the robust development of E&E industry in Malaysia, JMI, as the core subsidiary of the Company is expected to collect larger amount of e-waste from local semi-conductor manufacturer. Thus, greater storage capacity would be required for storage of the raw materials and finished goods.

In addition, the excess space of the Property would be used as show room and administrative office as well as rent out to fellow subsidiary for their operations.

iv) Environmental, Social and Governance ("ESG") Training

In compliance with the Principle A of the MCGG on the integration of sustainability considerations into corporate strategy, governance and decision-making, as well as the impact of the ESG issues, the Management had organised an exclusive ESG training to the Board and key management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

(c) Oversee of Business Operations and Performance Tracking

The Senior Management Team which consists of the following senior management personnel, headed by the Chairperson and ED, Datin Tan Siew Ching, Stacey (“**Datin Stacey Tan**”) who is responsible for the day-to-day management and operations of the Group:-

Name	Designation
Datin Stacey Tan	Chairperson and ED
Dato' Ng Meow Giak	ED (TWM Division)
Mr. Kek Beng Soon	Financial Controller (Group)
Dato' Ng Aik Kee, Thomas	Managing Director (TWM Division)
Mr. Ng Yaw Long, Tony	Operations Director (TWM Division)
Mr. Goh Chee Hong	Finance Manager (TWM Division)
Mr. Ng Seng Teik	Project Director (Property Development Division)

The principal responsibilities of the Senior Management Team are as follows:-

- Developing, co-ordinating and implementing business and corporate strategies for the approval of the Board
- Implementing the policies and decisions of the Board
- Overseeing the day-to-day operations of the Group
- To participate in various management committees or working committees for the effective discharge of duties and functions

The Board monitors the performance of Management on a regular basis vide insertion of relevant agenda items in the Board Meetings and/or Board Committees Meetings.

Relevant member(s) of the Senior Management Team will be invited to attend the Board and/or Board Committees Meetings to advise and update the Board and/or Board Committees with information, reports, clarifications on the relevant agenda items to be tabled to the Board and/or Board Committees, to keep the Board and/or Board Committees abreast of the latest business activities and development of the Group.

As a matter of Group Governance practice, the EDs will table their Operation Reports at every quarterly Board Meeting for the Board's notation. The EDs are required to brief the Board on the operational performance of the Group which includes key strategic initiatives, significant operational issues and challenges faced by the Management.

Meanwhile, the Financial Controller and Finance Managers are required to present their reports on the financial performance and financial highlights of the Group on a quarterly basis.

(d) Framework of Internal Controls and Risk Management

The Board had established a risk management framework for the Group to facilitate proper conduct of the Group's businesses. The Board had also established key control processes to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.

The Board has also established a RMC, which comprises a majority of independent directors, to oversee the Company's risk management framework and policies.

The Board noted that the impacts arising from the COVID-19 pandemic had caused additional challenges to the Group in governance and risk management arrangements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

(d) Framework of Internal Controls and Risk Management *cont'd*

The key features of the risk management framework and internal control system of the Group are disclosed in the **Statement on Risk Management and Internal Control** in 2021 Annual Report.

(e) Identification of principal risks and implementation of appropriate internal control and mitigation measures

A critical function of the Board has always been to understand and mitigate business risk. Consequently, the Board has adopted an Enterprise Risk Management (“ERM”) Framework for its key principal subsidiary, JMI, to manage its risk and opportunities.

The Board also noted that it should be more pro-active in anticipating and addressing material ESG risks and opportunities.

The RMC was formed to assist the Board on managing the risk exposure of the Group, supported by the Risk Management Working Group (“RMWG”) in order to achieve its business objectives.

The RMWG is responsible to perform risk identification, risk evaluation and make relevant recommendations for risk mitigation for the Group.

The RMWG monitors the movement of the risk ratings and alerts the RMC directly whenever there is new significant risk discovered in their radar. The RMC in turn, reports directly to the Board.

(f) Succession Planning and Continuing Development

The Board, through the NC, is responsible for the succession planning of the Directors of the Company and the Group.

The Board has adopted the Succession Planning Policy for the Group and Emergency Succession Contingency Plan for the Senior Management Team of the Group to ensure the Group’s continuity in leadership for all key positions.

The Emergency Succession Contingency Plan spelt out on the respective successors, who possess adequate level of skills and experience, for different divisions within the Group in the absence of the members of the Senior Management Team.

The Senior Management personnel are required to attend continuing development programmes to ensure that they are equipped with necessary skills and knowledge which are relevant to perform their work.

(g) Procedures for Effective Communication with Stakeholders

In ensuring the effective communication with the Company’s shareholders and stakeholders, the Board has adopted a Corporate Disclosure Policy which includes, inter alia, an Investor Relations (“IR”) section that serves as a guidance for the Board to oversee the development of effective IR programmes and strategies to communicate the corporate vision and mission, strategies, development, financial plans and prospects to the investors, financial community and other stakeholders accurately and to obtain feedback from the stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

(h) Integrity of Financial and Non-Financial Reporting

The Board ensures that shareholders are presented with a quality, clear, balanced, meaningful assessment of the Company's financial performance and prospects through the issuance of the audited financial statements, quarterly announcements of financial results and vide announcements on significant development of the corporate proposals in accordance with the Listing Requirements on a timely basis and in compliance with the applicable financial reporting standards and corporate law.

2. Key Responsibilities of the Chairperson

Datin Stacey Tan is the Chairperson of the Company and her key responsibilities as a Chairperson, include but not limited to the following:-

- (a) Demonstrates leadership for the Board in discharging its duties and responsibilities effectively.
- (b) Review and endorse the agenda of the Board Meeting prior to the issuance of the same to the other Directors, for each scheduled Board Meeting.
- (c) Ensures that the Notice of the Board Meeting is issued at least seven (7) days prior to the Meeting, unless consent by all Directors on a shorter notice.
- (d) Leads the conduct of the Board Meetings and initiates discussion within the Board.
- (e) Stimulates participation and sharing of views and ideas from different perspectives by the Directors and ensures all views will be taken into consideration during the decision-making process by the Board.
- (f) Acts as the intermediary between the Board and the Management by coordinating smooth communication flow between both parties.
- (g) Chairs the general meetings of the Company and commits to answering the queries from the shareholders.
- (h) Communicates the views from the stakeholders to the Board as a whole, for consideration or improvement, if any.
- (i) Leads the Board to ensure compliance with all relevant laws and regulations and to the best of their effort, promote and implement good governance practices within the organisation.

3. Separation of the positions of the Chairperson and Chief Executive Officer

The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. At present, the Company does not have a Chief Executive Officer but EDs.

In view of the two (2) distinct operating divisions of the Group which require separate set of leadership and management skills, the Board has resolved to maintain Datin Stacey Tan, the Chairperson and ED as the most senior executive to report to the Board, notwithstanding the non-adherence to the Practice 1.3 of the MCGG but to the essential survival and business continuation of the Group.

The current arrangement is to provide strong leadership with the ability to marshal the Board's priorities objectively and to propel the Group to the next level while keeping a lean Board composition.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

3. Separation of the positions of the Chairperson and Chief Executive Officer *cont'd*

As the alternate practice, the Board undertakes the following initiatives to ensure there is a balance of power and authority on the Board:-

- (a) The composition of the Board consists of 60% of INEDs, whom collectively, have the weightage in terms of Board's decision making and are free to exercise their independent judgement or act in the best interests of the Company, and to safeguard the interest of the minority shareholders.
- (b) The decision of the Board shall always be agreed upon by at least majority of the Directors present at a meeting, therefore no individual Director can dominate the decision-making of the Board.
- (c) A clear division of responsibilities for the roles of Chairperson of the Board have been outlined in the Board Charter, which are distinct and separate from Datin Stacey Tan's roles and responsibilities as Executive Director, through the separate employment contracts.

4. Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Chua Siew Chuan, FCIS
- Mr. Cheng Chia Ping, ACIS

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as company secretary under Section 235(2) of the CA 2016. Further details on the qualifications, experiences as well as the duties and responsibilities of the Company Secretaries are outlined in the **CG Report 2021**, which are available for viewing on the Company's corporate website at www.jagb.com.my.

For FYE 2021, the Company Secretaries had attended the relevant continuous professional development programmes as required by MAICSA for practising company secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by MAICSA and Companies Commission of Malaysia for FYE 2020.

All Directors have unrestricted access to the advice and support of the company secretaries in relation to Board policies and procedures, compliance of applicable rules and regulations by the Group and corporate governance related practices.

For FYE 2021, the Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions.

5. Timely circulation of meeting materials

The Board fixes the annual meeting schedule by the end of every year. The annual meeting schedule, as soon as it has been confirmed by the Board, will be disseminated to the Management, for planning of works schedule a year ahead.

The Notices of the scheduled Board Meetings are served to the Directors at least seven (7) days prior to the Board Meetings. Unless there is exceptional case for convening of Special Meeting of the Board to address emergency issue, shorter notice would be allowed with the consent of all Directors.

To leverage on the usage of technology, the Board papers are circulated to the Directors in electronic form via email prior to the Board Meetings, to allow the Directors to consider the relevant information.

The Board strives to circulate the Board papers at least five (5) business days in advance of the meeting day in the FYE 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

5. Timely circulation of meeting materials *cont'd*

A comprehensive meeting papers comprising background, matters arising, research, analysis, findings/updates, results, presentations, recommendations and any other relevant information is prepared and circulated in advance to enable the Board to make considerations, deliberations and decisions.

Subsequent to the Board Meetings, the Minutes will be circulated to the Board for confirmation to ensure that deliberations and decisions of the Board are accurately recorded.

The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation are recorded in the Minutes.

The Chairperson of the Board Meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the CA 2016.

6. Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has a Board Charter outlining the authority, responsibilities, membership and operation of the Board of Directors, adopting principles of good corporate governance and practices, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-

- Role of Board;
- Relationship with Management;
- Responsibilities of the Board;
- Matters reserved for the Board; and
- Structure of the Board.

The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

The Board Committees in performing their responsibilities delegated by the Board would be guided by the Terms of Reference of each of the Committees as approved by the Board.

The Board Charter is to be regularly reviewed by the Board as and when required.

Roles of Senior INED

Mr. Ewe is the Senior INED of the Company.

The roles of the Senior INED as entail in the Board Charter, include but not limited to the following:-

- A sounding board for the Chairperson;
- An intermediary for other Directors when necessary; and
- The point of contact for shareholders and other stakeholders.

Enhanced definition of INED

Bursa Securities has enhanced the definition of the “cooling-off” period for INED from two (2) years to three (3) years with effect from 1 October 2020. Arising thereof, the Board has adopted such enhancement by updating the Board Charter as well as the TOR of AC.

The latest Board Charter is available for viewing under the “Investors” section of the Company’s corporate website at www.jagb.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

7. Code of Ethics and Conduct

In compliance with Practice 3.1 of the MCCG, the Board has established a Code of Ethics and Conduct (“**the Code**”) in order to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group and to provide guidance to ensure that upholding the ethical conduct in the Board and/or employees daily work.

The Code sets forth the values, expectations and standards of business ethics and conduct to guide the Board, the Management and employees of the Group.

The guiding principles of the Code are as follows:-

- (i) Show respect in the workplace:-
 - Equal Opportunity
 - Anti-Harassment
 - Human Rights
 - Ensuring Workplace Health and Safety
 - Protection of Privacy
 - Use of Company’s Assets with Due Care
 - Leading by Example
 - Continuous Training and Development
- (ii) Act with integrity in the marketplace:-
 - Ensuring Products’ Quality, Safety and Reliability
 - Responsible Sales and Marketing Practices
 - JAG’s Customers
 - JAG’s Suppliers
 - Community Involvement
 - Environmental-Friendly Practices
- (iii) Ensure ethics in business relationships:-
 - Conflict of Interest
 - Anti-Corruption
 - Anti-Money Laundering
 - Insider Trading
- (iv) Ensure effective communication:-
 - Corporate Disclosure
 - Spokesman
 - Whistleblowing

The Code will be reviewed on biennially basis or as and when required.

The Code was last reviewed and adopted by the Board on 8 April 2021.

The recent review by the Board was to enhance the anti-bribery and anti-corruption in the Group to be in line with the Anti-Bribery and Corruption Policy which the Company has adopted since 1 June 2020.

Handling of Reported Allegation(s)

The AC is responsible for the interpretation and supervision of the enforcement of the Code. The action to be taken by the Group in response to a report of concern under the Code will depend on the nature of the concern. The AC upon receiving the information on each report of concern shall ensure that follow-up actions be taken accordingly.

The Code is available for viewing under the “Investors” section of the Company’s corporate website at www.jagb.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

8. Whistleblowing Procedures

As recommended by Practice 3.2 of the MCCG, the Board adopted a full-fledged whistleblowing policy in February 2019.

The Board recognises whistleblowing as a specific means by which an employee/officer or stakeholder can reports or discloses through established channels, the concerns about any violations of the Code, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future.

The AC has been tasked with the review of whistleblowing reports either made through the Company following established communication and feedback channels or through any other means.

Anyone with genuine concerns in relation to unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements may forward his report to the designated persons as provided below (where applicable):-

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated persons:-

AC Chairman

Mr. Roy Thean Chong Yew at email address: rthean@hotmail.com

For employment-related concerns, one can report directly to the following designated persons:-

(1) ED (JAG Group)

Datin Stacey Tan at email address: stacey@jagb.com.my

(2) ED (TWM Division)

Dato' Ng Meow Giak at email address: nigel@jaringmetal.com

(3) Head of Human Resources

Mr. Ng Yaw Long at email address: tony@jaringmetal.com

For any concerns from the shareholders/stakeholders, one can email to the following designated Director:-

Senior INED

Mr. Ewe Chuan Seng at email address: ewealbert@gmail.com

For FYE 2021, none of the designated persons received any report or concerns vide the abovementioned communication and feedback channels.

9. Anti-Bribery and Corruption Policy ("ABC Policy")

The Board had adopted Anti-Bribery and Corruption Policy with effect from 1 June 2020, to prevent corrupt practices and to provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Board encourages the use of the Group's whistleblowing channel in relation to any suspected corruption incidents or inadequacies in the anti-bribery and corruption programme.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

9. Anti-Bribery and Corruption Policy (“ABC Policy”) *cont'd*

Subsequently, with the recommendation from the RMC, the Board has also nominated the following senior management personnel as the Compliance Officers, to monitor the adequacy and operating effectiveness of the ABC Policy and would be tasked to review its implementation on a regular basis, including its suitability, adequacy and effectiveness:-

Name	Designation
Mr. Kek Beng Soon	Financial Controller, JAG Group
Mr. Goh Chee Hong	Finance Manager, JMI

The Board also nominated the following persons as the communication point for whistleblowing purpose:-

Name	Designation
Mr. Roy Thean Chong Yew	Independent Non-Executive Director
Mr. Ng Yaw Long	Operation Director, JMI

10. Trainings attended in relation to Sustainability issues

The Board, through the NC, assesses the training programmes attended by each Director during the FYE 2021 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.

The Board and Key Management of the Company had attended the following sustainability-related trainings in order to keep abreast with the development in the sustainability issues as well as the ESG.

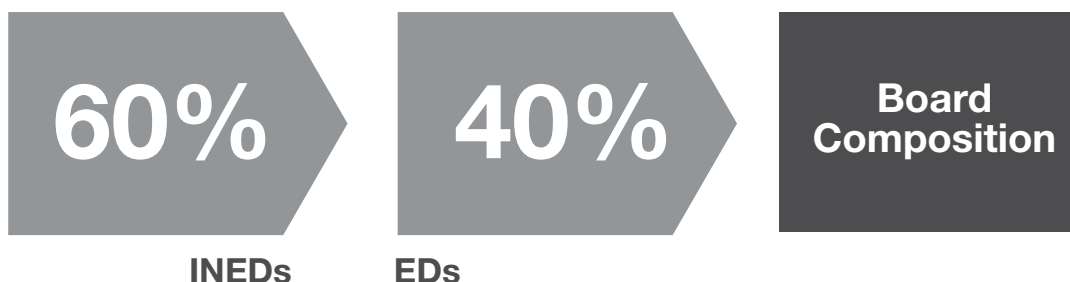
Description of Training Programmes in relation to Sustainability
Sustainability Reporting Workshops: Scope & Materiality in Sustainability Reporting
Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Sustainability Agenda a Key Lesson from the Pandemic

The key sustainability training programme(s) attended by each Director in FYE 2021 are found in this “**Corporate Governance Overview Statement**” section of our 2021 Annual Report.

II. BOARD COMPOSITION

1. Size and Composition of the Board

For FYE 2021, the Board comprises five (5) members, three (3) of whom or 60% are INEDs and two (2) or 40% are the EDs which in compliance with the Rule 15.02(1) of the ACE LR, as well as Practice 5.2 of the MCCG.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

1. Size and Composition of the Board *cont'd*

The current Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at board level will ensure impartiality.

2. Tenure of Independent Directors

The roles of the Independent Directors are particularly important in ensuring that the strategies proposed by the EDs and Management are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board has not set a term limit of nine (9) years for the Independent Directors, after taking into consideration the following factors:-

- Major subsidiary of the Group, namely JMI is a specialist waste recycler, where there is a long gestation period for capital and resources invested, as compared to other industries, say, fast moving consumer goods companies. Therefore, it is expected that the Independent Directors on Board will remain on board for a prolonged period, to provide the independence oversight while the EDs manage the Company and Group.
- The artificial change in designation from independent director to non-independent director as promulgated by the MCCG whilst being seen as a good corporate governance practice will in fact be detriment to the interest of the shareholders in the long run with regards to the Company. This is due to the fact that an independent director will be "demotivated" by such artificial change through no fault of his own, as well as creating the artificial need of one vacant board seat for independent director and in turn, creating an additional financial obligation on the Company which would not be in the best interest of the shareholders of the Company.

Mr. Roy Thean Chong Yew ("**Mr. Roy Thean**"), who was appointed as an INED of the Company on 18 October 2010, whereby Datuk Md. Hassim Bin Pardi ("**Datuk Hassim**"), who was appointed as an INED of the Company on 26 August 2011, both of them have served on the Board in an independent capacity for a cumulative term of more than ten (10) years.

With regards to Mr. Roy Thean's and Datuk Hassim's professional qualifications and experience (*as illustrated in the profiles of Directors of Mr. Roy Thean and Datuk Hassim in the 2021 Annual Report*), both of them have held illustrious careers in their respective fields.

Prior to making recommendation to the shareholders at the AGM on the retention of Mr. Roy Thean and Datuk Hassim as INEDs of the Company, the Board had vide the NC, assessed the independence of Mr. Roy Thean and Datuk Hassim, and regarded them to be independent, based on the following justifications:-

- They have fulfilled the criteria under the definition of an Independent Director pursuant to the ACE LR;
- They are able to exercise independent judgement and act in the best interests of the Company;
- There is no potential conflict of interest that Mr. Roy Thean and Datuk Hassim could have with the Company as they have not entered into any contract or transaction with the Group;
- There are significant advantages to be gained from long-serving Independent Directors as they have many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and have provided invaluable contributions to the Board in their roles as INEDs; and
- Notwithstanding of their more than ten (10) years on the board, they remain impartial and actively voice out their opinions, challenges Management's assumptions and provide sound advices to the Board/ Management where relevant.

With their independence remains intact, the Board believes that the intended outcome of Board decisions being made objectively in the best interests of the company taking into account of diverse perspectives, as well as insight can continuously be met by having Mr. Roy Thean and Datuk Hassim remained on Board as INEDs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

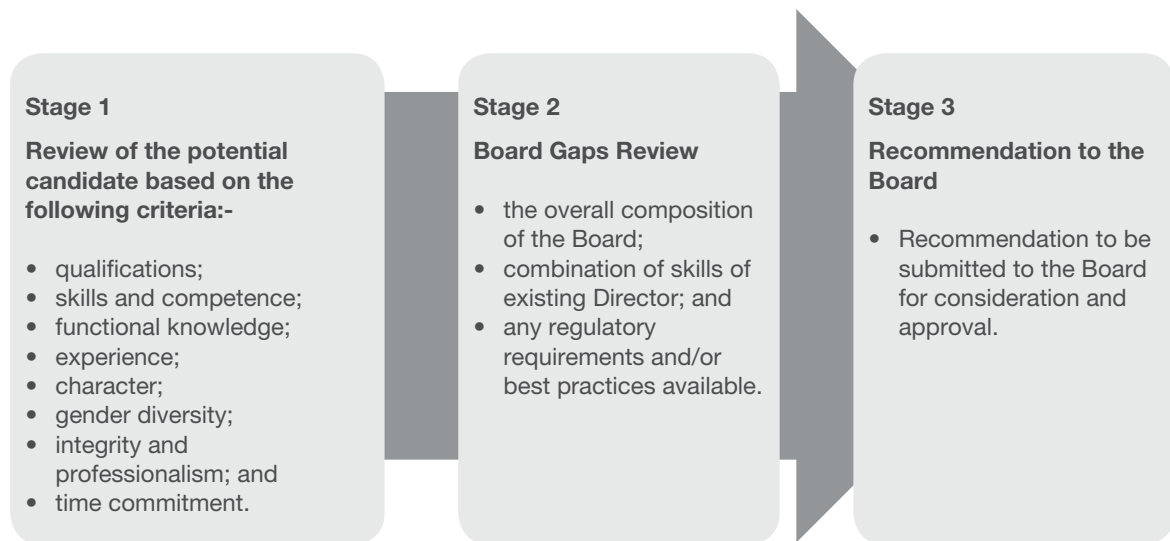
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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

3. Procedures for Appointment of Directors and Senior Management

The NC has adopted the following protocol for appointment of Directors in order to ensure that the Board has the right mix and skill to meet its needs and objectives:-



The Group Human Resources Function is responsible for selection and appointment of candidates for senior management position based on selection criteria which best matches the requirements of the open position. The selection criteria includes (but not limited to) diversity in skills, experience, age, cultural background and gender.

4. Boardroom Diversity

The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness and capacity with diversity of thoughts and perspectives.

Bearing in mind that an appointment to the Board is a long term commitment to the Company, the Board has not set any short term target or measure for boardroom diversity but nevertheless works to ensure that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education, physical ability or geographic region, during the recruitment of new Board members.

Despite the Board not having any formalised Board Diversity Policy or Gender Diversity Policy, the Board has indicated its commitment to boardroom diversity by the following appointments:-

Ethnicity Diversity

Datuk Md. Hassim Bin Pardi, an INED of Malay ethnicity, has been elected as the Chairman of the RC, while also serving as a member of the AC, NC and RMC.

Age Diversity

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors is ranging from fifties (50s) to sixties (60s) years of age, which underlies the Board's commitment to age diversity at the Board level appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

4. **Boardroom Diversity** *cont'd*

Gender Diversity

Datin Stacey Tan, a female ED, has been elected as the Chairperson to lead the Board.

For FYE 2021, the Board comprises one (1) female Director, equivalent to 20% women representation on Board.

The Board affirmed that in the event any Board seat becomes available, gender diversity shall be one of the criteria to be considered by the NC during their evaluation process on potential candidate(s) for Board's membership.

5. **Board Committees**

The Board has delegated certain responsibilities to the Board Committees to assist it in discharging its fiduciary duties. All the Board Committees operate within clearly defined Terms of Reference.

- **NC**

The NC is chaired by Mr. Ewe, a Senior INED of the Company.

The Chairman of the NC led the NC in implementing the Succession Planning Policy for the Group and Emergency Succession Contingency Plan for the Senior Management Team of the Group which was adopted by the Group in year 2016. The said Policy and Plan are still binding to the Group for FYE 2021.

The Chairman of the NC is responsible to lead the NC to carry out annual review of effectiveness of the Board as a whole, and the Board Committees, as well as the contribution and performance of each individual Director.

For the FYE 2021, the NC comprises exclusively of INEDs and the composition of the NC is as follows:-

Name	Designation	Directorate
Ewe Chuan Seng	Chairman	Senior INED
Roy Thean Chong Yew	Member	INED
Datuk Md. Hassim Bin Pardi	Member	INED

The NC is governed by its Terms of Reference of NC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investors" section of the Company's corporate website at www.jagb.com.my.

a) **Summary of Works**

The following works were undertaken by the NC during FYE 2021:-

- (i) Reviewed and confirmed the Minutes of the preceding NC Meeting.
- (ii) Examined the composition of the Board and Board Committees.
- (iii) Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board.
- (iv) Reviewed the meetings attendance of the Board and Board Committees in year 2020 and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
- (v) Evaluated the contribution and performance of each individual Director.
- (vi) Assessed the effectiveness of the Board as a whole and the Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NC** *cont'd*

a) **Summary of Works** *cont'd*

- (vii) Reviewed the term of office of the AC and assessed its effectiveness as a whole.
- (viii) Reviewed the length of service of each INED.
- (ix) Reviewed the independence of the INEDs and assessed their ability to bring independent and objective judgement to Board deliberations and proposals.
- (x) Recommended to the Board, the retention of Mr. Roy Thean as an INED of the Company whose tenure of an independent Director had attained a cumulative term of more than ten (10) year term limit.
- (xi) Recommended to the Board, the retention of Datuk Hassim as an INED of the Company whose tenure of an independent Director had attained a cumulative term of more than nine (9) year term limit.
- (xii) Reviewed the training programmes attended by the Directors in year 2020 and identified the training needs of the Directors for FYE 2021.
- (xiii) Assessed the suitability of the Director(s) who will be standing for the re-election at the 23rd Annual General Meeting of the Company held in 2021 and recommended the same to the Board for approval.

b) **Time Commitment by Directors**

The NC has been tasked to review the meeting attendance of the Board and Board Committees.

The meeting attendance of the Board and Board Committees during FYE 2021 was as follows:-

General Meetings

Name of Directors	Number of Meetings Attended/Held	%
Datin Stacey Tan Siew Ching (Chairperson)	2/2	100.00
Dato' Ng Meow Giak	2/2	100.00
Mr. Roy Thean Chong Yew	2/2	100.00
Datuk Md. Hassim Bin Pardi	2/2	100.00
Mr. Ewe Chuan Seng	2/2	100.00

Board of Directors' Meeting

Name of Directors	Number of Meetings Attended/Held	%
Datin Stacey Tan Siew Ching (Chairperson)	5/5	100.00
Dato' Ng Meow Giak	5/5	100.00
Mr. Roy Thean Chong Yew	5/5	100.00
Datuk Md. Hassim Bin Pardi	5/5	100.00
Mr. Ewe Chuan Seng	5/5	100.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NC** *cont'd*

b) **Time Commitment by Directors** *cont'd*

NC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Mr. Ewe Chuan Seng (Chairman)	1/1	100.00
Mr. Roy Thean Chong Yew	1/1	100.00
Datuk Md. Hassim Bin Pardi	1/1	100.00

RC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Datuk Md. Hassim Bin Pardi (Chairman)	1/1	100.00
Mr. Roy Thean Chong Yew	1/1	100.00
Mr. Ewe Chuan Seng	1/1	100.00

RMC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Mr. Roy Thean Chong Yew (Chairman)	3/3	100.00
Datuk Md. Hassim Bin Pardi	3/3	100.00
Mr. Ewe Chuan Seng	3/3	100.00
Datin Tan Siew Ching	3/3	100.00
Dato' Ng Meow Giak	3/3	100.00

The attendance of AC Meetings held during FYE 2021 is stated in the **AC Report** in this 2021 Annual Report.

Upon review, the NC noted the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee Meetings for the FYE 2021.

c) **Continuing Education and Training of Directors**

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme as prescribed by the Listing Requirements within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve; and
- The Directors are briefed by the company secretaries on the letters issued by regulatory bodies at each quarterly Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NC** *cont'd*

c) **Continuing Education and Training of Directors** *cont'd*

All members of the Board had attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

Based on the training needs identified by the NC for the Directors as at LPD, the Directors had participated in the following training programmes:-

Dates	Description of Training Programmes
Datin Stacey Tan Siew Ching	
25/05/2021	Sustainability Reporting Workshops: Scope & Materiality in Sustainability Reporting
12/01/2022	In-House Corporate Training on Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Dato' Ng Meow Giak	
12/01/2022	In-House Corporate Training on Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Mr. Roy Thean Chong Yew	
08/06/2021 to 10/06/2021	MIA International Accountants Conference 2021
15/07/2021	Governance in Audit Virtual Forum
29/11/2021	SC's Audit Oversight Board Conversation with AC
01/12/2021	Russell Bedford Malaysia's 2022 Budget Seminar
24/12/2021	Sustainability Agenda a Key Lesson from the Pandemic
12/01/2022	In-House Corporate Training on Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Mr. Ewe Chuan Seng	
26/02/2021	Q&A Session on Share Sale Transactions
27/11/2021	Key Differences Between the Courtroom and Arbitration
12/01/2022	In-House Corporate Training on Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Datuk Md. Hassim Bin Pardi	
12/01/2022	In-House Corporate Training on Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors

In addition, the Company Secretaries and external auditors update the Board on a regular basis the respective changes and amendments to regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

Upon review, the NC concluded that the directors' trainings during FYE 2021 were adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NC** *cont'd*

c) **Continuing Education and Training of Directors** *cont'd*

2022 Training Needs of the Directors

During the Applicable Period, the NC had conducted a review of the training needs of the Directors for the financial year ending 31 December 2022 (“**FYE 2022**”). Upon review, the NC would encourage the Directors to attend more than one (1) continuing education programme in year 2022, whereby it should be in relation to the corporate governance, sustainability, or any other applicable topics which would aid in their discharge of fiduciary/ statutory duties as Directors.

- **RC**

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2021 are stated in Principle A, Section II Paragraph (9) of this CG Statement.

- **AC**

The membership, a summary of the activities of the AC and Internal Audit Function and Activities in respect of the FYE 2021 are stated in the **AC Report** of this Annual Report.

- **RMC**

The membership of the RMC and their principal duties and responsibilities are stated in the **Statement on Risk Management and Internal Control** of this Annual Report.

6. Annual Assessment on Effectiveness of Board and Individual Directors

In compliance with Practice 6.1 of the MCCG, the Board has delegated to the NC to carry out annual assessment on effectiveness of the Board, its Committees and each individual Director.

In FYE 2021, the Board, through the NC, had conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 2020:-

(i) Directors' self and peers performance evaluation

The evaluation forms were circulated to each and every Director for completion. The Directors are required to assess his/her own performance, as well as the performance of his/her peers based on the questionnaire provided. The evaluation results were compiled by the company secretaries and tabulated at the NC Meeting held in February 2021, for the NC's review.

In conducting the evaluation, the NC had assessed the performance of each individual Directors based on the following main criteria:-

- (i) Fit and proper;
- (ii) Contribution and performance; and
- (iii) Calibre and personality.

Based on the outcome of the evaluation conducted in year 2021, the NC is satisfied with the performance of the individual Directors for FYE 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

6. Annual Assessment on Effectiveness of Board and Individual Directors *cont'd*

(ii) Evaluation on the effectiveness of the Board and Board Committees

The evaluation forms were completed by the members of the NC on individual basis. The evaluation results were compiled by the company secretaries and tabulated at the NC Meeting held in February 2021, for the NC's review.

In conducting the evaluation, the NC had assessed the performance and effectiveness of the Board and Board Committees based on the following main criteria:-

Board as a whole

- (i) Board mix and composition;
- (ii) Quality of information and decision making;
- (iii) Boardroom Activities;

Board Committees' Performance

- (i) Mix and composition;
- (ii) Roles and responsibilities;
- (iii) Contribution to Board's decision making; and
- (iv) Communication.

The NC was satisfied with the effectiveness of the Board and the Committees for FYE 2020, and acknowledged that the Board of Directors and Board Committees have discharged their duties according to their respective Board Charter and Terms of Reference.

7. Annual Assessment on Independence of Directors

The Board, through the NC, carried out an annual assessment of the independence of the INEDs during FYE 2021.

The criteria used in assessing the independence of the INEDs are based on the definition in Rule 1.01 of the Listing Requirements and whether the INEDs are able to provide objective and independent views on various issues dealt with at Board and Board Committee level.

The NC had received assurance from the following INEDs vide their Letters of Declaration, confirming their independence and have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company:-

- Mr. Roy Thean
- Datuk Hassim
- Mr. Ewe

Based on the outcome of the abovementioned assessment conducted by the NC for the FYE 2021, the Board was satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

The Board considers that its Independent Directors provide objective and independent views on various issues dealt with at the Board and Board Committee level. All INEDs are independent and free from management. The Board is of the view that the current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

8. Assessment on Retiring Directors

The NC is responsible for making recommendation to the Board on the eligibility of the Directors to stand for re-election at the AGM.

During FYE 2021, the NC conducted assessment on Datin Stacey Tan and Datuk Md. Hassim Bin Pardi (“**Retiring Directors**”) who would retire by rotation at the 23rd AGM of the Company held in 2021 pursuant to Clause 21.6 of the Constitution of the Company, based on the following criteria:-

- Character
- Experience
- Integrity and professionalism
- Time commitment to discharge his roles
- Results from evaluation of individual director performance
- Supply of relevant and timely information to the Board
- Conduct of Board meetings & Contribution to the Board
- Adequacy of functional knowledge (for ED)
- Satisfactory independence test (for INEDs)

Upon review, the NC was satisfied with the performance of the Retiring Directors and recommended to the Board on their re-election at the 23rd AGM. Both the Retiring Directors have been re-elected by the shareholders at the 23rd AGM held in 2021.

9. Remuneration Committee

The members of the RC are exclusively of INEDs and the composition of the RC is as follows:-

Name	Designation	Directorate
Datuk Md. Hassim Bin Pardi	Chairman	INED
Ewe Chuan Seng	Member	Senior INED
Roy Thean Chong Yew	Member	INED

The RC is governed by its Terms of Reference of RC which outlines its remit, duties and responsibilities and the same is available for viewing under the “Investors” section of the Company’s corporate website at www.jagb.com.my.

Summary of Works

The following works were undertaken by the RC during the financial year under review:-

- (i) Reviewed and confirmed the Minutes of the preceding RC Meetings held in year 2020.
- (ii) Deliberated on the remuneration package of the Executive Directors for FYE 2021 and recommended the same to the Board for approval.
- (iii) Reviewed the Directors’ fees payable to the Directors of the company for the FYE 2021 and recommended the same for the Board for consideration.
- (iv) Reviewed the benefits payable to the Directors of the Company for the period from 28 May 2021 until the next AGM of the Company to be held in year 2022 and recommended the estimated quantum to the Board for consideration.
- (v) Reviewed the remuneration package of the top five (5) senior management of the Group for FYE 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

III. REMUNERATION

1. Directors' and Senior Management's Remuneration Policy

In compliance with Practice 7.1 of the MCCG, the Board had adopted a Directors' and Senior Management's Remuneration Policy which sets out the criteria to be used in recommending the remuneration package of Directors and senior management, and designed to ensure that the Directors and senior management are paid a remuneration commensurate with the responsibilities of their positions.

The RC, when recommending the remuneration package of the EDs and senior management, shall be guided by the main components and procedures provided in the Directors' and Senior Management's Remuneration Policy.

The Directors' and Senior Management's Remuneration Policy was last reviewed in February 2019.

A copy of the said Policy is available for viewing under the "Investor" section of the Company's corporate website at www.jagb.com.my.

It is the existing practice of the Company that all the Directors to abstain from deliberation and voting on fixing their remuneration package or Directors' fee at the RC Meeting (where relevant) and the Board of Directors' Meeting.

It is also stated in the said Policy that Directors who are shareholders should abstain from voting at general meetings to approve their fees.

2. Remuneration of Directors

In compliance with Practice 8.1 of the MCCG, there is detailed disclosure on named basis for the remuneration of individual Directors.

For the FYE 2021, the aggregate of remuneration received and receivable by the EDs and Non-Executive Directors of the Company and the Group categorised into appropriate components are as follows:-

Received from the Company

Name of Director	Salaries RM	Fees RM	Benefits-in-kind RM	Others RM	Total RM
Executive Directors					
Datin Tan Siew Ching	-	-	-	-	-
Dato' Ng Meow Giak	-	-	-	-	-
Total	-	-	-	-	-
Non-Executive Directors					
Datuk Hassim Bin Pardi	-	42,000	-	8,000	50,000
Ewe Chuan Seng	-	42,000	-	8,000	50,000
Roy Thean Chong Yew	-	52,800	-	7,000	59,800
Total	-	136,800	-	23,000	159,800

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

III. REMUNERATION cont'd

2. Remuneration of Directors cont'd

Received on Group Basis

Name of Director	Salaries RM	Fees RM	Benefits-in-kind RM	Others RM	Total RM
Executive Directors					
Datin Tan Siew Ching	585,000	-	31,150	12,000	628,150
Dato' Ng Meow Giak	585,000	-	15,500	-	600,500
Total	1,170,000	-	46,650	12,000	1,228,650
Non-Executive Directors					
Datuk Hassim Bin Pardi	-	42,000	-	8,000	50,000
Ewe Chuan Seng	-	42,000	-	8,000	50,000
Roy Thean Chong Yew	-	52,800	-	7,000	59,800
Total	-	136,800	-	23,000	159,800

Note: Salary includes bonus and EPF

3. Remuneration of top five (5) senior management

The top five (5) senior management includes two (2) EDs of the Company (of which their detailed remuneration has been disclosed under Principle A, Section III Paragraph (2) of this Statement):-

Range of remuneration	Number of Top Five (5) Senior Management
RM200,000 – RM250,000	1
RM250,001 – RM300,000	-
RM300,001 – RM350,000	-
RM350,001 – RM400,000	-
RM400,001 – RM450,000	-
RM450,001 – RM500,000	1
RM500,001 – RM550,000	2
RM550,001 – RM600,000	1
Total	5

Whilst for the remaining senior management, the Board opined that such disclosure would have adverse effect on the Company's talent retention in the competitive industry. All senior management are remunerated based on their scope of duties and responsibilities, the Group's and individual performance and other criteria as guided by the Directors' and Senior Management's Remuneration Policy.

The RC had at its meeting held in February 2021, reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2021.

The RC is of the view that the level of remuneration package of the top five (5) senior managements in respect of FYE 2021 was fair and reasonable to retain and reward the talents and is competitive in the relevant market and industry.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Separation of the positions of the chair of the AC and Board

In compliance with Practice 9.1 of the MCCG, the AC is chaired by Mr. Roy Thean, which is a separate person from the chair of the Board.

The membership, a summary of the activities of the AC and Internal Audit Function and Activities in respect of FYE 2021 are stated in the **AC Report** of this Annual Report.

2. No appointment of former key audit partners as member of AC

In compliance with Practice 9.2 of the MCCG, the Terms of Reference of the AC had been revised which requires a former key audit partner to observe a cooling-off period to at least three (3) years before being appointed as a member of the AC.

As a matter of practice, the AC has recommended to the NC not to consider any key audit partner as a potential candidate for Board Directorship/Audit Committeeship to affirm the AC's stand on such policy.

3. Assessment on external auditors

In compliance with Practice 9.3 of the MCCG, the AC has policies and procedures to assess the suitability, objectivity and independence of external auditors and that such assessment would be carried out annually. The outcome of the assessment would form a basis for the AC in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.

The Board of Directors had adopted the Policies and Procedures to assess the suitability, objectivity and independence of the external auditors of the Company in February 2019.

During FYE 2021, the AC carried out the annual assessment and in its assessment, the AC considered, inter alia, the following factors:-

For "**suitability**" assessment:-

- The external auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- To the knowledge of the AC, the external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("**MIA**") which has not been reserved by the Disciplinary Board of MIA;
- The external auditors firm has the geographical coverage required to audit the Group;
- The external auditors firm advises the AC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The external auditors firm consistently meets the deadlines set by the Group;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The external auditors' scope is adequate to cover the key financial and operational risks of the Group.

For "**objectivity**" assessment:-

- The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. AUDIT COMMITTEE *cont'd*

3. Assessment on external auditors *cont'd*

For “*independence*” assessment:-

- The engagement partner has not served for a continuous period of more than five (5) years with the Company;
- The AC receives written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Tenure of the current auditors.

The AC noted for the FYE 2021, Messrs. Russell Bedford LC PLT, the external auditors of the Company had confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent in accordance with the terms of relevant professional and regulatory requirements, for the purpose of the audits.

Upon completion of its assessment, the AC was satisfied with Messrs. Russell Bedford LC PLT's technical competency, i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Russell Bedford LC PLT as external auditors for the FYE 2021. The Board has in turn, recommended the same for shareholders' approval at the 23rd AGM of the Company held in 2021.

4. Skillsets of AC

The AC conducts evaluation annually to assess the performance and skillsets of the AC members.

During FYE 2021, the AC members had completed the assessment on individual basis and the results were compiled by the company secretaries and tabled for the NC's review.

Based on the results of the assessment, the NC concluded that the AC members are financially literate and understand the Group's business. The AC as a whole, has necessary skills and knowledge to discharge their duties.

The members of the AC had attended various continuous trainings and development programmes as detailed in Principle A, Section II Paragraph (5)(c) in this Statement.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

1. Risk Management and Internal Control Framework

In compliance with Practice 10.1 of the MCCG, the Board has established a framework for risk management and internal control for the Group. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework have been disclosed in the **Statement of Risk Management and Internal Control** of this 2021 Annual Report.

Risk Management

RMC

The RMC was formed by the Board to oversee the Company's risk management framework, function and policies.

In adopting the Step-Up Practice 10.3 of the MCCG, the composition of RMC comprises a majority of Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK *cont'd*

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

RMWG

The RMWG is responsible for implementing processes in identifying, evaluating, monitoring and reporting of risks and internal controls which arise from daily business activities of the Group. The RMWG reports directly to RMC.

In FYE 2021, the risk profiles covering risk assessment, classification and risk ranking followed by action plans taken to mitigate the risks identified were presented to the RMC for review in the RMC meetings. The RMWG and RMC met twice in FYE 2021.

The RMWG together with the operating units ensure timely resolution of outstanding issues and implementation of action plans that are to be carried out and completed within the reasonable timeframe to mitigate the risks level.

The memberships of the RMC and RMWG are stated in the ***Statement on Risk Management and Internal Control*** of this 2021 Annual Report.

Internal Controls

The internal controls were tested for effectiveness and efficiency four (4) cycles during FYE 2021 by an independent outsourced internal audit service provider using a systematic and disciplined approach as laid out in Standard 2110, 2120 and 2130 respectively. The report of the internal audit was tabled for the AC's review and deliberations, and the audit findings will then be communicated to the Board.

During FYE 2021, the Board opined that the risk management and internal controls of the Group were effective and adequate.

2. Key Features of Risk Management and Internal Control Framework

The ***Statement on Risk Management and Internal Control*** as set out in this 2021 Annual Report provides an overview of the state and features of risk management framework and internal control processes within the Group.

3. Internal Audit Function

The internal audit function of the Group is carried out by an outsourced service provider, Tricor Axcelasia Sdn. Bhd. ("**Tricor Axcelasia**"). The outsourced internal auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

The following matters (non-exhaustive), in relation to the internal audit function of the Group, are reserved matters for the AC:-

- (a) Consider the appointment of the internal auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors;
- (b) Review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings; and

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK *cont'd*

3. Internal Audit Function *cont'd*

- (c) Review any appraisal or assessment of the performance of members of the internal audit function.

During FYE 2021, the AC reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function of the Group for the FYE 2020 and the internal audit function performed by the internal auditors was satisfactory and adequate.

Further details of the Internal Audit Function have been disclosed under the **AC Report** of this 2021 Annual Report.

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

I. ENGAGEMENT WITH STAKEHOLDERS

1. Communication with Stakeholders

In compliance with Practice 12.1 of the MCCG, the Board has developed an internal corporate disclosure practice to ensure effective communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Board has a Corporate Disclosure Policy in place to ensure only designated spokesmen will be authorised to disseminate information to ensure consistent and accurate flow of information disclosure to the stakeholders.

The Board has designated a limited number of spokespersons who are responsible for communication with investment community, regulators and media.

Primary Spokespersons:-	
(i)	Executive Chairperson; or failing which,
(ii)	ED

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:-

(a) **Announcements to Bursa Securities**

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and Investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at www.bursamalaysia.com.

(b) **Annual Reports**

The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(c) **AGM/General Meetings**

The AGM/General Meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

cont'd

I. ENGAGEMENT WITH STAKEHOLDERS cont'd

1. Communication with Stakeholders cont'd

(d) Corporate Website

The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

The Company has created dedicated sections to ensure more effective dissemination of information:-

- A dedicated "**Investors**" section which provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company, Annual Reports, terms of reference and corporate policies of the Company.
- A dedicated "**Press Centre**" section which provides access to the press releases made by the Company, for ease of reference by the shareholders.

Publication of Notice of AGM on corporate website

Pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice convening the 24th AGM together with the proxy form are available at the corporate website of JAG Berhad at www.jagb.com.my.

(e) Investor Relations activities

A summary of IR activities conducted for the Applicable Period is listed below for information:-

Date	Topic of IR activities	Type of IR activities	Audience
05/05/2021	RHB Small Cap Top 20 Jewels 2021 Edition	Investors Briefing	Public
17/11/2021	JAG Berhad delivers record profits for Q3FY21	Press Release	Public
17/11/2021	JAG Berhad catat Keuntungan RM14 Juta – terkukuh bagi Q3 FY2021 – from <i>DagangNews</i>	News Release	Public
18/11/2021	JAG获更多合同 刺激第三季净利升至459万 from <i>The Edge Markets</i>	News Release	Public
18/11/2021	Amid uncertain times, JAG posts strongest financial performance since RTO from <i>Focus Malaysia</i>	News Release	Public
23/02/2022	JAG Berhad grows from strength to strength	Press Release	Public
24/02/2022	Keuntungan JAG bagi FY2021 melonjak 2 kali ganda kepada RM18.7 juta from <i>DagangNews</i>	News Release	Public
24/02/2022	JAG closed FY21 with a net profit of RM18.7mil, a two-fold increase from last year from <i>News Strait Times</i>	News Release	Public
31/03/2022	JAG: Bags BNM contract to melt cupronickel, nickel raw materials as scrap – <i>The Edge Markets</i>	News Release	Public

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

cont'd

II. CONDUCT OF GENERAL MEETINGS

(a) Notice of AGM

The Notice of the 23rd AGM held in 2021 was issued more than 28 days prior to the meeting. This was to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.

In addition, the Company took extra steps to also include explanatory notes to the ordinary business of the 23rd AGM, facilitating full understanding and evaluation of issues involved in the proposed resolutions.

(b) Directors' Commitment

There were two (2) general meetings held in 2021, i.e. 23rd AGM held on 27 May 2021 and Extraordinary General Meeting (“EGM”) held on 28 July 2021 (collectively referred to as “General Meetings”).

All the Directors attended and participated at the General Meetings of the Company, to engage with the shareholders personally and proactively.

The proceedings of the General Meetings included the presentation of financial statements to the shareholders in the 23rd AGM, and a question-and-answer session in the General Meetings, invited shareholders to raise questions before putting resolutions to vote.

The Board ensured that sufficient opportunities were given to shareholders to raise issues relating to the resolution to be put for voting and adequate responses were given.

The Chairmen of the Board Committees were also readily available to address the questions posted by the shareholders at the General Meetings.

(c) Voting Format

Voting decisions at General Meetings

In accordance with the CA 2016 and the Company's Constitution, the Company may convene a meeting of members at more than one (1) venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.

In view of the current COVID-19 pandemic, the Company had taken the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia. These include the option of remote shareholders and proxy participation at the general meetings.

At its virtual 23rd AGM and EGM held on 27 May 2021 and 28 July 2021 respectively (collectively referred to as “General Meetings”), the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions.

The entire General Meetings proceedings and poll voting were conducted entirely through Securities Services e-Portal hosted by Securities Services (Holdings) Sdn. Bhd. (“SSeP”). The Administrative Guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website.

The Company had conducted its voting on all resolutions at the fully virtual General Meetings of the Company by online live polling to provide for remote voting and immediate poll results. The Company had engaged SS E Solutions Sdn. Bhd. to act as the Poll Administrator to provide the electronic polling services, while Commercial Quest Sdn. Bhd. was the appointed independent scrutineer to verify the poll results.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Key CG future priorities for FYE 2022

(1) Business Sustainability amid COVID-19 pandemic

The Board will need to have clarity around the shifting nature of business risk to ensure business continuity. Historically, the Board focuses on the risk to shareholders' value. With the COVID-19 pandemic and the introduction of MACC Act, the Board acknowledges that it would have to focus on risks to a broader set of stakeholders, including, but not limited to, the relevant authority(ies) in order to ensure the business sustainability of the Group.

(2) Strengthening the Group's overall CG Framework

- As promulgated by the SC on the importance of a formal group governance structure to enhance good governance culture and practices within the Group, of which the Company has already carried out certain group governance practices judiciously, the Board will be looking at formalising a group governance framework for the FYE 2021.
- Adoption of a "Directors' Fit and Proper Policy" in compliance with the ACE LR of Bursa Securities by the stipulated timeframe as prescribed by Bursa Securities.

CONCLUSION

The Board is satisfied that, it complies substantially with the Practices of the MCCG throughout FYE 2021.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board of Directors on 13 April 2022.

SUSTAINABILITY STATEMENT 2021

“SUSTAINABLE AND RESILIENCE – IN CHALLENGING PERIOD”

SUSTAINABILITY AND OUR BUSINESS

More than a year after the start of the COVID-19 pandemic, we still find ourselves in challenging, uncertain times. COVID-19 has tested our resilience and forced us all to adapt. Nevertheless, our commitment to sustainability remains unchanged.

JAG Berhad recognises the importance of sustainability as one (1) of the key-drivers for long term business growth where success is defined by more than financial profits. The Group is mindful of the need to develop our business in a sustainable and responsible manner and endeavors to practice, preserve and promote activities that will continually contribute to and benefit the economy, environment and society today and in the future.

The continued success of the Group throughout the pandemic has shown that our focus on balancing value and growth for our stakeholders is the correct one. We must continue to evolve, if we intend to remain both relevant and resilient in the coming years.

This Sustainability Statement is published in accordance to the ACE LR with the objective of communicating the Group's material sustainability matters that reflect significant economic, social and environment impacts of the business.

This statement, which covers the period of our 2021 financial year (FYE 2021) mainly elaborates initiatives undertaken under JMI, as this business unit contributes approximately 92% to the Group's revenue in FY2021.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group acknowledges that business operations create sustainability related risks to the economy, environment and society. The Management has taken responsibility to respond to these risks and embedded sustainable considerations in our business management.

The Group has identified three (3) sustainability areas, which are:-

- Economic Sustainability;
- Environmental Sustainability; and
- Social and Workplace Responsibility and Sustainability.

ECONOMIC SUSTAINABILITY

All aspects of business operations are constantly being tested by a continuous stream of global megatrends. Indeed, the importance of an organisation's resilience and agility has come to the forefront, fundamentally changing how companies operate and sustain in the long term.

In our journey to deliver sustainable growth and future-proof the Group and its diverse businesses, we recognise the importance of having a solid business continuity plan in place to ensure minimal disruption to our operations in the face of major disasters.

We also look at how we can harness technology and focus on innovation in our products and services, to continuously meet the evolving demands and expectations of customers, in order to remain relevant. At the same time, it allows us to develop sustainable products and services that deliver environmental, social and economic benefits.

SUSTAINABILITY STATEMENT 2021

cont'd

ECONOMIC SUSTAINABILITY *cont'd*

Financial highlights

We maintain our positive economic performance in generating sustainable financial and economic returns for the Group's business continuity.

The Group generates economic value in a number of ways. Full information is included in our audited financial statements as part of our 2021 Annual Report, a summary of which is provided below:-

	FYE 2021 RM'000	FYE 2020 RM'000	FYE 2019 RM'000
Revenue	223,982	158,999	139,517
Net Profit/(loss)	18,623	8,979	(11,929)
Cash and cash equivalent	34,430	5,119	7,792
Gearing ratio	0.10 times	0.13 times	0.15 times

Our Approach towards Economic Sustainability

The Group has undertaken the following commitments and activities in the supply chain and overall corporate governance as below:-

- Inculcating integrity and professionalism in procurement and supply chain management;
- Adhering to the International Organisation for Standardisation (“ISO”) requirement in relation to our operation and processes;
- Adhering to Occupational Health and Safety Management System (“OHSAS”) requirement at international standard to assure the safety of the workers and uninterrupted supply of products to customer;
- Supporting to the Responsible Business Alliance (“RBA”) Code of Conduct. The RBA Code of Conduct is to ensure that the working conditions in the electronic industries and its total supply chains are safe, worker are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically;
- Adhering to Anti-Bribery Management System (“ABMS”); and
- On-going of Research and Developments to obtain know-how.

On the other hand, the Management acknowledges that in order to achieve economical sustainability, the Group must diversify its operations to various industries to reduce the reliance on TWM business segment. As at present, the Group has diversified into industries such as lifestyle services businesses (coin-operated launderette and gelato business), property investment and development and investment holding.

Environmental Sustainability

The world is faced with a dire future as a result of climate change. This climate emergency threatens not only our physical environment, it also affects economic and social stability.

JAG Berhad recognises that as corporate citizens, we play an integral part in ensuring that solid measures are taken to mitigate and adapt to climate change including monitoring and reducing Greenhouse Gas (GHG) emissions. Given this high-risk reality, it is imperative to strive for operational eco-efficiency and we do this by operating our varied businesses in the most environmentally responsible manner feasible, by ensuring compliance with environmental laws and regulations.

We are also conscious of the importance of doing our part to safeguard natural resources given the long-term destructive impact of unsustainable exploitation of natural resources.

Managing E-waste

E-waste is a popular and informal name for scrap electronic part or electronic products nearing the end of their useful life. JMI collects e-waste such as rejected chip boards and integrated circuit (“IC”) lead frames from the local semiconductor manufacturers.

SUSTAINABILITY STATEMENT 2021

cont'd

ECONOMIC SUSTAINABILITY *cont'd*

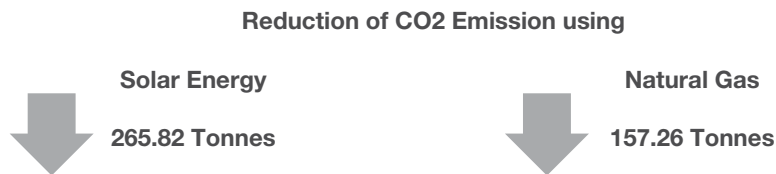
Environmental Sustainability *cont'd*

Managing E-waste *cont'd*

Each year in Malaysia, tons of electronic items become obsolete in the eyes of consumers. Rapid advances in technology and an expanding demand for new features in electrical goods accelerate the generation of old electronic equipment. The result is a growing challenge for businesses, residents and local governments as they search for ways to reuse, recycle or properly dispose of this equipment.

Many components of electronic equipment including metals, plastic and glass can be reused or recycled, while others may present environmental hazards if not managed correctly. Various scraps from E&E items contain high quality minerals such as gold, silver, copper, nickel and other non-ferrous metals.

All items received by JMI are recycled in an ethical, professional and environmentally friendly manner. The processes include cutting, crushing, milling, separating, smelting and refining. All materials JMI recycles are put back into use by manufacturer in both local and global markets.



Our Contribution towards Environmental Sustainability

(1) Harvest Solar Power

As part of the Group's ongoing efforts on environmental sustainability, JMI invested RM1 million on a rooftop solar photovoltaic ("PV") power plant on our headquarter building in 2020, which was completed in April 2021.

This generates renewable energy for self-consumption and reduces carbon emission. The capacity of the PV solar plant installed is 399.6 kWp and it is expected to generate 510,489kWh yearly, resulting in savings from electricity bills of RM238,908 per year as well as the reduction of CO2 emission of 354 tonnes per year.

On average, the solar yield performance of the PV power plant is above average, recorded at 101% from April 2021 to December 2021. This has created savings of approximately 55% or RM174,000 on the energy consumption as well as reduction of CO2 emission of 265.82 tonnes in our manufacturing plant.



SUSTAINABILITY STATEMENT 2021

cont'd

ECONOMIC SUSTAINABILITY *cont'd*

Environmental Sustainability *cont'd*

Our Contribution towards Environmental Sustainability *cont'd*

(1) Harvest Solar Power *cont'd*



(2) Natural Gas Burning instead of Diesel Burning

The Group has also converted 87.5% diesel-based heating/burning machineries and equipment to using natural gas. The conversion does not only benefit the Group financially but is also more environmental friendly from the following aspects:-

- Flue gases from natural gas combustion are typically carbon dioxide and water which does not cause deterioration of human health and surrounding air quality. It also does not produce ashes or soot that can contaminate the air;
- Carbon component in natural gas is much less than in fuel oil and emission of carbon dioxide (“CO₂”) from natural gas firing is 30% lower compared to diesel. Natural gas is an excellent fuel to arrest the ‘Green House Effect’ now faced by the mother-earth; and
- Natural gas does not contain sulphur in itself and during combustion, it scarcely generates sulfur oxide (“SO_x”) into the atmosphere. The life of boiler, chimney stack, economizer, etc., could be increased without SO_x emission which possibly causes sulphuric acid corrosion. SO_x emission is also the main contributor to acid rain and by utilising natural gas, the phenomenon can be controlled. Nitrogen oxide (“NO_x”) is generated by nitrogen (“N₂”) contain in fuel (fuel NO_x) or from high temperature oxidation of N₂ in air (thermal NO_x). Generally, emission of NO_x from natural combustion is less than 30% of the emission from fuel oils. NO_x emission contributes to the photochemical smog and with the reduction of emission, the problem can be curtailed.

As at LPD, the Group achieved 60% or 157.26 tonnes reduction in CO₂ emission from heating/burning machineries and equipment.

The Group is pleased to report that our business has been carried out in a responsible manner to date and we have all the time complied with all the environmental requirements. Nevertheless, the Group will continuously seek to achieve improvements and further reduce our impact to the environment.

SUSTAINABILITY STATEMENT 2021

cont'd

SOCIAL AND WORKPLACE RESPONSIBILITY AND SUSTAINABILITY

We believe in nurturing a healthy working environment for all employees, premised on policies, strategies and practices that promote human rights, good labour practices, equality, diversity, merit-based rewards, talent development as well as occupational safety and health.

The Group is firmly committed to diversity and inclusion in the workplace, be it in our Board or within our operations. We recognise the overwhelmingly positive impact it brings to our performance as a whole. We continuously look for ways to improve employee experience by implementing employee engagement initiatives that allow us to interact with our people.

Talent management and training is another focus area for the Group in our quest to attract and retain talent as well as fill competency gaps. In ensuring that the welfare of our employees is prioritised, we are committed to safeguarding the safety and health of our employees.

The benefits are clear. By creating a conducive workplace, we can inspire greater productivity and performance from our people in line with our goal of promoting a sustainable and high-performance workforce.

Social Responsibility and Sustainability

Our Approach towards Social Responsibility and Sustainability

On 11 December 2021, JMI participated in the ‘Program Pengumpulan E-Waste’ at Urban Plogging @ Kuantan organised by the Majlis Bandaraya Kuantan with the intention to create awareness on e-waste recycling.

The Group recognises that the community plays an essential role in driving the success of its business.



SUSTAINABILITY STATEMENT 2021

cont'd

SOCIAL AND WORKPLACE RESPONSIBILITY AND SUSTAINABILITY *cont'd*

Social Responsibility and Sustainability *cont'd*

As a token of appreciation, JAGS, a subsidiary of JAG initiated with the mall management of Sunway Pyramid, to distribute three hundred and twenty (320) cups of gelato to frontliners stationed at PPV Sunway Pyramid Convention Centre on 30 July 2021.



Workplace Responsibility and Sustainability

Our Approach towards Workplace Responsibility and Sustainability

As the Group acknowledges human capital as the most important asset with regards to the growth of the business and in maintaining a harmonious working environment. In JAG Group, we view sustainability through four (4) aspects, which are:-

- A. Training and development;
- B. Workplace diversity;
- C. Healthy and safe working environment; and
- D. Employees' well-being.

A. Training and development

As the Group's most important intangible asset, our human capital is critical to our operations and is at the forefront of our quest to develop a talent-driven organisation. Our approach to talent management is premised on nurturing a team of determined and empowered individuals that come together to deliver sustainable growth for the Group.

Training programmes, both internal and external, are organised to deliver an all-round training experience to the employees by upgrading their skill sets, job knowledge and competency level in achieving an overall increase in productivity.

Respect and considerations among colleagues are the work culture of the Group. Training programmes and job rotations are in place for employees in assisting them to work towards their goals and aspirations.

SUSTAINABILITY STATEMENT 2021

cont'd

SOCIAL AND WORKPLACE RESPONSIBILITY AND SUSTAINABILITY *cont'd*

Workplace Responsibility and Sustainability *cont'd*

B. Workplace Diversity

We recognise the importance of diversity and inclusion as core components in building a sustainable business. A diverse and inclusive workforce presents the Group with a competitive business advantage as a result of our broadened knowledge base as well as diverse perspectives and ideas.

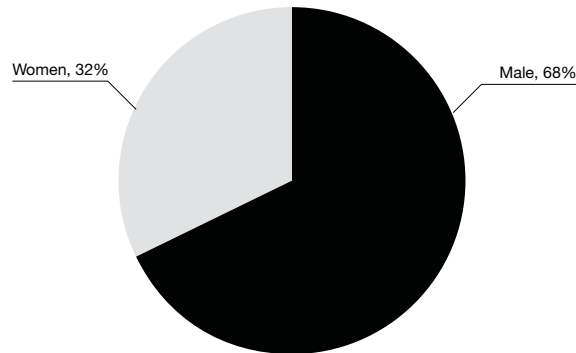
The Group embraces diversity at workplace and does not allow room for any form of discrimination practice against people of different genders, ages, ethnicities, nationalities or marital status.

By employing a diverse workforce, the Group is able to have a better understanding of today's dynamic market demographics. It has also enabled the Group to tap into a pool of people from diverse backgrounds who can provide unique market insights or generate creative solutions, thereby increasing the Group's competitiveness in today's globalised and challenging economy.

Gender diversity

As at the LPD, the Group had achieved a ratio of 68:32 in the workforce of the Group in terms of Male:Female.

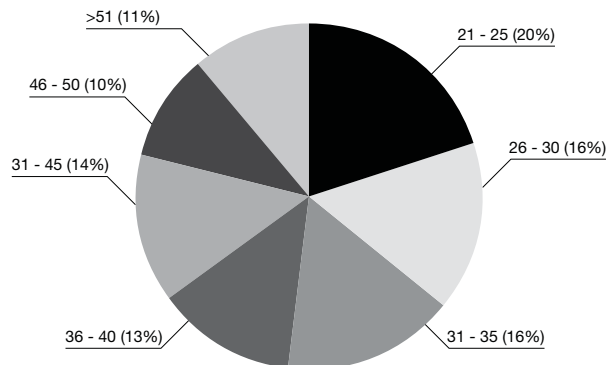
Workforce in term of Gender in JAG Group



Age diversity

As at the LPD, 36% of our employees belong to the age group of between 21 to 30 with the next largest age group being those aged between 31 to 40 (29%). The Group's age demographic broadly reflects the younger age employees form the majority of the workforce.

Workforce in term of Age in JAG Group



SUSTAINABILITY STATEMENT 2021

cont'd

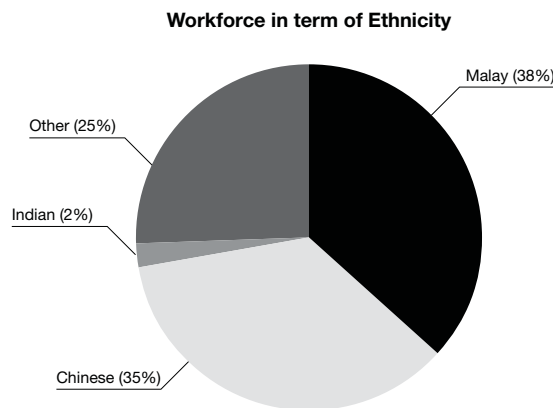
SOCIAL AND WORKPLACE RESPONSIBILITY AND SUSTAINABILITY *cont'd*

Workplace Responsibility and Sustainability *cont'd*

B. Workplace Diversity *cont'd*

Ethnicity diversity

As at the LPD, employees of Malay and Chinese ethnicities constituted the largest workforce of the Group at 38% and 35% respectively, with the Non-Malaysian ethnicity employees being the next largest workforce at 25%, followed by Indian ethnicity employees at 2%. Notwithstanding so, the Group's Human Resources Department has been instructed to ensure a well balance hiring of employees during their recruitment process.



C. Healthy and safe working environment

Premised on our commitment to creating a safe and healthy workplace, we are continually working to ensure that our businesses are conducted in a manner that prioritises the well-being of our people as well as those involved in our operations, be it directly or indirectly.

We are steadfast in imprinting a culture of safety and health throughout the Group, through the implementation of functional measures that alleviate workplace hazard related risks.

The COVID-19 pandemic outbreak posed new challenges to the work culture and business environment. The Group has implemented all the relevant preventive measures in compliance with the government guidelines and additional SOP as advocated by our local authorities. A COVID-19 Respond Committee comprising of all heads of departments including environmental, safety and health officer has also been formed to ensure efficiency in transmission of information and adherence of SOP in-place.

Together with the SOPs such as regular RTK test, distribution of self-test kits, temperature checks, contact tracing, wearing of masks, social distancing, hand hygiene and regular sanitising, other preventive measures that we have implemented at our premises include:-

- Displaying the relevant information/notices on prevention and procedures within the offices, warehouses and production areas;
- Monthly distribution of free mask to all staff;
- Weekly distribution of free self-test kit to all staff;
- Unlimited refill of sanitiser to staff; and
- Regular swab test for all stall.

SUSTAINABILITY STATEMENT 2021

cont'd

SOCIAL AND WORKPLACE RESPONSIBILITY AND SUSTAINABILITY *cont'd*

Workplace Responsibility and Sustainability *cont'd*

C. Healthy and safe working environment *cont'd*

The Group continuously strives to provide a healthy and safe working environment for our employees. Regular workplace inspection is one of the main duties of the Management to ensure work places are uncluttered, neat, tidy and safe. Fire and safety drills, as well as risk awareness campaigns are held regularly to ensure that employees are well prepared in the event of an emergency.

For FYE 2021, two (2) fire and safety drills were conducted.

In addition, the Group adheres to OHSAS's requirement at international standard to assure the safety of the workers as well as supporting to the RBA Code of Conduct, to ensure that the working conditions are safe, workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

D. Employees' well-being

At JAG Berhad, we believe that there is a direct correlation between employee health and well-being and overall job satisfaction. A happy and healthy employee will translate to better output, which will positively impact the Group's performance.

As a caring employer, the Group has accorded the following benefits to the employees:-

- Group insurance encompassing hospitalisation and outpatient medical for all levels of employees;
- Time-off of up to six (6) times per annum, at a limit of two (2) hours maximum per time-off;
- Incentive allowances such as excellent attendance allowance, line leader allowance for production employees and best attendance reward;
- Token appreciation for life changing event such as first legal marriage, first three (3) child birth, as well as retirement;
- Paid study leave to encourage employees continuous self-development; and
- Arrange for short term certificate study for administrative employees to continue to enhance their work knowledge under Human Resources Development Fund (HRDF) scheme.

Last but not least, the Group identifies the importance of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices by exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of stakeholders and economic success.

SUSTAINABILITY STATEMENT 2021

cont'd

EMBODYING GOOD GOVERNANCE

At the core of everything we do, and the way that we do it, lies our commitment to the highest standards of governance excellence. It is not enough for us to deliver world class assets; we must do so while upholding standards of integrity and ensuring risks are managed at acceptable levels.

We have a strong corporate governance framework, reflecting our commitment to safeguarding the interests of our stakeholders. Sound corporate governance is implicit in our values, culture, processes, functions and organisational structure. Our values require that directors and employees behave with integrity, displaying consistent and uncompromised moral strength in order to promote and maintain trust.

We have a strong culture of entrenched values, which form the cornerstone of our behaviour towards stakeholders and against which we measure practices and activities to assess the characteristics of good governance. Directors and employees are required to conduct themselves with integrity, consistently and uncompromisingly displaying moral strength and behaviour that promotes trust.

This commitment to good corporate governance is reflected in the Code of Conduct and Business Ethics (CoBE), our foundation in fulfilling our business obligations with utmost integrity and transparency. Our culture of openness, transparency and accountability are strengthened with the adoption of the Whistle Blowing Policy and our adherence to the Anti-Bribery and Corruption Policy and Guidelines (ABC manual).

The Path Forward

While we have made meaningful progress in 2021, we are conscious that we do not have all the answers today. There is still much to be done if we are to continue delivering positive change for our shareholders, our people, our customers and for society.

To do this requires the adoption of a new way of thinking and doing business, anchored by creativity, innovation and integrity. The strategy will see us actively explore new revenue streams that allow us to both enhance our profitability and deliver positive impact to our stakeholders, through the creation of shared environmental and social value.

We are also embarking on various new initiatives, leveraging on technological and digital innovations to enhance efficiency of business processes, improve employee engagement and experience as well as strengthen a strong talent pipeline, amongst others.

In reinventing ourselves and forging new ways of doing things, we are clear of our responsibility to do so in an economically, socially and environmentally sustainable manner.

“Committed to Sustainability”

Datin Stacey Tan Siew Ching
Chairperson and Executive Director

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Rule 9.25 of the ACE LR as set out in Appendix 9C thereto.

1. UTILISATION OF PROCEEDS

(A) Private Placement 2020

The Company had on 20 November 2020, completed the issuance and listing of 89,460,000 new ordinary shares in the Company and raised gross proceeds of RM12,542,292/- (“**Private Placement 2020**”).

As of LPD, the status of utilisation of proceeds raised from the Private Placement 2020 is as follows:-

	Status of utilisation	Proposed utilised RM'000	Amount utilised RM'000	Amount unutilised RM'000
Purchase of machinery for total waste management division	Fully	2,500	2,500	-
Working capital	Fully	9,933	9,933	-
Estimated expenses in relation to the Private Placement 2020	Fully	109	109	-
Total		12,542	12,542	-

(B) Private Placement 2021

The Company had on 23 February 2022, obtained approval from Bursa Securities for the application for extension of time of six (6) months up to 30 June 2022 to complete the implementation of the Private Placement 2021.

As of the date of 11 August 2021, the actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% Private Placement are as follows:-

	Status of utilisation	Proposed utilised RM'000	Amount utilised RM'000	Amount unutilised RM'000
Acquisition of equipment	Pending	4,410	-	4,410
Working Capital	Partially	9,009	5,789	3,220
Repayment of bank borrowings	Partially	11,978	7,800	4,178
Estimated expenses in relation the Private Placement 2021	Fully	253	253	-
Total		25,650	13,842	11,808

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

During the financial year under review, the Group has not entered into any recurrent related party transactions of a revenue or trading nature.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

3. AUDIT AND NON-AUDIT SERVICES

For the FYE 2021, Messrs. Russell Bedford LC PLT, the external auditors, has rendered certain audit and non-audit services to the Company and the Group, an actual breakdown of which is listed as below for information:-

	Company (RM)	Group (RM)
Audit services rendered		
Statutory audit in respect of FYE 2021	43,000	143,500
Non-audit services rendered		
Tax fees in respect of FYE 2021	4,500	31,600
Review of the Statement on Risk Management and Internal Control for Annual Report 2021	5,000	5,000
Total	52,500	180,100

4. MATERIAL CONTRACTS INVOLVING INTEREST OF DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDER

There was no material contract entered into by the Group involving the interest of Directors, chief executive who is not a Director or major shareholder, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT




The Board presents the Audit Committee (“AC”) Report to provide insights on the discharge of the AC’s functions during the FYE 2021, in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities and the MCGG.

AUTHORITY

Pursuant to Section 4(c)(a) of the Board Charter, the Board has established and to assist the Board in discharging its statutory duties and responsibilities relating to accounting and practices of the Group. In addition, the AC also assisted in fulfilling the Board’s stewardship accountability to its shareholders and financial stakeholders. The AC is committed to its role in ensuring the integrity of the Group’s financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit process, and such other matters that may be specifically delegated to the AC by the Board.

Compliance Dashboard

The AC is pleased to provide below a snapshot of the key CG compliance by the AC for the FYE 2021:-



MCCG Practices	Applications by the Company						
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;"></td> <td style="width: 40%;">Practice 9.1</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td>Chairman of the Audit Committee is not Chairman of the Board</td> <td></td> </tr> </table>		Practice 9.1			Chairman of the Audit Committee is not Chairman of the Board		<p style="text-align: center;">Chairperson of the Board Chairman of the AC</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  Datin Stacey Tan </div> <div style="text-align: center;">  Mr. Roy Thean </div> </div>
	Practice 9.1						
	Chairman of the Audit Committee is not Chairman of the Board						
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;"></td> <td style="width: 40%;">Practice 9.2</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td>Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)</td> <td></td> </tr> </table>		Practice 9.2			Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)		<div style="text-align: center; background-color: #cccccc; padding: 10px; border: 1px solid black;"> Incorporated in the TOR of AC </div>
	Practice 9.2						
	Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)						
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;"></td> <td style="width: 40%;">Practice 9.3</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td>Policies & Procedures to assess the suitability, objectivity and independence of external auditors</td> <td></td> </tr> </table>		Practice 9.3			Policies & Procedures to assess the suitability, objectivity and independence of external auditors		<div style="text-align: center; background-color: #cccccc; padding: 10px; border: 1px solid black;"> EA Policy & Procedures established </div>
	Practice 9.3						
	Policies & Procedures to assess the suitability, objectivity and independence of external auditors						
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;"></td> <td style="width: 40%;">Step-up Practice 9.4</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td>The Audit Committee comprises solely of independent directors</td> <td></td> </tr> </table>		Step-up Practice 9.4			The Audit Committee comprises solely of independent directors		<ul style="list-style-type: none"> ■ The AC comprises solely of three (3) INEDs <div style="text-align: center;">  3 INEDs </div>
	Step-up Practice 9.4						
	The Audit Committee comprises solely of independent directors						

AUDIT COMMITTEE REPORT

cont'd

AUTHORITY *cont'd*

Compliance Dashboard *cont'd*

MCCG Practices	Applications by the Company						
<table border="1" style="margin: auto;"> <tr> <td style="width: 20px;"></td> <td style="text-align: center;">Practice 9.5</td> <td style="width: 20px;"></td> </tr> <tr> <td></td> <td style="text-align: center;">AC Members possess wide range of skills and financially-literate</td> <td></td> </tr> </table>		Practice 9.5			AC Members possess wide range of skills and financially-literate		<ul style="list-style-type: none"> ■ AC members with diverse background, experience and skills, financially-literate and understand the financial reporting process <div style="text-align: center;">  </div>
	Practice 9.5						
	AC Members possess wide range of skills and financially-literate						
<table border="1" style="margin: auto;"> <tr> <td style="width: 20px;"></td> <td style="text-align: center;">Practice 11.1</td> <td style="width: 20px;"></td> </tr> <tr> <td></td> <td style="text-align: center;">Effective and independent internal audit function</td> <td></td> </tr> </table>		Practice 11.1			Effective and independent internal audit function		<ul style="list-style-type: none"> ■ Appointed outsourced independent internal auditors, Tricor Axcelasia Sdn. Bhd. <div style="text-align: center;">  </div>
	Practice 11.1						
	Effective and independent internal audit function						

COMPOSITION

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. All of the members of the AC satisfied the test of independence under the ACE LR and also met the requirements of the MCCG.

Furthermore, in adopting the **Step-Up Practice 9.4** of the MCCG, the AC comprises solely Independent Directors.

The current composition of the AC is as follows:-

Name	Designation	Directorship
Roy Thean Chong Yew	Chairman	Independent Non-Executive Director
Ewe Chuan Seng	Member	Senior Independent Non-Executive Director
Datuk Md. Hassim Bin Pardi	Member	Independent Non-Executive Director

The Chairman of the AC, Mr. Roy Thean Chong Yew is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the ACE LR. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairman of the AC is not the Chairman of the Board.

In addition, Mr. Roy Thean Chong Yew, is a member of the Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Accountants (MIA) and a Chartered Member of Institute of Internal Auditors of Malaysia (CMIIA). In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR.

AUDIT COMMITTEE REPORT

cont'd

COMPOSITION *cont'd*

Assessment on the Term of Office and Performance of the Audit Committee

The Nomination Committee (“**NC**”) had on 23 February 2022, reviewed the term of office and performance of the AC as well as whether its members have carried out their duties in accordance with the Terms of Reference of AC for the FYE 2021.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2021. The NC had reported the outcome of assessment to the Board of Directors (“**Board**”) for notation.

Formal assessment on the External Auditors

In compliance with Practice 9.3 of the MCCG, the AC has adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditors (“**the EA Policy**”) on annual basis. The EA Policy serves as a guidance for the AC when making recommendation to the Board on whether to seek shareholders’ approval at next AGM for the re-appointment of external auditors for the ensuing year.

The EA Policy sets out the criteria in which the AC would consider in assessing the suitability, objectivity and independence of the external auditors:-

- i) Fees;
- ii) Competence, audit quality and resource capacity;
- iii) Independence;
- iv) Non-audit services, if any; and
- v) Issues of material significance or matters of disagreement with the Management, if any.

The EA Policy also spells out the approval process for the non-audit services rendered by the external auditors or its affiliates, together with the necessary measures to ensure that the objectivity and independence of the external auditors is not impaired.

Upon assessment, the AC is satisfied with Messrs. Russell Bedford LC PLT’s technical competency, i.e. effectiveness, suitability and independence during the financial year under review and has recommended to the Board for the re-appointment of Messrs. Russell Bedford LC PLT as the external auditors of the Company for FYE 2022. The Board, thereafter, has recommended the same for shareholders’ approval at the forthcoming 24th AGM of the Company.

MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE 2021 and the attendance of the members during the financial year under review were as below:-

Members	Total no. of meetings attended	Total no. of meetings held during tenure of office	%
Mr. Roy Thean Chong Yew (Chairman)	5	5	100.00
Mr. Ewe Chuan Seng	5	5	100.00
Datuk Md. Hassim Bin Pardi	5	5	100.00

The lead audit partner of the external auditors responsible for the Group had attended three (3) AC Meetings held in FYE 2021.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC’s attention. For FYE 2021, three (3) private sessions were held between the AC with the external auditors without the presence of the Executive Board members and management personnel.

The Chairman of the AC also sought information on the communication flow between the external auditors and the Management which is necessary to allow unrestricted access to information for the external auditors to effectively perform their duties.

AUDIT COMMITTEE REPORT

cont'd

MEETINGS AND ATTENDANCES *cont'd*

Notices of the AC Meeting were sent to the members of AC at least seven (7) days in advance. Upon that, the Company Secretaries would then compile the relevant meeting papers for dissemination to the members of AC by email and/or hand.

All deliberations during the AC Meetings were duly minuted. Minutes of the AC Meetings were tabled for confirmation at every succeeding AC Meeting.

The Chairman of the AC presented the AC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of the AC would convey to the Board, matters of significant concern raised by the internal and external auditors.

TERMS OF REFERENCE

The authority, duties and responsibilities of the AC are set out in its Terms of Reference (“**TOR**”) and it was last reviewed by the Audit Committee and adopted by the Board on 13 April 2022, which is in line with the ACE LR and MCCG.

The AC has updated its TOR, specifically on the requirements for a former partner of the Company's external auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of AC.

The TOR of the updated AC is available for viewing under “Investors” section of the Company's website at www.jagb.com.my.

SUMMARY OF WORKS

During the FYE 2021, the summary of works carried out by the AC were as follows:-

1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021 and recommended the same for the Board's approval.
- Reviewed the annual budget of the Group for FYE 2021 and deliberated on the underlying assumptions made by the Management in preparing the annual budget, and recommended the same to the Board for approval and adoption.
- Reviewed the financial performance and financial highlights of the Group on quarterly basis.
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR on quarterly basis.
- Reviewed the draft audited financial statements for the FYE 2020 and recommended the same for the Board's approval.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.
- Reviewed the budget variance report of the Group.

2. Oversight of External Auditors

- Received the Audit Progress Memorandum prepared by the external auditor for the FYE 2021, covering matters to highlights, key audit matters and significant outstanding information/documents from the audit field works.
- Reviewed the Audit Planning Memorandum for the FYE 2021 prepared by the external auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS *cont'd*

2. Oversight of External Auditors *cont'd*

- Met three (3) times with the external auditors without the presence of the Executive Directors and management personnel.
- Reviewed the effectiveness, suitability and independence of the external auditors vide a formalised “Assessment on External Auditors” and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval.
- Reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2021, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for FYE 2021 and recommended the same for the Board’s approval.

3. Oversight of Internal Audit Function

- Reviewed the Internal Audit Plan for the Group for FYE 2021 and approved for adoption of the same by the Group throughout FYE 2020.
- Reviewed the Internal Audit Reports for the FYE 2020 and FYE 2021 and assessed the internal auditors’ findings and the management’s responses and made the necessary recommendations to the Board for approval.
- Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports.
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function in respect of FYE 2020.

4. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the AC Meetings.
- Reviewed the disclosures in AC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement for inclusion in the Annual Report 2020.
- Deliberated and noted the key observations of the internal audit function of the Company as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.

5. Review of Related Party Transactions

- Reviewed the related party transactions and conflict of interest situation that arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

The Board is satisfied that the AC has carried out their responsibilities and duties in accordance with the AC’s TOR.

INTERNAL AUDIT FUNCTION

(1) Internal Auditors

The internal audit function plays an important role to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For FYE 2021, the engagement team personnel from Tricor Axcelasia Sdn. Bhd. (“**Tricor Axcelasia**”), the outsourced Internal Auditors of the Company had affirmed to the AC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

AUDIT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION *cont'd*

(2) Summary of Works of the Internal Audit Function for FYE 2021

During FYE 2021, the summary of works undertaken by the internal auditors comprised the followings:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- The internal audits performed met the objective of highlighting to the Audit Committee the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and
- Presentation of audit findings and corrective actions to be taken by the Management in the quarterly AC Meetings.
- Reviewed and assessed the key observation of the internal audit function of listed issuers as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.

For FYE 2021, the following areas of the Group have been successfully audited by Tricor Axcelasia in accordance with the risk-based audit plan adopted:-

Name of Audited Subsidiary	Audit Area/ Function	Tabling of Internal Audit Report
JAG Group	Review on Enterprise Risk Management Function	Second Quarter of 2021
	Follow-up on Previous Internal Audit Findings	
	• Human Resource (Payroll Function)	
JMI	Review of Inventory Quantity Management (Finished Goods)	Third Quarter of 2021
JMI and JAG Nasmech	Follow-up on Previous Internal Audit Findings	
	• JMI: Sales & Receivables • JAG Nasmech: Sales & Receivables	
JMI	Review on Succession Planning and Anti-Bribery Management System – Due Diligence and Training & Awareness	Fourth Quarter of 2021
	Follow-up on Previous Internal Audit Findings	
	• Safety, Health and Welfare Measures	
JAG Berhad	Review on Sustainability Management Processes	First Quarter of 2022
JMI	Follow-up on Previous Internal Audit Findings	
	• Inventory Quality Management (Finished Goods)	

(3) Total costs incurred for FYE 2021

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2021 is amounted to RM45,000 (2020: RM45,000).

AUDIT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION *cont'd*

(4) Continuing Education Programmes/Trainings attended by AC

During FYE 2021 and the Applicable Period, members of AC had attended the following continuing education programmes/trainings in furtherance of their knowledge in the area of accounting and financial reporting:-

Training(s) Attended
<ul style="list-style-type: none">• MIA International Accountants Conference 2021• Governance in Audit Virtual Forum• Russell Bedford Malaysia's 2022 Budget Seminar• Sustainability Agenda a Key Lesson from the Pandemic• SC's AOB Conversation with the AC• In-House Corporate Training Programme in respect of the topic Corporate Liability

This AC Report is made in accordance with the Resolution passed by the Board of Directors on 13 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control by the Board on the Group is made pursuant to Rule 15.26(b) of the ACE LR and in accordance with Part II of Principle B, Intended Outcome 10.0, Practices 10.1 and 10.2 and Guidances 10.1 and 10.2 relating to risk management and internal controls framework provided in the MCCG as well as the *Guidelines for Directors of Public Listed Issuers – Statement on Risk Management and Internal Control*.

The following statements outlined the scope and nature of internal control system and risk management framework for the FYE 2021.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility for safeguarding the shareholders' investment and assets of the Group by implementing and maintaining a sound and effective risk management framework and internal control system.

The Board endeavours to fulfil its objectives vide an effective and efficient governance, risk management, financial, organisational, operational and compliance control. It is committed to provide a system that gives reasonable, though not absolute assurance against the occurrence of any material misstatements or losses, infringement against the laws or regulations or fraud.

For FYE 2021, the Board having assessed and reviewed the effectiveness, integrity and adequacy of the risk management framework and the internal control system of the Group, had implemented several improvements to the risk management framework and the internal control system of the Group.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT FRAMEWORK

The key features of the risk management framework of the Group established to facilitate proper conduct of the Group's businesses are outlined as follows:-

A. CONTROL STRUCTURE

Risk Management Committee ("RMC")

The Board has adopted the Step-Up Practice 10.3 of the MCCG, where the Board establishes a RMC, which comprises a majority of Independent Directors, to oversee the company's risk management framework and policies.

The composition of the RMC is as follows:-

Name	Designation	Directorate/Position
Mr. Roy Thean Chong Yew	Chairman	INED
Datin Tan Siew Ching	Member	Chairperson and Executive Director
Dato' Ng Meow Giak	Member	Executive Director
Mr. Ewe Chuan Seng	Member	Senior INED
Datuk Md. Hassim Bin Pardi	Member	INED

The principal objective of the RMC is to assist the Board in reviewing and recommending the risk management policies and strategies for the Company. In addition, the RMC shall assist the Board to fulfil its corporate governance, risk management and statutory responsibilities in order to manage the overall risk exposure.

The RMC held two (2) meetings during the FYE 2021.

Risk Management Working Group ("RMWG")

The RMWG was established since the third quarter of financial year ended 31 December 2015 with the functions of performing risk identification, risk evaluation as well as making relevant recommendations to the risk owners for risk mitigation action plan arising from daily business activities of the Group.

The RMWG reports directly to the RMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT FRAMEWORK *cont'd*

A. CONTROL STRUCTURE *cont'd*

Risk Management Working Group ("RMWG") *cont'd*

The objective of the establishment of RMWG is to ensure that the risk management effort can be instilled into the organisation and its business process.

The composition of the RMWG is as follows:-

Name	Designation	Position
Dato' Ng Meow Giak	Chairman	Executive Director of JAG Berhad & Head of Total Waste Management Division, JMI
Mr. Ng Yaw Long	Member	Operation Director, JMI
Mr. Goh Chee Hong	Member	Finance Manager, JMI
Ms. Ho Siew Lan	Member	Human Resource Manager, JMI
Mr. Loh Wan Leong	Member	Plant Manager, JMI
Mr. Ong Yew Liang	Member	Production Manager, JMI
Ms. Yeoh Siew Luan	Member	Finance Manager, JAG Capital Equity Sdn. Bhd.
Mr. Kek Beng Soon	Member	Financial Controller, JAG Berhad

B. RISK MANAGEMENT FRAMEWORK

Enterprise Risk Management ("ERM") Framework

JMI, a key active subsidiary of the Company has put in place an ERM Framework and the following principal risks were identified and relevant to JMI:-

- Strategic risks;
- Human resource risks;
- Operational risks;
- Information technology ("IT") risks;
- Financial risks; and
- Bribery risks

During the financial year under review, Management maintained the existing internal control protocols in order to manage and mitigate against the abovementioned identified risks, as well as the zero-tolerance policy on bribery to address the issue of bribery risks with the adoption of Anti-Bribery Management System.

Management had also represented to the RMC that there were no changes to be materially affected, or are reasonably likely to materially affect the Group's system of internal control and risk management with respect to its financial reporting.

The Board believes that risk management is essential for continued profitability and enhancement of shareholders' value. The Board acknowledges the importance of the risk management system in identifying the principal risks exposed by the Group and ways of managing them at an acceptable level and that subsequently contribute to achieving the corporate goals of the Group.

The Risk Register

The RMWG is responsible to maintain a set of Risk Register for the Group. The Risk Register forms a platform for documenting the risks associated to the Group.

The Risk Register documents the risk information (risk group, risk issues, risk implementation, residual risk level, risk control, etc) and also outlines the mitigation procedures by the identified risk owner. The RMWG is obliged to monitor the status of implementation of the mitigation procedures and to review and update the risk rating accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT FRAMEWORK *cont'd*

B. RISK MANAGEMENT FRAMEWORK *cont'd*

The Risk Register *cont'd*

The Risk Register was tabled to the RMC for review by the Chair of RMWG at the RMC meetings.

During the FYE 2021, Risk Registers for JMI and JAGN had been revamped by adopting the Responsible Business Alliance (RBA) format, to address the risks.

C. RISK MANAGEMENT ACTIVITIES DURING FYE 2021

During the FYE 2021, the summary of activities carried out by the RMWG and RMC in respect of Risk Management is as follows:-

- The RMWG held (2) meetings in FYE 2021 and maintained constant communication via emails for discussions on matters concerning risk management of the Group.
- The RMC assessed risk ratings, risk matters, monitored implementation of mitigation procedures and reviewed and updated the Risk Register of the Group to ensure relevance to the Group.
- The RMC reviewed the Risk Register of the Group and suggested further enhancement to be made to the Risk Register in due course.
- The RMC reviewed the disclosure in Statement of Risk Management and Internal Control for inclusion in the Annual Report 2020.

KEY COMPONENTS OF THE INTERNAL CONTROLS

The Group's internal control system consists of the following key processes:-

A. AUTHORITY AND RESPONSIBILITY

Certain responsibilities are delegated to the following Board Committees through clearly defined TOR which are reviewed periodically and/or when the need arises:-

- Audit Committee;
- Nomination Committee;
- Remuneration Committee; and
- Risk Management Committee.

B. INTERNAL AUDIT

The Board acknowledges the importance of the internal audit function. The Group's internal audit function is outsourced to a professional service firm, Tricor Axcelasia Sdn. Bhd., to provide the AC with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls.

The Internal Audit function performs internal audit reviews in accordance with the recognised framework – International Professional Practices Framework issued by the Institute of Internal Auditors. The audit plan is reviewed and approved by the AC during the AC meeting. The Internal Audit function checks for compliance with policies and procedures and the effectiveness of the internal control system, and highlights significant findings of non-compliances and internal control weaknesses, if any in the scheduled Audit Committee meetings. Further details of the functions and activities of the Internal Audit function are set out in the Audit Committee Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY COMPONENTS OF THE INTERNAL CONTROLS *cont'd*

C. MONITORING AND REPORTING

The Financial Controller in charge of the Group's financial affairs is required to give assurance to the AC that adequate processes and controls are in place in the preparation of each quarterly financial statements, including consolidated condensed financial statements, and that appropriate accounting policies are adopted and applied consistently to give a true and fair view of the state of affairs of the Group and to ensure compliance with the Malaysian Financial Reporting Standards ("MFRS").

Upon review, the AC shall inform the Board on the assurance it received from the Financial Controller as well as the conclusion it made on the adequacy of processes and controls in place for effective financial reporting and disclosures to be made by the Company.

D. STAFF COMPETENCY

It is part of the Company's policies to ensure provision of constant training and development programmes to ensure that the employees are kept up-to-date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

REVIEW OF THIS STATEMENT

Pursuant to Rule 15.23 of the ACE LR, the external auditors have reviewed this statement for inclusion in the 2021 Annual Report, in accordance with the Malaysian Approved Standard on Assurance Engagements, International Standard on Audit Engagement ("ISAE") 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guides 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors 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 to be set out, nor is the statement factually inaccurate.

AAPG 3 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board of Directors and management thereon. They are also not required to consider whether the process described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board has received assurance from the Financial Controller and the Executive Directors that the function of the Group's risk management and internal control system for the financial year under review, and up to the date of approval of this statement, has been sound and sufficient, in all material aspects, based on the risk management model and internal control system adopted by the Group, safeguard the shareholders' investments, the interests of customers, regulators, employees and other stakeholders, and the Group's assets.

The Board members acknowledge that they are ultimately responsible for ensuring the proper implementation of appropriate internal control system even though this responsibility has been delegated to the Management.

This statement was approved by the Board of Directors on 13 April 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

In accordance with the Companies Act 2016 and the applicable approved accounting standards, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position and the results and cash flows of the Group and of the Company for that financial year then ended.

The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations were made, they were based on reasonableness and prudence.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect frauds and other irregularities.

This Statement of Directors' Responsibility for preparing the financial statements is approved by the Board of Directors on 13 April 2022.

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The details of the subsidiaries, including their principal activities, are disclosed in Note 15 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year attributable to:		
Owners of the Company	19,139,766	4,006,665
Non-controlling interests	(516,532)	-
	18,623,234	4,006,665

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

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

Subsequent to the financial year, the Company declared a single tier interim dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2021 amounting to RM3,133,911. The dividend was paid on 25 March 2022.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up capital from RM179,072,171 to RM204,468,382 by way of private placement of 90,000,000 new ordinary shares for cash to eligible investors for the purposes of increasing the working capital of the Group. The new ordinary shares issued during the financial year ranked pari passu in all respects with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

TREASURY SHARES

There were no shares being repurchased by the Company during the financial year.

As at 31 December 2021, the Company held a total of 7,325,000 treasury shares of its 634,109,892 issued ordinary shares with carrying amount of RM1,296,500.

DIRECTORS' REPORT

cont'd

DIRECTORS

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Datin Tan Siew Ching
 Datuk Md Hassim bin Pardi
 Dato' Ng Meow Giak
 Roy Thean Chong Yew
 Ewe Chuan Seng

DIRECTORS' INTERESTS IN SHARES

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares			Balance as at 31.12.2021
	Balance as at 1.1.2021	Bought	Sold	
Shareholdings registered in the name of directors:				
Datin Tan Siew Ching	13,610,996	13,000,000	-	26,610,996
Datuk Md Hassim bin Pardi	-	-	-	-
Dato' Ng Meow Giak	44,169,341	-	-	44,169,341
Roy Thean Chong Yew	-	-	-	-
Ewe Chuan Seng	-	-	-	-

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) 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 details of the directors' remuneration are disclosed in Note 6 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE

The total amount of indemnity insurance effected for directors of the Company for the financial year amounted to RM1,000,000 (any one claim and in annual aggregation). There was no indemnity given to or insurance effected for any officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION *cont'd*

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

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

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, which would render any amount stated in the financial statements misleading.

AUDITORS

The auditors, Messrs Russell Bedford LC PLT, have indicated their willingness to continue in office.

The auditors' remuneration for the Group and the Company is disclosed in Note 6 to the financial statements

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

.....
DATO' NG MEOW GIAK

.....
ROY THEAN CHONG YEW

Kuala Lumpur

Dated: 13 April 2022

STATEMENT BY DIRECTORS

The directors of JAG BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year ended on that date.

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

.....
DATO' NG MEOW GIAK

.....
ROY THEAN CHONG YEW

Kuala Lumpur

Dated: 13 April 2022

STATUTORY DECLARATION

I, KEK BENG SOON (MIA NO: 44259), being the officer primarily responsible for the financial management of JAG BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the above named KEK BENG SOON at)
Kuala Lumpur in Wilayah Persekutuan)
on 13 April 2022)

.....
KEK BENG SOON

Before me,

COMMISSIONER FOR OATHS
MOHD IBRAHIM BIN YAAKOB (W641)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAG BERHAD

(INCORPORATED IN MALAYSIA)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with the Companies Act 2016 ("Act") and the Malaysian Financial Reporting Standards.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA 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 MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3 Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to report with respect to our audit of the financial statements of the Company.

1.3.1 Existence and valuation of manufacturing inventories

As described in Note 2.2.2 and Note 17 in the financial statements, the Group carries manufacturing and trading inventories at the lower of cost and net realisable value. As at 31 December 2021, the Group held manufacturing and trading inventories of RM71,703,197 representing approximately 27% of total assets of the Group.

The Group's main raw material contents – copper, gold, silver and aluminum, also a key component of the Group's finished goods, are subject to price volatility. Fluctuation in the prices of these metals can also lead to potential issues over the realisable value of the inventory balances, in particular if the historical cost of the inventories is higher than the net realisable value. In addition, due to the voluminous and nature of the inventories, management performs periodic inventory counts.

These, in combination with the significance of inventories as part of total assets, made us conclude that existence and valuation of inventories are a key audit matter of our audit.

INDEPENDENT AUDITORS' REPORT *cont'd*

TO THE MEMBERS OF JAG BERHAD

(INCORPORATED IN MALAYSIA)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

1.3 Key audit matters

How the matter was addressed in the audit

For the valuation of manufacturing and trading inventories, we tested a sample of inventory items to review the accuracy of the historical costs used for the valuation and to assess whether there were inventories which were sold with a consistent negative margin by evaluating recent sales invoices and evaluated management's assessment whether inventories should or should not be written down.

Our audit procedures to test the existence of the inventories mainly consist of understanding of the controls over the existence and movements of inventories, testing the relevant internal control procedures, specifically by testing the inventory cycle counts that are periodically performed by management and also testing the controls surrounding the movements of inventories. Throughout the year, we have attended a selection of inventory cycle counts to validate counts performed by management. We compared our count results with the results of the counts by management's representatives.

The results from our testing were satisfactory.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in regard to the directors' report.

1.5 Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT *cont'd*

TO THE MEMBERS OF JAG BERHAD

(INCORPORATED IN MALAYSIA)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the Approved Standards on Auditing in Malaysia and the 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 the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and/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 on our auditors' report to the related disclosures in the financial statements 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 and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

INDEPENDENT AUDITORS' REPORT *cont'd*

TO THE MEMBERS OF JAG BERHAD

(INCORPORATED IN MALAYSIA)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

1.6 Auditors' responsibilities for the audit of the financial statements *cont'd*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

2. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Chin Kim Chung.

.....
RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

.....
CHIN KIM CHUNG
02006/09/2022 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Date:

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	4	223,982,127	158,999,408	4,000,000	5,500,000
Other operating income		2,039,182	3,510,132	2,271,070	280,000
Direct costs		(10,052,484)	(10,584,595)	-	-
Changes in inventories of finished goods and work in progress		14,697,654	4,454,739	-	-
Raw materials and consumables used		(165,942,021)	(113,477,980)	-	-
Changes in inventories of trading merchandise		(2,051,545)	(1,665,409)	-	-
Staff costs	5	(13,781,111)	(11,476,936)	(341,815)	(342,901)
Depreciation and amortisation		(8,028,511)	(6,580,168)	(4,111)	(2,164)
Net allowance for expected credit loss of receivables		281,674	361,476	(227,525)	7,236,562
Other operating expenses		(13,896,027)	(10,386,582)	(1,746,208)	(793,073)
Profit from operations	6	27,248,938	13,154,085	3,951,411	11,878,424
Finance income	7	283,434	239,396	55,254	47,433
Finance costs	8	(974,459)	(1,967,593)	-	-
Net finance (costs)/income		(691,025)	(1,728,197)	55,254	47,433
Profit before tax		26,557,913	11,425,888	4,006,665	11,925,857
Income tax expense	9	(7,934,679)	(2,446,828)	-	-
Net profit for the year		18,623,234	8,979,060	4,006,665	11,925,857
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss					
Gain on revaluation of freehold land and buildings		-	6,459,286	-	-
Tax effects of revaluation reserve		-	(1,699,385)	-	-
Other comprehensive income for the year, net of tax		-	4,759,901	-	-
Total other comprehensive income for the year		18,623,234	13,738,961	4,006,665	11,925,857
Net profit attributable to:					
Owners of the Company		19,139,766	9,164,014	4,006,665	11,925,857
Non-controlling interests		(516,532)	(184,954)	-	-
		18,623,234	8,979,060	4,006,665	11,925,857
Total comprehensive income attributable to:					
Owners of the Company		19,139,766	13,923,915	4,006,665	11,925,857
Non-controlling interests		(516,532)	(184,954)	-	-
		18,623,234	13,738,961	4,006,665	11,925,857
Basic earnings per share (sen)	10.1	3.17	2.01	-	-

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Non current assets					
Property, plant and equipment	11	90,518,410	84,611,702	17,136	17,820
Right of use assets	12	7,835,045	7,022,306	-	-
Investment properties	13	35,692,755	18,611,174	-	-
Intangible assets	14	100,584	101,408	-	-
Investment in subsidiaries	15	-	-	135,510,926	113,739,884
Other investments	16	2,350,000	-	-	-
Inventories – property development	17	10,570,014	15,904,235	-	-
Other receivables	19	-	-	17,725,939	18,300,000
		147,066,808	126,250,825	153,254,001	132,057,704
Current assets					
Inventories	17	71,703,197	57,561,223	-	-
Trade receivables	18	6,689,018	9,657,864	-	-
Other receivables, deposits and prepayments	19	5,004,883	13,350,999	46,919,361	38,661,008
Tax recoverable		49,382	46,655	11,200	7,500
Other investments	16	6,600,161	11,605,145	-	-
Derivative assets	20	6,912	19,600	-	-
Fixed deposits with licensed banks	21	3,426,973	3,367,976	389,244	382,895
Cash and bank balances		29,865,926	7,370,509	2,674,250	3,243,795
		123,346,452	102,979,971	49,994,055	42,295,198
Total assets		270,413,260	229,230,796	203,248,056	174,352,902

STATEMENTS OF FINANCIAL POSITION cont'd

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Equity					
Share capital	22	204,468,382	179,072,171	204,468,382	179,072,171
Reserves	23	15,896,418	(2,205,405)	(1,588,781)	(5,595,446)
Equity attributable to owners of the Company					
Non-controlling interests		-	84,589	-	-
Total equity		220,364,800	176,951,355	202,879,601	173,476,725
Non current liabilities					
Lease liabilities	24	5,467,785	3,948,868	-	-
Deferred income	25	447,938	587,950	-	-
Borrowings	26	17,681,343	14,491,337	-	-
Provision	27	37,686	37,686	-	-
Deferred tax liabilities	28	6,170,821	5,690,821	-	-
		29,805,573	24,756,662	-	-
Current liabilities					
Trade payables	29	7,392,528	7,554,091	-	-
Other payables and accruals	30	2,939,746	9,080,121	368,455	876,177
Tax payable		4,047,802	1,405,417	-	-
Borrowings	26	3,608,254	7,537,979	-	-
Lease liabilities	24	2,254,557	1,945,171	-	-
		20,242,887	27,522,779	368,455	876,177
Total liabilities		50,048,460	52,279,441	368,455	876,177
Total equity and liabilities		270,413,260	229,230,796	203,248,056	174,352,902

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Share capital RM	Revaluation reserve RM	Reverse acquisition reserve RM	Treasury shares RM	Retained profits RM	Equity attributable to owners		Total equity RM
						Company RM	Non- controlling interests RM	
At 1 January 2021	179,072,171	28,138,734	(72,050,600)	(1,296,500)	43,002,961	176,866,766	84,589	176,951,355
Transactions with owners								
Issue of shares pursuant to private placements	25,650,000	-	-	-	-	25,650,000	-	25,650,000
Share issue expenses	(253,789)	-	-	-	-	(253,789)	-	(253,789)
Acquisition of non-controlling interests	-	-	-	-	(1,037,943)	(1,037,943)	431,943	(606,000)
Net profit/(loss)/Total comprehensive income /(loss) for the year	25,396,211	-	-	-	(1,037,943)	24,358,268	431,943	24,790,211
At 31 December 2021	204,468,382	28,138,734	(72,050,600)	(1,296,500)	61,104,784	220,364,800	-	220,364,800

STATEMENTS OF CHANGES IN EQUITY *cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Share capital	Revaluation reserve	Reverse acquisition reserve	Share issuance scheme reserve	Treasury shares	Retained profits	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2020	166,639,075	23,378,833	(72,050,600)	1,541,798	(100,000)	32,297,149	151,706,255	144,543	151,850,798
Transactions with owners									
Issue of shares pursuant to private placements	12,542,292	-	-	-	-	-	12,542,292	-	12,542,292
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	125,000	125,000
Share issuance scheme expired	-	-	-	(1,541,798)	-	1,541,798	-	-	-
Share issue expenses	(109,196)	-	-	-	(1,196,500)	-	(109,196)	-	(109,196)
Shares repurchased	-	-	-	-	(1,196,500)	-	(1,196,500)	-	(1,196,500)
	12,433,096	-	-	(1,541,798)	(1,196,500)	1,541,798	11,236,596	125,000	11,361,596
Net profit/(loss) for the year	-	-	-	-	-	9,164,014	9,164,014	(184,954)	8,979,060
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
- Gain on revaluation of freehold land and buildings (net of tax)	-	4,759,901	-	-	-	-	4,759,901	-	4,759,901
Total comprehensive income/(loss) for the year	-	4,759,901	-	-	-	9,164,014	13,923,915	(184,954)	13,738,961
At 31 December 2020	179,072,171	28,138,734	(72,050,600)	-	(1,296,500)	43,002,961	176,866,766	84,589	176,951,355

STATEMENTS OF CHANGES IN EQUITY *cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Share capital RM	Share issuance scheme reserve RM	Treasury shares RM	Accumulated losses RM	Total RM
At 1 January 2020	166,639,075	1,541,798	(100,000)	(17,766,601)	150,314,272
Transactions with owners					
Issue of shares pursuant to private placements	12,542,292	-	-	-	12,542,292
Share issuance scheme expired	-	(1,541,798)	-	1,541,798	-
Share issue expenses	(109,196)	-	-	-	(109,196)
Shares repurchased	-	-	(1,196,500)	-	(1,196,500)
	12,433,096	(1,541,798)	(1,196,500)	1,541,798	11,236,596
Net profit/Total comprehensive income for the year	-	-	-	11,925,857	11,925,857
At 31 December 2020	179,072,171	-	(1,296,500)	(4,298,946)	173,476,725
Transactions with owners					
Issue of shares pursuant to private placements	25,650,000	-	-	-	25,650,000
Share issue expenses	(253,789)	-	-	-	(253,789)
	25,396,211	-	-	-	25,396,211
Net profit/Total comprehensive income for the year	-	-	-	4,006,665	4,006,665
At 31 December 2021	204,468,382	-	(1,296,500)	(292,281)	202,879,601

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from/(used in) operating activities				
Profit before tax	26,557,913	11,425,888	4,006,665	11,925,857
Adjustments for:				
Allowance for impairment of receivables	698,031	59,047	700,000	-
Allowance for impairment of receivables no longer required	(979,705)	(420,523)	(472,475)	(7,236,562)
Amortisation of club memberships	824	824	-	-
Bad debts written off	125,000	-	125,000	-
Changes in fair value of				
- derivative financial instruments	12,688	(7,593)	-	-
- other investments	244,142	(2,252,875)	-	-
Depreciation	8,027,687	6,579,344	4,111	2,164
Dividend income	(306,808)	(34,172)	(4,000,000)	(5,500,000)
Gain on derecognition of lease liabilities	(104,680)	-	-	-
Gain on disposal of				
- a subsidiary	-	(178,399)	-	(280,000)
- other investments	(914,280)	(469,357)	-	-
- plant and equipment	(231,061)	(65,670)	-	-
Government grant income	(140,012)	(140,012)	-	-
Impairment losses on				
- investment property	631,207	-	-	-
- investment in subsidiaries	-	-	1,086,028	-
- plant and equipment	153,654	-	-	-
- right of use assets	134,162	-	-	-
Impairment loss on investment in subsidiaries no longer required	-	-	(2,271,070)	-
Interest expense	974,459	1,967,593	-	-
Interest income	(283,434)	(239,396)	(55,254)	(47,433)
Plant and equipment written off	182,332	46,445	-	-
Waiver of debts	-	-	-	220,612
Unrealised loss on foreign exchange	92,449	545,133	-	-
Realised (gain)/loss on foreign exchange - cash and cash equivalents	(38,959)	15,512	-	-
Operating profit/(loss) before working capital changes	34,835,609	16,831,789	(876,995)	(915,362)
Increase in inventories	(15,507,320)	(7,466,180)	-	-
Decrease in other investments	3,325,122	521,473	-	-
Decrease/(Increase) in trade and other receivables	6,921,266	(4,517,864)	(13,400)	(124,999)
(Decrease)/Increase in trade and other payables	(10,425,989)	1,222,243	(1,325)	5,567
Cash generated from/(used in) operations	19,148,688	6,591,461	(891,720)	(1,034,794)
Income tax paid	(4,815,021)	(1,105,296)	(3,700)	(3,700)
Income tax refunded	-	23,532	-	3,700
Net cash from/(used in) operating activities	14,333,667	5,509,697	(895,420)	(1,034,794)

STATEMENTS OF CASH FLOWS *cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from/(used in) investing activities				
Advances to subsidiaries	-	-	(28,023,417)	(12,344,794)
Advances to a corporate shareholder of a subsidiary	-	(1,000,000)	-	-
Advances to a company in which certain directors of a subsidiary have an interest	-	(3,679,448)	-	-
Net cash inflow from acquisition of a subsidiary	3,467	-	-	-
Acquisition of non-controlling interests	(606,000)	-	-	-
Net cash inflow on disposal of a subsidiary	-	171,747	-	280,000
Acquisition of shares in an existing subsidiary	-	-	(586,000)	-
Subscription of shares in new subsidiaries	-	-	-	(1,375,000)
Deposits paid for				
- acquisition of shares in a subsidiary	-	(3,100,000)	-	-
- purchase of plant and equipment	(56,976)	(1,382,944)	-	-
Dividends received	306,808	34,172	4,000,000	5,500,000
(Increase)/Decrease in fixed deposits pledged	(16,702)	1,375,528	-	-
Interest received	283,434	239,396	55,254	47,433
Proceeds from disposal of plant and equipment	250,188	66,500	-	-
Purchase of				
- investment property	-	(3,171,174)	-	-
- property, plant and equipment	(5,865,045)	(3,216,879)	(3,427)	(19,984)
- right of use assets	-	(310,848)	-	-
Net cash used in investing activities	(5,700,826)	(13,973,950)	(24,557,590)	(7,912,345)
Cash flows from/(used in) financing activities				
Interest paid	(1,430,069)	(1,967,593)	-	-
(Repayments to)/Advances from subsidiaries	-	-	(506,397)	488,836
Proceeds from issue of shares	25,650,000	12,542,292	25,650,000	12,542,292
Proceeds from term loan	-	250,000	-	-
Share issue expenses	(253,789)	(109,196)	(253,789)	(109,196)
Shares repurchased	-	(1,196,500)	-	(1,196,500)
Share issue proceeds from non-controlling interest	-	125,000	-	-
Repayments of term loans	(2,826,656)	(1,989,114)	-	-
Repayments of lease liabilities	(2,499,375)	(1,849,087)	-	-
Net cash from financing activities	18,640,111	5,805,802	24,889,814	11,725,432
Net increase/(decrease) in cash and cash equivalents	27,272,952	(2,658,451)	(563,196)	2,778,293
Cash and cash equivalents at beginning of year	5,118,742	7,792,705	3,626,690	848,397
Effect of exchange differences	38,959	(15,512)	-	-
Cash and cash equivalents at end of year	32,430,653	5,118,742	3,063,494	3,626,690

STATEMENTS OF CASH FLOWS cont'd

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and cash equivalents comprise:				
Cash and bank balances	29,865,926	7,370,509	2,674,250	3,243,795
Fixed deposits with licensed banks	3,426,973	3,367,976	389,244	382,895
Bank overdrafts	-	(4,774,199)	-	-
	33,292,899	5,964,286	3,063,494	3,626,690
Less: Fixed deposits pledged	(862,246)	(845,544)	-	-
	32,430,653	5,118,742	3,063,494	3,626,690

Reconciliation of liabilities arising from financing activities - Group

	2020 RM	Cash flows RM	Non-cash changes RM	2021 RM
Lease liabilities				
- hire purchase	1,396,105	(671,986)	-	724,119
- others	4,497,934	(1,827,389)	4,327,678	6,998,223
Term loans	17,255,117	(2,826,656)	6,861,136	21,289,597

	2019 RM	Cash flows RM	Non-cash changes RM	2020 RM
Lease liabilities				
- hire purchase	1,453,223	(707,118)	650,000	1,396,105
- others	5,019,042	(1,141,969)	620,861	4,497,934
Term loans	18,994,231	(1,739,114)	-	17,255,117

Reconciliation of liabilities arising from financing activities - Company

	2020 RM	Cash flows RM	Non-cash changes RM	2021 RM
Amount due to subsidiaries	738,836	(506,397)	-	232,439

	2019 RM	Cash flows RM	Non-cash changes RM	2020 RM
Amount due to subsidiaries	250,000	488,836	-	738,836

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is principally an investment holding company. The details of the subsidiaries, including their principal activities, are disclosed in Note 15.

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business is located at D65-3A, Block D, Jaya One, 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the board of directors on 13 April 2022.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised in Note 2.2.2.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”) and their related IC interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC interpretations does not result in significant changes in accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial applications.

2.2.2 Significant accounting policies

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 the entity operates (“functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. 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.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the period in which the costs are incurred and the services are received.

For each business combination, non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as a financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Business Combination - Reverse Acquisition

For business combination, one of the entities shall be identified as the acquirer. In a reverse acquisition, the legal acquirer is identified as the acquiree for accounting purposes. Consolidated financial statements prepared following a reverse acquisition are issued under the name of legal acquirer (accounting acquiree) but described as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. Comparative information presented in the consolidated financial statements is also retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree).

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probably that the Group will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Foreign currencies

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows:

	2021 RM	2020 RM
Euro	4.7142	4.941
Japanese Yen	-	0.039
Singapore Dollar	3.1739	3.000
United States Dollar	4.1650	4.017

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense in profit or loss as incurred.

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share issuance scheme reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Employee benefits *cont'd*

(iii) Employee share option plans *cont'd*

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertakings, with a corresponding credit to the share issuance scheme reserve.

The share issuance scheme reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share options.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Impairment of assets

The carrying amount of assets subject to accounting for impairment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in profit or loss in the reporting period in which it arises, unless, the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in asset revaluation reserve for the same asset.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Impairment of assets *cont'd*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as an income to the extent that it reverses a revaluation decrease of the same property previously charged to profit or loss.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Group adopted the revaluation method to measure its entire class of land and buildings. Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated depreciation and impairment losses, if any. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Freehold land and buildings are revalued at a regular interval of every five (5) years with additional valuations in the interval years where market conditions indicate that the carrying amounts of the revalued properties materially differ from the market value.

An increase arising from revaluation is recognised in other comprehensive income and accumulated in equity under revaluation reserve. Any decrease arising is first offset against the revaluation surplus on an earlier valuation in respect of the same property and thereafter charged to profit or loss.

A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously charged as an expense. Upon the disposal of revalued assets, the amounts in revaluation reserve relating to those assets are transferred directly to retained profits.

Any accumulated depreciation and impairment losses as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

No depreciation is provided on freehold land. No depreciation is also provided on plant and machinery under construction until the asset is ready for its intended use.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual value on a straight line basis at the following annual rates based on their estimated useful lives:

Freehold buildings	2%
Furniture, fittings, office and factory equipment	0% - 20%
Motor vehicles	20%
Plant and machinery	10% - 20%
Renovation	10% - 16.67%

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Property, plant and equipment and depreciation *cont'd*

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Following initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land held is not depreciated. Depreciation on other investment properties is calculated to write off the cost of each assets to its residual value on a straight line basis based on their estimated useful lives.

Long term leasehold land is amortised over the initial lease period of 99 years.

An investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the reporting period in which they arise.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

i. Golf club memberships

Golf club memberships acquired which are determined to have an indefinite life are not amortised as management believes there is no foreseeable limit to the period over which their benefits can be utilised.

Other golf club memberships with finite useful life are amortised on a straight line basis over the finite useful life of 85 years.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Investment in subsidiaries

Subsidiary is a company controlled by the Company. Control exists when the Company has power over its investee, exposed or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Inventories

a) Property development

Properties held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non current assets and is stated at the lower of cost and net realisable value.

Properties held for development is reclassified as current assets at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. These assets are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

b) Manufacturing and trading

Inventories comprising raw materials, work in progress, finished goods and trading merchandise are stated at the lower of cost and net realisable value. Cost of inventories is determined on a first in, first out basis. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of trading merchandise and raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprise the cost of raw materials used, direct labour, other direct costs and appropriate production overheads.

Government grants

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Government grants that compensate the Group for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Leases

As a lessee

i) Right of use assets

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Subsequent to initial measurement, the right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Motor vehicles	5 years
Office premises	4 years
Outlets	2 - 8 years
Restoration costs	2 - 8 years

Right of use asset is subject to impairment and is adjusted for any remeasurement of lease liabilities.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Leases *cont'd*

As a lessee cont'd

ii) Lease liabilities *cont'd*

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms and is included in revenue or other operating income, as appropriate, in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Provisions

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the reporting period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

(i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

Equity investments at FVOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investment that is not held for trading, to be designated at fair value through other comprehensive income. The election is made on an investment by investment basis.

Subsequent to initial recognition, equity investments at FVOCI are measured at fair value.

Dividends are recognised as other income in profit or loss when the right of payment has been established. Other net gains and losses are recognised in other comprehensive income and are never recycled to profit or loss. Equity investments at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Financial instruments *cont'd*

(iii) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income. Exchange differences and interest on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income. Dividends are recognised as other income in profit or loss when the right of payment has been established.

(iv) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

- a) contingent consideration of an acquirer in a business combination;
- b) financial guarantee contracts;
- c) loan commitments;
- d) designated at fair value through profit or loss; or
- e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the loss allowance determined in accordance with the expected credit losses model and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Financial instruments *cont'd*

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised directly in equity.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity (except for equity investment at FVOCI) is recognised in profit or loss. On derecognition of equity investment at FVOCI, any cumulative gain or loss that had been recognised in equity is not reclassified to profit or loss, but is transferred to retained earnings.

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

Expected credit losses

The Group recognises an allowance for expected credit losses ("ECL") for financial assets at amortised cost.

ECL are generally based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Expected credit losses *cont'd*

Loss allowances for debt instruments measured at amortised cost are deducted from the gross carrying amount of the assets.

Low credit risk

A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

Significant increase in credit risk

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

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Definition of default

The Group considers a debt instrument to be in default when:

- a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
- b) The financial asset is more than 90 days past due.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- a) Significant financial difficulties of the debtor;
- b) A breach of contract, such as a default or past due event;
- c) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
- e) Disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

2. PRINCIPAL ACCOUNTING POLICIES *cont'd*

2.2 Basis of preparation of the financial statements *cont'd*

2.2.2 Significant accounting policies *cont'd*

Expected credit losses *cont'd*

Write off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Current versus non-current classification

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of fixed deposits pledged and bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

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

(a) Useful lives of property, plant and equipment

The Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets. Therefore, future depreciation charges could be revised.

(b) Impairment of assets

The Group assesses impairment of investment property, property, plant and equipment, right of use assets and investment in subsidiaries when events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the relevant assets.

Significant variations to the assumptions and estimates used to determine future cash flows could result in changes to the assessment of the recoverability of these non financial assets.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

4. REVENUE

4.1 Disaggregation of revenue

Set out below is the disaggregation of revenue from contracts with customers:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Type of goods or services				
Sale of manufactured goods	205,819,136	143,076,113	-	-
Proprietary solutions and software maintenance	-	108,382	-	-
Trading of goods	3,031,705	1,712,068	-	-
Trading of shares	12,484,159	11,414,807	-	-
Laundry services	2,647,127	2,688,038	-	-
	223,982,127	158,999,408	-	-
Others				
Dividend income	-	-	4,000,000	5,500,000
	223,982,127	158,999,408	4,000,000	5,500,000
Timing of revenue recognition				
At a point in time	223,982,127	158,921,304	-	-
Over time	-	78,104	-	-
	223,982,127	158,999,408	-	-

4.2 Performance obligations

Segment	Nature of goods and services	Satisfaction of performance obligations	Significant payment terms
Manufacturing	Manufactures and sells ferrous, non-ferrous and precious metals via the recovery and reclamation of industrial and electronic waste	Revenue recognised upon delivery of goods	Substantial payment in advance prior to delivery and the remaining balance generally due within 30 to 90 days from delivery
Trading of goods	Trading of ferrous and non-ferrous metals	Revenue recognised upon delivery of goods	Generally due within 30 to 90 days from delivery
Trading of goods	Trading of confectionery, ice cream and gelato products	Revenue recognised upon delivery of goods	Cash basis
Laundry services	Coin-operated laundry business	Revenue recognised upon services rendered	Cash basis

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

4. REVENUE *cont'd*

4.2 Performance obligations *cont'd*

Segment	Nature of goods and services	Satisfaction of performance obligations	Significant payment terms
Trading of shares	Trading of quoted equity instruments	Revenue recognised upon conclusion of sale contract	Generally 3 days from contract date
Proprietary solutions and software maintenance	Proprietary solutions service	Revenue is recognised over time by using input method to measure progress towards satisfaction of services	Generally 30 to 60 days from billing date
Proprietary solutions and software maintenance	Software maintenance	Revenue is recognised over time using straight line basis over the contract period	Generally 30 to 60 days from billing date

4.3 Transaction price allocated to the remaining performance obligations

For practical expediency, no information is provided on the remaining performance obligation at the reporting date that have an original expected duration of one year or less as allowed under the paragraph 121(a) of MFRS 15.

4.4 Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5. STAFF COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages, bonus and allowances	12,285,975	10,075,416	316,050	318,824
Defined contribution plan	983,519	1,050,865	21,120	19,397
Other employee related expenses	511,617	350,655	4,645	4,680
	13,781,111	11,476,936	341,815	342,901

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

6. PROFIT FROM OPERATIONS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit from operations is arrived at after charging/(crediting):				
Auditors' remuneration	143,500	126,000	43,000	40,000
Bad debts written off	125,000	-	125,000	-
Changes in fair value of				
- derivative financial instruments	12,688	(7,593)	-	-
- other investments	244,142	(2,252,875)	-	-
Directors' remuneration				
- directors of the Company				
- fees	136,800	143,000	136,800	143,000
- others	1,346,840	1,167,540	23,000	24,000
- directors of a subsidiary				
- other than fees	1,310,400	1,143,540	-	-
Expenses relating to short term leases on premises	231,031	193,790	100,525	69,216
Expenses relating to leases of low value assets on equipment	160,823	158,884	-	-
Loss on hedging activities on commodity price	1,049,304	-	-	-
Loss/(Gain) on foreign exchange				
- realised	172,882	(12,246)	-	-
- unrealised	92,449	545,133	-	-
Operating lease income from premises	(56,600)	(55,000)	-	-
Plant and equipment written off	182,332	46,445	-	-
Waiver of debts	-	-	-	220,612
Gain on derecognition of lease liabilities	(104,680)	-	-	-
Gain on disposal of				
- a subsidiary	-	(178,399)	-	(280,000)
- other investments	(914,280)	(469,357)	-	-
- plant and equipment	(231,061)	(65,670)	-	-
Dividend income from other investments	(306,808)	(34,172)	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

6. PROFIT FROM OPERATIONS *cont'd*

The key management personnel of the Company whose remuneration is analysed as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors of the Company				
Executive directors:				
Salaries, bonus and allowances	1,182,000	1,022,000	-	-
Defined contribution plan	141,840	121,540	-	-
Benefits in kind	46,650	46,650	-	-
	<u>1,370,490</u>	<u>1,190,190</u>	<u>-</u>	<u>-</u>
Non executive directors:				
Fees	136,800	143,000	136,800	143,000
Salaries, bonus and allowances	23,000	24,000	23,000	24,000
	<u>159,800</u>	<u>167,000</u>	<u>159,800</u>	<u>167,000</u>
Total directors' remuneration	<u>1,530,290</u>	<u>1,357,190</u>	<u>159,800</u>	<u>167,000</u>

The number of directors of the Company where total remuneration (including benefits in kind) during the reporting period falls within the following bands is analysed as follows:

	2021 RM	2020 RM
Executive directors:		
RM550,001 to RM600,000	-	2
RM650,001 to RM700,000	2	-
	<u>2</u>	<u>-</u>
Non executive directors:		
RM50,001 to RM100,000	3	3
	<u>3</u>	<u>3</u>

7. FINANCE INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest income from:				
- advances to a subsidiary	-	-	2,441	-
- current account deposits	224,437	81,105	46,464	7,914
- fixed deposits	58,997	158,291	6,349	39,519
	<u>283,434</u>	<u>239,396</u>	<u>55,254</u>	<u>47,433</u>

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

8. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:				
- bank overdrafts	77,802	225,549	-	-
- hire purchase	50,277	76,471	-	-
- other lease liabilities	460,803	206,938	-	-
- term loans	841,187	1,458,635	-	-
	1,430,069	1,967,593	-	-
Less: amount capitalised in property development activities (Note 17)	(455,610)	-	-	-
	974,459	1,967,593	-	-

9. INCOME TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Expected income tax payable				
- current year	(7,524,717)	(2,463,000)	-	-
- over provision in prior years	70,038	286,172	-	-
	(7,454,679)	(2,176,828)	-	-
Deferred tax (Note 28)				
- current year	(283,000)	(270,000)	-	-
- under provision in prior years	(197,000)	-	-	-
	(480,000)	(270,000)	-	-
	(7,934,679)	(2,446,828)	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

9. INCOME TAX EXPENSE *cont'd*

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit before tax	26,557,913	11,425,888	4,006,665	11,925,857
Taxation at statutory tax rate of 24% (2020: 24%)	(6,373,900)	(2,742,200)	(962,000)	(2,862,000)
Expenses not deductible for tax purposes	(1,834,317)	(1,502,140)	(543,000)	(2,862,000)
Income not subject to tax	106,900	617,500	1,505,000	5,724,000
Utilisation of reinvestment allowance arising during the year	490,000	677,000	-	-
Utilisation of previously unrecognised deferred tax assets	225,000	445,600	-	-
Deferred tax assets not recognised	(421,400)	(228,760)	-	-
Over/(Under) provision in prior years				
- current tax	70,038	286,172	-	-
- deferred tax	(197,000)	-	-	-
Income tax expense for the year	(7,934,679)	(2,446,828)	-	-

10. EARNINGS PER SHARE

10.1 Basic earnings per share

Basic earnings per ordinary share is calculated based on the net profit attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	Group	
	2021 RM	2020 RM
Net profit attributable to owners of the Company	19,139,766	9,164,014
Weighted average number of ordinary shares in issue	603,152,879	456,967,262
Basic earnings per share (sen)	3.17	2.01

10.2 Diluted earnings per share

Diluted earnings per share are not presented in the financial statements since there are no dilutive potential ordinary shares as at 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold buildings RM	Furniture, fittings, office and factory equipment RM	Motor vehicles RM	Plant and machinery RM	Plant and machinery under construction RM	Renovation RM	Total RM
Cost/Valuation								
At 1 January 2020	39,936,734	18,634,426	9,494,700	5,756,243	28,894,259	2,172,100	9,954,335	114,842,797
Additions	-	-	157,597	63,864	299,068	2,385,250	545,100	3,450,879
Disposals	-	-	(2,256)	(555,339)	-	-	-	(557,595)
Disposal of a subsidiary	-	-	(80,766)	-	-	-	(187,215)	(267,981)
Transfers	-	-	-	-	3,810,100	(3,810,100)	-	-
Write offs	-	-	(86,650)	(81,000)	(143,800)	-	-	(311,450)
Reclassification to right of use assets	-	-	-	221,708	-	-	-	221,708
Revaluations	6,709,851	(2,075,385)	-	-	-	-	-	4,634,466
At 31 December 2020	46,646,585	16,559,041	9,482,625	5,405,476	32,859,627	747,250	10,312,220	122,012,824
Additions	3,700,000	1,300,000	1,545,563	117,200	2,958,158	380,275	746,793	10,747,989
Acquisition of a subsidiary	-	-	44,400	-	-	-	-	44,400
Disposals	-	-	(21,176)	(675,880)	-	-	-	(697,056)
Transfers	-	-	63,949	-	616,201	(747,250)	67,100	-
Write offs	-	-	(329,026)	-	-	-	(110,968)	(439,994)
Reclassification from right of use assets	-	-	-	1,597,944	-	-	-	1,597,944
At 31 December 2021	50,346,585	17,859,041	10,786,335	6,444,740	36,433,986	380,275	11,015,145	133,266,107
Representing:								
At cost	3,700,000	1,300,000	10,786,335	6,444,740	36,433,986	380,275	11,015,145	70,060,481
At valuation	46,646,585	16,559,041	-	-	-	-	-	63,205,626
At 31 December 2021	50,346,585	17,859,041	10,786,335	6,444,740	36,433,986	380,275	11,015,145	133,266,107
At cost	-	-	9,482,625	5,405,476	32,859,627	747,250	10,312,220	58,807,198
At valuation	46,646,585	16,559,041	-	-	-	-	-	63,205,626
At 31 December 2020	46,646,585	16,559,041	9,482,625	5,405,476	32,859,627	747,250	10,312,220	122,012,824

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT cont'd

Group	Freehold land RM	Freehold buildings RM	Furniture, fittings, office and factory equipment RM	Motor vehicles RM	Plant and machinery RM	Plant and machinery under construction RM	Renovation RM	Total RM
Accumulated depreciation								
At 1 January 2020	-	1,507,357	5,724,820	5,569,423	15,898,491	-	5,151,352	33,851,443
Charge for the year	-	377,173	622,082	96,867	2,354,791	-	971,487	4,422,400
Disposals	-	-	(1,429)	(555,336)	-	-	-	(556,765)
Disposal of a subsidiary	-	-	(74,431)	-	-	-	(187,214)	(261,645)
Write offs	-	-	(57,943)	(80,999)	(126,063)	-	-	(265,005)
Reclassification to right of use assets	-	-	-	155,195	-	-	-	155,195
Revaluations	-	(1,824,820)	-	-	-	-	-	(1,824,820)
At 31 December 2020	-	59,710	6,213,099	5,185,150	18,127,219	-	5,935,625	35,520,803
Acquisition of a subsidiary	-	-	2,498	-	-	-	-	2,498
Charge for the year	-	372,150	859,708	130,027	2,414,290	-	1,198,017	4,974,192
Disposals	-	-	(5,919)	(672,010)	-	-	-	(677,929)
Write offs	-	-	(188,147)	-	-	-	(69,515)	(257,662)
Reclassification from right of use assets	-	-	-	1,151,822	-	-	-	1,151,822
At 31 December 2021	-	431,860	6,881,239	5,794,989	20,541,509	-	7,064,127	40,713,724
Accumulated impairment losses								
At 1 January 2020/	-	-	-	-	1,880,319	-	-	1,880,319
31 December 2020	-	-	-	-	128,837	-	24,817	153,654
Impairment loss for the year	-	-	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	2,009,156	-	24,817	2,033,973

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

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

Group	Freehold land RM	Freehold buildings RM	Furniture, fittings, office and factory equipment RM	Motor vehicles RM	Plant and machinery RM	Plant and machinery under construction RM	Renovation RM	Total RM
Carrying amount								
At cost	3,700,000	1,300,000	3,905,096	649,751	13,883,321	380,275	3,926,201	27,744,644
At valuation	46,646,585	16,127,181	-	-	-	-	-	62,773,766
At 31 December 2021	50,346,585	17,427,181	3,905,096	649,751	13,883,321	380,275	3,926,201	90,518,410
At cost	-	-	3,269,526	220,326	12,852,089	747,250	4,376,595	21,465,786
At valuation	46,646,585	16,499,331	-	-	-	-	-	63,145,916
At 31 December 2020	46,646,585	16,499,331	3,269,526	220,326	12,852,089	747,250	4,376,595	84,611,702

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

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

Company	Computers and printers RM	Total RM
Cost		
At 1 January 2020	-	-
Additions	19,984	19,984
At 31 December 2020	19,984	19,984
Additions	3,427	3,427
At 31 December 2021	23,411	23,411
Accumulated depreciation		
At 1 January 2020	-	-
Charge for the year	2,164	2,164
At 31 December 2020	2,164	2,164
Charge for the year	4,111	4,111
At 31 December 2021	6,275	6,275
Carrying amount		
At 31 December 2021	17,136	17,136
At 31 December 2020	17,820	17,820

11.1 At the reporting date:

- (i) The property, plant and equipment of the Group which have been charged as collaterals to secure the banking facilities and term loans referred to in Note 26 are as follows:

	Group	
	2021 RM	2020 RM
<u>At carrying amount</u>		
Freehold land	48,136,585	44,436,585
Freehold buildings	17,090,002	16,153,330
	65,226,587	60,589,915

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

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

11.2 During the reporting period, cash payments made to purchase property, plant and equipment are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Total additions	10,747,989	3,450,879	3,427	19,984
Additions through:				
- deposits paid in previous reporting period	(1,382,944)	(234,000)	-	-
- term loan	(3,500,000)	-	-	-
Cash payments	5,865,045	3,216,879	3,427	19,984

11.3 Revaluation

The freehold land and buildings of the Group were revalued on 31 December 2020 based upon valuations carried out by independent professional valuers using the fair value method which is determined by reference to open market values on an existing use basis.

The revaluation surplus net of tax was credited to other comprehensive income and shown in revaluation reserve as explained in Note 23.1.

Had the freehold land and buildings been carried at historical cost, the carrying amount of the freehold land and buildings that would have been included in the financial statements of the Group as at reporting date would be as follows:

	Group	
	2021 RM	2020 RM
Freehold land	18,166,036	18,166,036
Freehold buildings	12,933,449	13,267,324
	31,099,485	31,433,360

11.4 Impairment review of plant and equipment

During the reporting period, a subsidiary, JAG Nasmeh Sdn Bhd, carried out an impairment assessment on the plant and equipment and right of use assets with indication of impairment in view of losses incurred. The recoverable amounts of the plant and equipment and right of use assets are determined based on their value in use calculations using cashflows projections from financial budgets approved by management covering a five year period and following are the key assumptions:

- (i) The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the business at rate of 8.38%; and
- (ii) The value assigned to the key assumptions such as sales value, fixed and variable costs are based on management's assessment of future business trends and its historical data.

The impairment loss totalling RM287,816 (RM153,654 for property, plant and equipment and RM134,162 for right of use assets) has been included in the Group's profit or loss under "Other operating expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

12. RIGHT OF USE ASSETS

Group	Motor vehicles RM	Office premises RM	Outlets RM	Restoration costs RM	Total RM
Cost					
At 1 January 2020	3,796,937	586,727	5,469,107	37,686	9,890,457
Reclassification from property, plant and equipment	(221,708)	-	-	-	(221,708)
Additions	960,848	-	620,861	-	1,581,709
At 31 December 2020	4,536,077	586,727	6,089,968	37,686	11,250,458
Additions	-	-	4,897,260	-	4,897,260
Lease modifications	-	(586,727)	(1,327,539)	-	(1,914,266)
Reclassification to property, plant and equipment	(1,597,944)	-	-	-	(1,597,944)
At 31 December 2021	2,938,133	-	9,659,689	37,686	12,635,508
Accumulated depreciation					
At 1 January 2020	1,024,242	153,140	1,046,578	2,443	2,226,403
Reclassification from property, plant and equipment	(155,195)	-	-	-	(155,195)
Charge for the year	833,308	151,274	1,166,080	6,282	2,156,944
At 31 December 2020	1,702,355	304,414	2,212,658	8,725	4,228,152
Charge for the year	907,212	119,062	2,006,779	6,282	3,039,335
Lease modifications	-	(423,476)	(1,025,888)	-	(1,449,364)
Reclassification to property, plant and equipment	(1,151,822)	-	-	-	(1,151,822)
At 31 December 2021	1,457,745	-	3,193,549	15,007	4,666,301
Accumulated impairment losses					
At 1 January 2020/ 31 December 2020	-	-	-	-	-
Impairment loss for the year	-	-	134,162	-	134,162
At 31 December 2021	-	-	134,162	-	134,162
Carrying amount					
At 31 December 2021	1,480,388	-	6,331,978	22,679	7,835,045
At 31 December 2020	2,833,722	282,313	3,877,310	28,961	7,022,306

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

12. RIGHT OF USE ASSETS *cont'd*

During the reporting period, cash payments made to acquire right of use assets are as follows:

	Group	
	2021	2020
	RM	RM
Total additions	4,897,260	1,581,709
Additions through lease arrangements	(4,897,260)	(1,270,861)
Cash payments	-	310,848

12.1 Impairment review of right of use assets

The right of use assets of a subsidiary, JAG Nasmeh Sdn Bhd, are tested for impairment as explained in Note 11.4.

13. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Total RM
Group			
Cost			
At 1 January 2020	19,445,279	-	19,445,279
Additions	3,171,174	-	3,171,174
At 31 December 2020	22,616,453	-	22,616,453
Acquisition of a subsidiary	-	10,571,771	10,571,771
Transfer from/(to) inventories	17,712,788	(10,571,771)	7,141,017
At 31 December 2021	40,329,241	-	40,329,241
Accumulated depreciation			
At 1 January 2020/31 December 2020	-	-	-
Charge for the year	-	14,160	14,160
Transfer to inventories	-	(14,160)	(14,160)
At 31 December 2021	-	-	-
Accumulated impairment losses			
At 1 January 2020/31 December 2020	4,005,279	-	4,005,279
Impairment loss for the year	631,207	-	631,207
At 31 December 2021	4,636,486	-	4,636,486
Carrying amount			
At 31 December 2021	35,692,755	-	35,692,755
At 31 December 2020	18,611,174	-	18,611,174

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

13. INVESTMENT PROPERTIES *cont'd*

During the reporting period, a subsidiary, JAG Development Sdn Bhd, performed an impairment test on its investment property and an impairment loss of RM631,207 was recognised to write down the investment property to its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal of the freehold land and the impairment loss has been recognised in the Group's profit or loss under "Other operating expenses" line item.

The investment properties of the Group with carrying amount of RM17,081,581 (2020: RM Nil) have been pledged as collaterals to secure the banking facilities referred to in Note 26.

14. INTANGIBLE ASSETS

	Group	
	2021 RM	2020 RM
Golf club membership		
At cost		
At beginning/end of year	108,000	108,000
Accumulated amortisation		
At beginning of year	6,592	5,768
Charge for the year	824	824
At end of year	7,416	6,592
Carrying amount	100,584	101,408

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Unquoted shares at cost		
At beginning of year	126,010,954	101,217,857
Subscription of additional shares in an existing subsidiary	20,000,000	24,000,000
Acquisition of additional shares in an existing subsidiary	586,000	-
Incorporation of new subsidiaries	-	1,375,000
Disposal of a subsidiary	-	(581,903)
At end of year	146,596,954	126,010,954
Accumulated impairment losses		
At beginning of year	12,271,070	3,852,973
Impairment loss during the year	1,086,028	9,000,000
Impairment loss no longer required	(2,271,070)	-
Disposal of a subsidiary	-	(581,903)
At end of year	11,086,028	12,271,070
Carrying amount	135,510,926	113,739,884

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

15. INVESTMENT IN SUBSIDIARIES *cont'd*

The details of the subsidiaries are as follows:

Subsidiaries of the Company	Country of incorporation	Group's effective interest		Principal activities
		2021 %	2020 %	
JAG Capital Equity Sdn Bhd	Malaysia	100	100	Investment holding company
Jaring Metal Industries Sdn Bhd	Malaysia	100	100	Recycling and manufacturing activities of extraction, production and refinery of ferrous, non-ferrous and precious metals via the recovery and reclamation of industrial and electronic waste and the trading of ferrous and non-ferrous metals
JAG Land Sdn Bhd	Malaysia	100	100	Buy, sell, rent and operate self-owned or leased real estate land, property development and project management
JAG Development Sdn Bhd	Malaysia	100	100	Property developer, real estate project development, building constructor and property investment
JAG Prop Sdn Bhd	Malaysia	100	100	Dormant
JAG Renewable Energy Sdn Bhd	Malaysia	100	100	Dormant
JAG Scoops Sdn Bhd	Malaysia	100	75	Manufacturing, distribution, sale and other related services of confectionery, ice cream and gelato products
Subsidiaries of Jaring Metal Industries Sdn Bhd				
JAG Nasmeh Sdn Bhd	Malaysia	100	80	Operating twenty-four (24) hour coin-operated laundry business
JAG Eco Sdn Bhd	Malaysia	100	-	Property developer, real estate project development, building constructor and property investment

15.1 Acquisition of subsidiaries and additional subscription of shares in subsidiaries

In the current reporting period:

- (a) The Company subscribed for additional 20,000,000 ordinary shares in Jaring Metal Industries Sdn Bhd ("JMI") by way of capitalisation of amount due from JMI of RM20,000,000.
- (b) The Company acquired an additional 125,000 ordinary shares representing 25% equity interest in JAG Scoops Sdn Bhd ("JAGSSB") for a cash consideration of RM586,000. Consequently, JAGSSB became a wholly owned subsidiary of the Group.
- (c) JMI acquired an additional 20,000 ordinary shares representing 20% equity interest in JAG Nasmeh Sdn Bhd ("JAGN") for a cash consideration of RM20,000. Consequently, JAGN became a wholly owned subsidiary of the Group.
- (d) The acquisition of JAG Eco Sdn Bhd ("JAGE") by JMI was completed during the reporting period and JAGE became a wholly owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

15. INVESTMENT IN SUBSIDIARIES *cont'd*

15.1 Acquisition of subsidiaries and additional subscription of shares in subsidiaries *cont'd*

In the previous reporting period:

- (a) The Company incorporated a wholly-owned subsidiary, JAG Renewable Energy Sdn Bhd (“JRESB”), by subscribing to 1,000,000 ordinary shares representing 100% of the issued and paid-up share capital of JRESB for a cash consideration of RM1,000,000. JRESB is intended to carry out the principal activities of production and manufacturing of renewable energy.
- (b) The Company incorporated a subsidiary, JAGSSB, by subscribing to 375,000 ordinary shares representing 75% of the issued and paid-up share capital of JAGSSB for a cash consideration of RM375,000. JAGSSB is intended to carry out the principal activities of manufacturing, distribution, sale and other related services of confectionery, ice cream and gelato products.
- (c) The Company subscribed for additional 24,000,000 ordinary shares in JAG Land Sdn Bhd (“JAGL”) by way of capitalisation of amount due from JAGL of RM24,000,000.
- (d) On 28 December 2020, JMI, a wholly owned subsidiary of the Company, entered into a share sale agreement to acquire the entire equity interest in JAGE, a investment holding company, for a total purchase consideration of RM3,100,000.

The acquisition of JAGE had the following financial effects on the Group’s financial statements:

	2021 RM
Plant and equipment	41,902
Investment property	10,571,771
Cash and bank balances	3,467
Borrowings	(3,361,136)
Other payables and accruals	(4,156,004)
Fair value of net assets acquired	<u>3,100,000</u>
Purchase consideration by way of cash	(3,100,000)
Less: Cash and cash equivalent acquired	<u>3,467</u>
Net cash outflow arising from acquisition	<u>(3,096,533)</u>

The acquisition did not have a significant impact to the financial results of the Group.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

15. INVESTMENT IN SUBSIDIARIES *cont'd*

15.2 Disposal of a subsidiary

In the previous reporting period, the Company disposed of 100% equity interest in JAG Systems Sdn Bhd (“JAGS”) for a cash consideration of RM280,000. As a result of the disposal, JAGS ceased to be a subsidiary of the Company.

The disposal of JAGS had the following financial effects on the Group’s financial statements:

	2020 RM
Plant and equipment	6,336
Trade receivables	125,022
Other receivables, deposits and prepayments	25,690
Tax recoverable	11,007
Cash and bank balances	108,253
Trade payables	(23,537)
Other payables and accruals	(151,170)
	101,601
Less: Cash consideration received	(280,000)
	(178,399)
Gain on disposal of a subsidiary (included in “Other operating income” line item in profit or loss)	(178,399)
	280,000
Cash consideration received	280,000
Less: Cash and cash equivalents disposed of	(108,253)
	171,747
	171,747

The disposal did not have a significant impact to the financial results of the Group.

15.3 Impairment review of investment in subsidiaries

During the reporting period, the directors performed an impairment test on the following subsidiaries and impairment losses have been recognised to write down the investments to their respective recoverable amounts:

	Company	
	2021	2020
	RM	RM
<u>Impairment loss recognised</u>		
JAG Land Sdn Bhd	315,770	9,000,000
JAG Development Sdn Bhd	250,000	-
JAG Prop Sdn Bhd	20,258	-
JAG Renewable Energy Sdn Bhd	500,000	-
<u>Impairment loss no longer required</u>		
JAG Capital Equity Sdn Bhd	(2,271,070)	-
	(2,271,070)	-

The recoverable amount of the investment in subsidiaries is determined based on the value in use (arrived at based on the net assets) of the respective subsidiaries and the amount of impairment loss has been recognised in the Company’s profit or loss under “Other operating expenses” line item while the amount of impairment loss no longer required has been recognised in the Company’s profit or loss under “Other operating income” line item.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

16. OTHER INVESTMENTS

	Group	
	2021 RM	2020 RM
Non current assets:		
Financial assets at fair value through other comprehensive income:		
- quoted equity instruments in Malaysia	2,350,000	-
Current assets:		
Financial assets at fair value through profit or loss:		
- quoted equity instruments in Malaysia	6,579,103	11,603,106
- unquoted mutual funds in Malaysia	21,058	2,039
	6,600,161	11,605,145

Certain quoted equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The investment in unquoted mutual funds relate to portfolio of money market fund investments placed with licensed financial institutions. These funds aim to provide a regular stream of monthly income through direct investment in short term money market instruments and other fixed income instruments. The funds objective is to maintain its net assets per unit at a prescribed rate so that there shall be a minimum fluctuation to the fair value of the investments. These investments could be redeemed for cash from the funds within a short notice period.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

17. INVENTORIES

	Group	
	2021	2020
	RM	RM
Manufacturing and trading		
At cost:		
Trading merchandise	348,719	329,035
Raw materials	19,867,291	20,442,655
Work in progress	12,791,146	8,438,459
Finished goods	37,913,906	27,568,939
	70,921,062	56,779,088
At fair value less costs to sell:		
Raw materials	366,781	366,781
Work in progress	160,309	160,309
Finished goods	255,045	255,045
	782,135	782,135
Property development		
At cost:		
Land held for development	17,725,191	15,904,235
Transfer from investment properties	10,557,611	-
Transfer to investment properties	(17,712,788)	-
	10,570,014	15,904,235
	82,273,211	73,465,458
Less:		
Land held for development – non current portion	(10,570,014)	(15,904,235)
	71,703,197	57,561,223
	167,132,611	123,510,529

Land held for property development with carrying amount of RM10,570,014 (2020: RM15,904,235) has been pledged as collaterals to secure the borrowings referred to in Note 26.

Finance cost included in land held for development is RM455,610 (2020: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

18. TRADE RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Third parties	8,345,922	12,173,879	-	-
Amount due from a company in which certain directors of a subsidiary have an interest	-	104,500	-	-
	8,345,922	12,278,379	-	-
Less: Allowance for impairment	(1,656,904)	(2,620,515)	-	-
	6,689,018	9,657,864	-	-

The Group's normal trade credit terms range from 3 days to 90 days (2020: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis. Trade receivables are not secured by any collateral or credit enhancements.

The movements in the allowance for impairment of trade receivables during the reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At beginning of year	2,620,515	2,581,991	-	25,000
Allowance during the year	198,031	59,047	-	-
Allowance no longer required	(979,705)	(20,523)	-	-
Write off during the year	(181,937)	-	-	(25,000)
At end of year	1,656,904	2,620,515	-	-

The following table details the credit risk exposure on the Group's trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns (i.e. by geographical area, product type and customer segments), the allowance for impairment based on past due status is not further distinguished between the Group's different customer base.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

18. TRADE RECEIVABLES *cont'd*

2021	Trade receivables – days past due				Total RM
Group	Not past due RM	<30 days RM	31-60 days RM	>60 days RM	
Impairment assessed individually					
Gross carrying amount	5,457,889	162,164	15,677	1,613,896	7,249,626
Less: Allowance for impairment	-	-	-	(1,479,323)	(1,479,323)
	5,457,889	162,164	15,677	134,573	5,770,303
Impairment assessed through provision matrix					
Gross carrying amount	890,015	83,984	60,036	62,261	1,096,296
Less: Allowance for impairment	(49,162)	(27,744)	(38,414)	(62,261)	(177,581)
	840,853	56,240	21,622	-	918,715
	6,298,742	218,404	37,299	134,573	6,689,018
2020	Trade receivables – days past due				Total RM
Group	Not past due RM	<30 days RM	31-60 days RM	>60 days RM	
Impairment assessed individually					
Gross carrying amount	-	-	-	2,679,088	2,679,088
Less: Allowance for impairment	-	-	-	(2,561,468)	(2,561,468)
	-	-	-	117,620	117,620
Impairment assessed through provision matrix					
Gross carrying amount	5,071,822	2,853,459	1,005,389	668,621	9,599,291
Less: Allowance for impairment	(2,798)	(7,986)	(1,398)	(46,865)	(59,047)
	5,069,024	2,845,473	1,003,991	621,756	9,540,244
	5,069,024	2,845,473	1,003,991	739,376	9,657,864

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Advance payments to suppliers	2,551,557	2,105,318	-	-
Amount due from subsidiaries	-	-	65,327,800	57,304,383
Amount due from a corporate shareholder of a subsidiary	-	1,000,000	-	-
Amount due from a company in which certain directors of a subsidiary have an interest	-	3,679,448	-	-
Deposits paid for:				
- purchase of plant and equipment	56,976	1,382,944	-	-
- acquisition of shares in a subsidiary	-	3,100,000	-	-
Others	3,725,719	2,912,658	17,500	129,100
	6,334,252	14,180,368	65,345,300	57,433,483
Less: Allowance for impairment (Note 19.2)	(1,329,369)	(829,369)	(700,000)	(472,475)
	5,004,883	13,350,999	64,645,300	56,961,008
Less: Non current portion (Note 19.1)	-	-	(17,725,939)	(18,300,000)
	5,004,883	13,350,999	46,919,361	38,661,008

19.1 Amount due from subsidiaries

In conformance with the Financial Reporting Standards Implementation Committee's FRSIC Consensus 31 – Classification of Amount Due from Subsidiaries and Amount Due to Holding Company that is Repayable on Demand issued by the Malaysian Institute of Accountants on 4 July 2018, amount totalling RM17,725,939 (2020: RM18,300,000) due from subsidiaries have been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date.

19.2 Allowance for impairment

The movements in the allowance for impairment of other receivables during the reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At beginning of year	829,369	1,229,369	472,475	18,545,010
Allowance during the year	500,000	-	700,000	-
Allowance no longer required	-	(400,000)	(472,475)	(18,072,535)
At end of year	1,329,369	829,369	700,000	472,475

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

20. DERIVATIVE ASSETS

	Group	
	2021 RM	2020 RM
Forward foreign exchange sale contracts held for trading at fair value through profit or loss	6,912	19,600

The Group uses forward currency contracts to manage the transaction exposure of the Group's sales denominated in United States Dollar.

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with transaction exposure. Such derivative does not qualify for hedge accounting. The derivative contracts have maturity of less than one year after the reporting date.

During the reporting period, the Group recognised a loss of RM12,688 (2020: gain of RM7,593) arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange rate.

The notional principal amounts of the outstanding contracts are as follows:

	Group	
	2021 RM	2020 RM
Forward foreign exchange sale contracts	2,604,863	3,630,500

21. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group amounting to RM862,246 (2020: RM845,544) have been pledged with a licensed bank to secure the banking facilities referred to in Note 26.

22. SHARE CAPITAL

	Group and Company			
	2021 No. of ordinary shares	2020 No. of ordinary shares	2021 RM	2020 RM
Issued and fully paid:				
At beginning of year	544,109,892	1,818,606,107	179,072,171	166,639,075
Share consolidation	-	(1,363,956,215)	-	-
Issue of shares pursuant to private placements	90,000,000	89,460,000	25,396,211	12,433,096
At end of year	634,109,892	544,109,892	204,468,382	179,072,171

In the previous reporting period, the Company undertook a share consolidation exercise by consolidating every 4 existing ordinary shares into 1 ordinary share. The existing total number of issued shares of 1,818,606,107 was consolidated into 454,649,892 consolidated shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. In respect of the Company's treasury shares, all rights are suspended until those shares are reissued.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

23. RESERVES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Retained profits/ (Accumulated losses)	61,104,784	43,002,961	(292,281)	(4,298,946)
Non-distributable				
Revaluation reserve (Note 23.1)	28,138,734	28,138,734	-	-
Reverse acquisition reserve (Note 23.2)	(72,050,600)	(72,050,600)	-	-
Treasury shares Note 23.3)	(1,296,500)	(1,296,500)	(1,296,500)	(1,296,500)
	(45,208,366)	(45,208,366)	(1,296,500)	(1,296,500)
	15,896,418	(2,205,405)	(1,588,781)	(5,595,446)

23.1 Revaluation reserve

The revaluation reserve represents revaluation surplus arising from freehold land and buildings. The revaluation reserve is used to record increase in the fair value of freehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

23.2 Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by Jaring Metal Industries Sdn Bhd in 2013.

23.3 Treasury shares

	Group and Company			
	2021 No. of treasury shares	2020 No. of treasury shares	2021 RM	2020 RM
At beginning of year	7,325,000	1,000,000	1,296,500	100,000
Shares repurchased	-	28,300,000	-	1,196,500
Share consolidation	-	(21,975,000)	-	-
At end of year	7,325,000	7,325,000	1,296,500	1,296,500

Treasury shares relate to ordinary shares of the Company that are held by the Company in accordance with Section 127(4)(b) of the Companies Act 2016 and are presented as a deduction from shareholder's equity.

Of the total 634,109,892 (2020: 544,109,892) issued and fully paid ordinary shares as at 31 December 2021, 7,325,000 (2020: 7,325,000) are held as treasury shares by the Company.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

24. LEASE LIABILITIES

	Group	
	2021	2020
	RM	RM
Hire purchase liabilities	724,119	1,396,105
Other lease liabilities	6,998,223	4,497,934
	7,722,342	5,894,039
Less: Portion due within one year	(2,254,557)	(1,945,171)
	5,467,785	3,948,868
The non current portion of the lease liabilities is payable as follows:		
Later than 1 year and not later than 2 years	2,044,586	1,483,220
Later than 2 years and not later than 5 years	3,423,199	2,093,649
Later than 5 years	-	371,999
	5,467,785	3,948,868

The weighted average effective interest rates are as follows:

	Group	
	2021	2020
	%	%
Hire purchase liabilities	4.63	5.08
Other lease liabilities	5.83	5.00

The Group and the Company had total cash outflows for leases of RM3,402,309 (2020: RM2,485,170) and RM100,525 (2020: RM69,216) respectively.

25. DEFERRED INCOME

	Group	
	2021	2020
	RM	RM
At beginning of year	587,950	727,962
Grant income recognised	(140,012)	(140,012)
	447,938	587,950

This represents government grants for the acquisition of plant and machinery for the production of high grade non-ferrous metals from industrial waste.

NOTES TO THE FINANCIAL STATEMENTS cont'd

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26. BORROWINGS

	Group	
	2021 RM	2020 RM
Non current portion:		
Term loans	17,681,343	14,491,337
Current portion:		
Bank overdrafts	-	4,774,199
Term loans	3,608,254	2,763,780
	3,608,254	7,537,979
	21,289,597	22,029,316

	Group	
	2021 RM	2020 RM
The non current portion of term loans is payable as follows:		
Later than 1 year and not later than 2 years	3,632,831	2,861,525
Later than 2 years and not later than 5 years	10,892,888	8,680,433
Later than 5 years	3,155,624	2,949,379
	17,681,343	14,491,337

The weighted average effective interest rates are as follows:

	Group	
	2021 %	2020 %
Bank overdrafts	7.05	8.95
Term loans	6.55	6.66

The borrowings are secured by way of:

- (i) property, plant and equipment as disclosed in Note 11.1;
- (ii) investment properties as disclosed in Note 13;
- (iii) land held for development as disclosed in Note 17;
- (iv) fixed deposits with a licensed bank as disclosed in Note 21; and
- (v) joint and several guarantees by certain directors of a subsidiary and a corporate guarantee by the Company.

27. PROVISION

	Group	
	2021 RM	2020 RM
At beginning/end of year	37,686	37,686

The provision is in relation to the cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the lease agreements. The Group expects to incur the liability upon termination of the leases.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

28. DEFERRED TAX LIABILITIES

	Group	
	2021 RM	2020 RM
At beginning of year	(5,690,821)	(3,721,436)
Recognised in profit or loss (Note 9)		
- current year	(283,000)	(270,000)
- under provision in prior years	(197,000)	-
	(480,000)	(270,000)
Recognised in other comprehensive income		
- current year	-	(1,699,385)
At end of year	(6,170,821)	(5,690,821)

	Group	
	2021 RM	2020 RM
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	(7,795,569)	(6,782,331)
Deferred tax assets	1,624,748	1,091,510
	(6,170,821)	(5,690,821)

Deferred tax liabilities are in respect at the following:

	Group	
	2021 RM	2020 RM
Differences between accounting depreciation and tax capital allowances	(4,177,671)	(3,072,604)
Revaluation reserve	(3,548,898)	(3,564,727)
Net fair value gain on held for trading investments	(69,000)	(145,000)
	(7,795,569)	(6,782,331)

Deferred tax assets are in respect at the following:

	Group	
	2021 RM	2020 RM
Allowance for impairment of trade receivables	398,000	629,068
Differences between accounting depreciation and finance lease payments	405,000	34,000
Other deductible temporary differences	99,360	99,360
Unrealised loss on trade related foreign exchange	19,088	62,282
Unutilised business losses	-	152,400
Unabsorbed capital allowances	703,300	114,400
	1,624,748	1,091,510

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

28. DEFERRED TAX LIABILITIES *cont'd*

The analysis of unrecognised deductible temporary differences, unutilised tax losses and tax credits are as follows:

	Group			
	Gross		Tax effects	
	2021	2020	2021	2020
	RM	RM	RM	RM
Unabsorbed capital allowances	2,128,100	1,578,600	513,400	379,000
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2025	-	2,926,100	-	702,100
- 31 December 2026	-	5,174,700	-	1,242,200
- 31 December 2027	-	1,276,000	-	305,900
- 31 December 2028	3,658,200	-	877,300	-
- 31 December 2029	5,211,700	-	1,250,840	-
- 31 December 2030	4,500	-	1,090	-
- 31 December 2031	1,269,000	-	304,000	-
	12,271,500	10,955,400	2,946,630	2,629,200

	Company			
	Gross		Tax effects	
	2021	2020	2021	2020
	RM	RM	RM	RM
Unabsorbed capital allowances	1,567,000	1,578,600	379,000	379,000
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2025	-	1,588,500	-	381,200
- 31 December 2028	1,527,000	-	366,000	-
	3,094,000	3,167,100	745,000	760,200

Portion of the deferred tax assets of the Group and the Company has not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

29. TRADE PAYABLES

The normal trade credits granted to the Group, range from 15 days to 60 days (2020: 15 days to 60 days).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Advance payments from customers	-	6,188,682	-	-
Amount due to subsidiaries	-	-	232,439	738,836
Other payables and accruals	2,939,746	2,891,439	136,016	137,341
	2,939,746	9,080,121	368,455	876,177

31. DIVIDEND

Subsequent to the reporting period, the Company declared a single tier interim dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2021 amounting to RM3,133,911. The dividend was paid on 25 March 2022.

32. SIGNIFICANT RELATED PARTY DISCLOSURES

32.1 Related party transactions

Significant transactions with related parties are as follows:

	Type of transactions	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
With a company in which certain directors of a subsidiary have an interest					
Barrel & Drum (M) Sdn Bhd	Purchases	25,950	37,135	-	-
With a corporate shareholder of a subsidiary					
Bubblelab Laundry Sdn Bhd	Purchase of plant and equipment	-	53,672	-	-
	Maintenance fee expense	-	139,178	-	-
With a subsidiary					
Jaring Metal Industries Sdn Bhd	Dividend income	-	-	4,000,000	5,500,000
JAG Scoops Sdn Bhd	Interest income	-	-	2,441	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

32. SIGNIFICANT RELATED PARTY DISCLOSURES *cont'd*

32.2 Related party balances

Individually significant outstanding balances arising from transactions (other than normal trade transactions) are as follows:

	Type of transactions	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Financial assets					
With subsidiaries					
Jaring Metal Industries Sdn Bhd					
	Advances	-	-	41,633,323	37,625,373
JAG Land Sdn Bhd					
	Advances	-	-	3,847,166	3,747,166
JAG Development Sdn Bhd					
	Advances	-	-	13,129,400	11,079,400
	Allowance for impairment	-	-	(700,000)	-
		-	-	12,429,400	11,079,400
JAG Capital Equity Sdn Bhd					
	Advances	-	-	3,425,939	4,835,939
	Allowance for impairment	-	-	-	(472,475)
		-	-	3,425,939	4,363,464
JAG Renewable Energy Sdn Bhd					
	Advances	-	-	25,852	16,505
JAG Scoops Sdn Bhd					
	Advances	-	-	3,266,120	-
With a company in which certain directors of a subsidiary have an interest					
Cahaya Mutlak Sdn Bhd					
	Advances	-	3,679,448	-	-
LCM Realty Sdn Bhd					
	Deposit paid for acquisition of shares in a subsidiary	-	3,100,000	-	-
With a corporate shareholder of a subsidiary					
Bubblelab Laundry Sdn Bhd					
	Advances	-	1,000,000	-	-
Financial liabilities					
With subsidiaries					
JAG Prop Sdn Bhd					
	Advances	-	-	232,439	238,836
JAG Scoops Sdn Bhd					
	Advances	-	-	-	500,000

The advances are unsecured, interest free and receivable/repayable on demand except that an amount of RM135,000 (2020: RM Nil) due from JAG Scoops Sdn Bhd bears interest at 5% (2020: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

32. SIGNIFICANT RELATED PARTY DISCLOSURES *cont'd*

32.3 Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 6.

33. CAPITAL COMMITMENTS

	Group	
	2021 RM	2020 RM
Capital expenditure not provided for in the financial statements are as follows:		
Authorised and contracted for	676,452	529,800
Analysed as follows:		
Plant and equipment	676,452	529,800

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their nature of activity, and has six reportable operating segments as follows:

Manufacturing	-	Recycling and manufacturing activities of extraction, production and refinery of ferrous, non-ferrous and precious metals via the recovery and reclamation of industrial and electronic waste
Trading	-	Trading of ferrous and non-ferrous metals
Lifestyle and services	-	Operating twenty-four (24) hour coin-operated laundry business and manufacturing, distribution, sale and other related services of confectionery, ice cream and gelato products
Proprietary solutions and software maintenance	-	Computer software development, maintenance and support services
Investment	-	Investment holding and trading
Investment property and property development	-	Buy, sell, rent and operate self-owned or leased real estate land, property development and project management

Management monitors the operating results of its business units as well as relying on the segment information as disclosed below for the purpose of making decision about resource allocation and performance assessment.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2021

34. SEGMENT INFORMATION cont'd

34.1 Business segment

The following table provides an analysis of Group's revenue, results, assets, liabilities and other information by business segment.

2021	Manufacturing RM	Trading RM	Lifestyle and services RM	Investment RM	Investment property and development RM	Total RM	Elimination RM	Consolidated RM
Revenue								
External revenue	205,819,136	1,483,675	4,195,157	12,484,159	-	223,982,127	-	223,982,127
Inter-segment revenue	-	-	-	4,000,000	-	4,000,000	(4,000,000)	-
Total revenue	205,819,136	1,483,675	4,195,157	16,484,159	-	227,982,127	(4,000,000)	223,982,127
Results								
Profit/(Loss) from operations	29,925,355	215,721	(2,403,810)	5,670,682	(1,201,494)	32,206,454	(4,957,516)	27,248,938
Finance income	316,947	2,285	5,072	100,065	19,006	443,375	(159,941)	283,434
Finance costs	(520,104)	(3,749)	(610,547)	-	-	(1,134,400)	159,941	(974,459)
Profit/(Loss) before tax	29,722,198	214,257	(3,009,285)	5,770,747	(1,182,488)	31,515,429	(4,957,516)	26,557,913
Income tax expense	(7,387,880)	(53,257)	272,496	(759,000)	(7,038)	(7,934,679)	-	(7,934,679)
Net profit/(loss) for the year	22,334,318	161,000	(2,736,789)	5,011,747	(1,189,526)	23,580,750	(4,957,516)	18,623,234

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*

34.1 Business segment *cont'd*

2020	Manufacturing RM	Trading RM	Services RM	Proprietary solutions and software maintenance RM	Investment development and property RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Revenue									
External revenue	143,076,113	1,712,068	2,688,038	108,382	11,414,807	-	158,999,408	-	158,999,408
Inter-segment revenue	-	-	-	-	5,500,000	-	5,500,000	(5,500,000)	-
Total revenue	143,076,113	1,712,068	2,688,038	108,382	16,914,807	-	164,499,408	(5,500,000)	158,999,408
Results									
Profit/(Loss) from operations	12,967,269	155,168	(639,049)	2,226,297	13,752,115	(406,414)	28,055,386	(14,901,301)	13,154,085
Finance income	258,991	3,099	5,364	-	59,125	32,817	359,396	(120,000)	239,396
Finance costs	(849,945)	(10,171)	(309,058)	-	-	(918,419)	(2,087,593)	120,000	(1,967,593)
Profit/(Loss) before tax	12,376,315	148,096	(942,743)	2,226,297	13,811,240	(1,292,016)	26,327,189	(14,901,301)	11,425,888
Income tax expense	(2,417,895)	(28,933)	-	-	-	-	(2,446,828)	-	(2,446,828)
Net profit/(loss) for the year	9,958,420	119,163	(942,743)	2,226,297	13,811,240	(1,292,016)	23,880,361	(14,901,301)	8,979,060

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*

34.1 Business segment *cont'd*

2021	Manufacturing RM	Trading RM	Services RM	Investment RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Assets and liabilities								
Segment assets	206,216,283	4,374,202	13,622,371	211,618,417	47,616,439	483,447,712	(213,034,452)	270,413,260
Segment liabilities	72,669,022	-	16,073,979	4,768,132	35,629,408	129,140,541	(79,092,081)	50,048,460
Other information								
Capital expenditure on property, plant and equipment, investment properties and right of use assets	8,454,725	334,900	6,852,197	3,427	10,571,771	26,217,020	-	26,217,020
Depreciation and amortisation	3,706,247	1,065,524	3,232,355	4,111	65,252	8,073,489	(44,978)	8,028,511

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*

34.1 Business segment *cont'd*

2020	Manufacturing RM	Trading RM	Services RM	Proprietary solutions and software maintenance RM	Investment development RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Assets and liabilities									
Segment assets	170,148,521	5,951,137	12,814,136	- 182,175,010	37,454,112	408,542,916	(179,312,120)	229,230,796	
Segment liabilities	76,673,515	- 11,534,163	- 6,948,647	23,053,150	118,209,475	(65,930,034)	52,279,441		
Other information									
Capital expenditure on property, plant and equipment, investment properties and right of use assets	3,354,977	982,846	692,965	- 19,984	3,171,174	8,221,946	(18,184)	8,203,762	
Depreciation and amortisation	3,447,047	1,161,801	1,940,202	2,015	2,164	26,939	6,580,168	-	6,580,168

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*34.1 Business segment *cont'd*

2021	Manufacturing RM	Trading RM	Lifestyle and services RM	Investment RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Non-cash items other than depreciation and amortisation								
Allowance for impairment of receivables	198,031	-	-	1,200,000	-	1,398,031	(700,000)	698,031
Bad debts written off	-	-	-	125,000	-	125,000	-	125,000
Changes in fair value of								
- derivative financial instruments	12,688	-	-	-	-	12,688	-	12,688
- other investments	(98,693)	-	-	342,835	-	244,142	-	244,142
Gain on derecognition of lease liabilities	-	(38,763)	(65,917)	-	-	(104,680)	-	(104,680)
Government grant income	(140,012)	-	-	-	-	(140,012)	-	(140,012)
Impairment loss on								
- investment in subsidiaries	-	-	-	1,086,028	-	1,086,028	(1,086,028)	-
- investment property	-	-	-	-	631,207	631,207	-	631,207
- plant and equipment	-	-	153,654	-	-	153,654	-	153,654
- right of use assets	-	-	134,162	-	-	134,162	-	134,162
Impairment loss on investment in subsidiaries no longer required	-	-	-	(2,271,070)	-	(2,271,070)	2,271,070	-
Plant and equipment written off	116,358	-	62,674	-	3,300	182,332	-	182,332
Unrealised loss on foreign exchange	92,449	-	-	-	-	92,449	-	92,449

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*

34.1 Business segment *cont'd*

2020	Manufacturing RM	Trading RM	Services RM	Proprietary solutions and software maintenance RM	Investment development and property RM	Total RM	Elimination RM	Consolidated RM
Non-cash items other than depreciation and amortisation								
Allowance for impairment of receivables	59,047	-	-	-	-	59,047	-	59,047
Waiver of debts	-	-	-	(2,266,618)	-	(2,046,006)	(2,046,006)	-
Changes in fair value of - derivative financial instruments	(7,593)	-	-	-	-	(7,593)	-	(7,593)
- other investments	(1,359,512)	-	-	-	9	(2,252,875)	-	(2,252,875)
Plant and equipment written off	46,445	-	-	-	-	46,445	-	46,445
Government grant income	(140,012)	-	-	-	-	(140,012)	-	(140,012)
Unrealised loss on foreign exchange	545,133	-	-	-	-	545,133	-	545,133

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

34. SEGMENT INFORMATION *cont'd*

34.2 Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information 2021	Revenue RM	Group Non-current assets RM
Malaysia	35,558,314	147,066,808
China	126,640,383	-
Japan	56,177,251	-
Others	5,606,179	-
	223,982,127	147,066,808

Geographical information 2020	Revenue RM	Group Non-current assets RM
Malaysia	37,096,630	126,250,825
China	74,386,208	-
Japan	41,859,206	-
Others	5,657,364	-
	158,999,408	126,250,825

Non current assets information presented above consist of property, plant and equipment, right of use assets, investment properties, inventories, other receivables and intangible assets as presented in the consolidated statement of financial position.

34.3 Customers segment information

Revenue from transactions with major customers arising from manufacturing segment that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	Group 2021 RM	Group 2020 RM
Customer A	92,756,123	54,748,882
Customer B	30,953,074	20,184,810
Customer C	29,980,306	19,980,051
Customer D	-	19,215,605
	153,689,503	114,129,348

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

35.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
Fair value through other comprehensive income				
- other investments	2,350,000	-	-	-
Fair value through profit or loss				
- other investments	6,600,161	11,605,145	-	-
- derivative assets	6,912	19,600	-	-
	6,607,073	11,624,745	-	-
Amortised cost				
- trade and other receivables	11,693,901	21,625,919	64,645,300	56,961,008
- cash and bank balances and fixed deposits	33,292,899	10,738,485	3,063,494	3,626,690
	44,986,800	32,364,404	67,708,794	60,587,698
	53,943,873	43,989,149	67,708,794	60,587,698
Financial liabilities				
Amortised cost				
- lease liabilities (fixed rate)	7,722,342	5,894,039	-	-
- trade and other payables (non interest bearing)	10,332,274	16,634,212	368,455	876,177
- borrowings (floating rate)	21,289,597	22,029,316	-	-
	39,344,213	44,557,567	368,455	876,177

35.2 Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.2 Financial risk management policies and objectives *cont'd*

Foreign exchange risk management

The Group transacts business in various currencies, and therefore is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

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

Functional currency of the Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currency					Net RM
	Euro RM	Japanese Yen RM	Singapore Dollar RM	United States Dollar RM		
2021						
Ringgit Malaysia	783,057	-	28,532	2,863,781		3,675,370
2020						
Ringgit Malaysia	55,659	7,065	(16,819)	1,947,304		1,993,209

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Group. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the functional currency of the Group, profitability before tax will increase/(decrease) by:

	Group	
	2021 RM	2020 RM
Euro	78,300	5,600
Japanese Yen	-	700
Singapore Dollar	2,800	(1,700)
United States Dollar	286,300	194,700

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

The Company is not exposed to any foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.2 Financial risk management policies and objectives *cont'd*

Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below have been determined based on the exposure to interest rates for banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profitability before tax would increase/decrease by RM106,000 (2020: RM110,100).

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than as follows:

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Bank balances with one financial institution	26,947,772	-	-	-
Amount due from two subsidiaries (2020: two)	-	-	54,062,723	48,704,773

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery or the debtor is two years past due.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.2 Financial risk management policies and objectives *cont'd*

Interest rate risk management *cont'd*

i) Trade receivables

For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. The Group determines the ECL on these items by using a provision matrix, where applicable, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these debtors is presented based on their past due status in terms of the provision matrix as disclosed in Note 18. In determining the ECL of other trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

ii) Other receivables

Other receivables other than the amount due from subsidiaries of RM64,627,800 (2020: RM56,831,908) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. The loss allowance for the amount due from subsidiaries is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Cash and bank balances (including fixed deposits)

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.2 Financial risk management policies and objectives *cont'd*

Interest rate risk management *cont'd*

The Company provides corporate guarantees to licensed banks in respect of banking facilities granted to subsidiaries. The Company monitors on an ongoing basis the results and repayments made by the subsidiaries. The maximum exposure to credit risk representing the outstanding banking facilities of the subsidiaries as at reporting date is as follows:

	2021 RM	2020 RM
Secured:		
Corporate guarantees in respect of banking facilities of subsidiaries	17,865,720	22,029,316

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in quoted equity instruments. The quoted equity instruments are listed on the Bursa Malaysia Securities Berhad.

Management of the Group monitors the equity instruments on a portfolio basis. Material instruments within the portfolio are managed on an individual basis and all buy and sell decisions are made by the executive directors.

The effect of a 10% strengthening in the specified stock prices at the end of the reporting period with all other variables held constant would increase the profitability before tax of the Group as follows:

	Group	
	2021 RM	2020 RM
Entities listed on:		
Bursa Malaysia Securities Berhad	893,000	1,160,000

A 10% weakening in specified stock would have equal but opposite effect on the profitability of the Group.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*35.2 Financial risk management policies and objectives *cont'd*

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finances its operations by a combination of equity and bank borrowings. In addition, the Group has available banking facilities to meet its liquidity and working capital requirements.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Group 2021	Carrying amount RM	Total RM	Contractual cash flows (including interest payments)				More than 5 years RM
			On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	Within 5 years RM	
Non interest bearing debts	10,332,274	10,332,274	10,332,274	-	-	-	-
Interest bearing debts	21,289,597	25,690,614	4,985,666	4,758,133	12,594,071	3,352,744	
Lease liabilities	7,722,342	8,318,429	2,595,629	2,287,912	3,434,888	-	
	39,344,213	44,341,317	17,913,569	7,046,045	16,028,959	3,352,744	
2020							
Non interest bearing debts	16,634,212	16,634,212	16,634,212	-	-	-	-
Interest bearing debts	22,029,316	25,989,365	8,679,578	3,826,587	10,331,640	3,151,560	
Lease liabilities	5,894,039	6,436,710	2,177,335	1,636,379	2,238,227	384,769	
	44,557,567	49,060,287	27,491,125	5,462,966	12,569,867	3,536,329	

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.2 Financial risk management policies and objectives *cont'd*

Liquidity risk management *cont'd*

Company	Contractual cash flows (including interest payments)		
	Carrying amount RM	Total RM	On demand or within 1 year RM
2021			
Non interest bearing debts	368,455	368,455	368,455
Corporate guarantees	-	21,389,214	21,389,214
2020			
Non interest bearing debts	876,177	876,177	876,177
Corporate guarantees	-	25,989,365	25,989,365

The fair value of the corporate guarantees provided to the subsidiaries is not expected to be material as the total borrowings of the subsidiaries are collateralised against the properties and fixed deposits with a licensed bank of the subsidiaries. Further, the probability of the subsidiaries defaulting on the credit facilities is remote. Accordingly, the corporate guarantees have not been recognised.

As at the reporting date, the counterparties to the corporate guarantees do not have the right to demand payment as there is no default on the borrowings obtained by the subsidiaries.

35.3 Capital structure and equity

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity and reserves that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *cont'd*

35.3 Capital structure and equity *cont'd*

During the reporting period ended 31 December 2021, the Group's and the Company's strategy were unchanged from 31 December 2020 which is to maintain the debt-to-adjusted capital ratio at a level deemed appropriate considering business, economic and investment conditions. The debt-to-adjusted capital ratios at 31 December 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Total debts	29,011,939	27,923,355	-	-
Less: Cash and bank balances and fixed deposits	(33,292,899)	(10,738,485)	(3,063,494)	(3,626,690)
Net (cash)/debt	(4,280,960)	17,184,870	(3,063,494)	(3,626,690)
Total equity/Adjusted capital	220,364,800	176,951,355	202,879,601	173,476,725
Debt-to-adjusted capital ratio (times)	N/A	0.10	N/A	N/A

36. FAIR VALUE MEASUREMENTS

36.1 Financial instruments not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of the Group's term loans and lease liabilities approximate their carrying amounts. Term loan is a floating rate instrument that is re-priced to market interest rates on or near reporting date. Lease liabilities approximate their carrying amounts as these instruments were entered/initially recognised with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

36.2 Financial instruments and non financial assets carried at fair value

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

36. FAIR VALUE MEASUREMENTS *cont'd*

36.2 Financial instruments and non financial assets carried at fair value *cont'd*

Fair value hierarchy *cont'd*

The following table provides an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2021			Total RM
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	
Recurring fair value measurements				
Financial assets:				
<u>Other investments</u>				
Quoted shares	8,929,103	-	-	8,929,103
Unquoted mutual funds	-	-	21,058	21,058
<u>Derivative assets</u>				
Forward foreign exchange sale contracts	-	6,912	-	6,912
Non recurring fair value measurements				
Non financial assets:				
<u>Property, plant and equipment</u>				
Freehold land and buildings	-	62,773,766	-	62,773,766
<u>Investment properties</u>				
Freehold land	-	32,521,581	-	32,521,581

	Group 2020			Total RM
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	
Recurring fair value measurements				
Financial assets:				
<u>Other investments</u>				
Quoted shares	11,603,106	-	-	11,603,106
Unquoted mutual funds	-	-	2,039	2,039
<u>Derivative assets</u>				
Forward foreign exchange sale contracts	-	19,600	-	19,600
Non recurring fair value measurements				
Non financial assets:				
<u>Property, plant and equipment</u>				
Freehold land and buildings	-	63,145,916	-	63,145,916
<u>Investment properties</u>				
Freehold land	-	15,440,000	-	15,440,000

There were no transfers between these levels of fair values in the current and previous reporting periods.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2021

36. FAIR VALUE MEASUREMENTS *cont'd*

36.2 Financial instruments and non financial assets carried at fair value *cont'd*

Fair value hierarchy *cont'd*

Valuation techniques used to derive Level 2 fair values

a) Freehold land and buildings

The fair value measurements of freehold land and buildings have been derived using the sales comparison approach. Sales prices of comparable freehold land and buildings in close proximity are adjusted for differences in key attributes such as property size, location and amenities. The most significant input into this valuation approach is price per square foot.

b) Forward currency contracts

Fair value of the forward currency contracts is determined using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing models which incorporate various inputs including foreign exchange spot and forward rates.

Valuation techniques used to derive Level 3 fair values

a) Unquoted mutual funds

The fair value of the unquoted mutual funds is determined by reference to the net assets per unit of the funds.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2021

No.	Location	Address	Description/ Existing Use	Tenure	Approximate Age of Building (Years)	Land & Build-up Area (square meter)	Carrying Amount (RM)	Date of Acquisition/ Revaluation
1	Selangor	H.S.(D) 58833, No. PT58258, Daerah dan Mukim Klang, Negeri Selangor No. 23, Jalan Sungai Rasau 32/29, Berjaya Park, Seksyen 32, 40460 Shah Alam, Selangor	Residential. A double storey terrace house used as accommodation for JMI's employees	Freehold	15	<u>Land area</u> 130 square meters <u>Built-up</u> 173.9 square meters	<u>Land</u> 360,000 <u>Building</u> 164,843	31 December 2020 <i>(Date of Revaluation)</i>
2	Selangor	H.S.(D) 57925 PT57329, Mukim and Daerah Klang, Negeri Selangor Lot 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor	Industry. JMI's headquarters comprising a two storey administrative office, 3 units of detached factories, a guard house and a Tenaga Nasional Berhad ("TNB") substation	Freehold	19	<u>Land area</u> 19,426 square meters <u>Built-up</u> 8,321 square meters	<u>Land</u> 25,800,000 <u>Building</u> 7,682,674	31 December 2020 <i>(Date of Revaluation)</i>
3	Johor	GRN 234632, Lot 45043, Mukim Senai, Daerah Kulaijaya, Negeri Johor	Industrial/ Enterprise. A vacant land intended to be used as a collection centre.	Freehold	Note: The land is vacant	<u>Land area</u> 4,045 square meters	1,500,000	31 December 2020 (Date of Revaluation)
4	Selangor	H.S(D) 58834, No. PT58259, Daerah dan Mukim Klang, Negeri Selangor, No. 21, Jalan Sungai Rasau 32/29, Berjaya Park, Seksyen 32, 40460 Shah Alam, Selangor	Residential. A double storey terrace house used as accommodation for JMI's employees.	Freehold	10	<u>Land area</u> 130 square meters <u>Built-up</u> 173.9 square meters	<u>Land</u> 350,000 <u>Building</u> 170,869	31 December 2020 <i>(Date of Revaluation)</i>
5	Selangor	H.S (D)57924, No. PT57328, Mukim dan Daerah Klang, Negeri Selangor, No. 9, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor	Industry. A single storey detached factory for receiving store operation, an annexed 3-storey administrative office building with laboratory facility, two guard houses and a TNB substation.	Freehold	7	<u>Land area</u> 10,619 square meters <u>Built-up</u> 6,851 square meters	<u>Land</u> 18,800,000 <u>Building</u> 6,722,714	31 December 2020 <i>(Date of Revaluation)</i>

LIST OF PROPERTIES

AS AT 31 DECEMBER 2021

cont'd

No.	Location	Address	Description/ Existing Use	Tenure	Approximate Age of Building (Years)	Land & Build-up Area (square meter)	Carrying Amount (RM)	Date of Acquisition/ Revaluation
6	Johor	H.S (D) 546511 No. PTD7741 Mukim Jelutong, Daerah Johor Bahru, Negeri Johor, No. 13, 13-01, 13-02, Jalan SILC 2/12, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor	An intermediate three storey shop/office	Freehold	Note: The shop/office is vacant In operation since July 2019	<u>Land area</u> 143.079 square meters <u>Built-up</u> 429.22 square meters	1,160,758	6 September 2017
7	Selangor	Lot 171449, Persiaran Kemuning Prima, Seksyen 32, 40460 Shah Alam, Selangor	Investment property	Freehold	Vacant land	<u>Master land area</u> 16,720 square meters	18,000,000	27 December 2021
8	Selangor	PT 151630, Jalan Sungai Jati, Taman Sentosa Perdana, 41000 Klang, Selangor	Investment property	Freehold	Vacant land	<u>Land area</u> 7,582 square meters	9,140,000	20 February 2020
9	Selangor	PT 151631, Jalan Sungai Jati, Taman Sentosa Perdana, 41000 Klang, Selangor	Investment property	Freehold	Vacant land	<u>Land area</u> 4,478 square meters	6,300,000	20 February 2020
10	Selangor	Lot No. 10428, Jalan Sungai Jati, Batu 5, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan	Investment property	Freehold	Vacant land	<u>Land area</u> 6,744.75 square meters	3,050,000	28 August 2020
11	Selangor	Lot 2690 (901) and Lot 2701 (2442), Jalan Industri 7, Kampung Baru Sungai Buloh, Seksyen U9, 40160 Shah Alam, Selangor	Land held for development	Leasehold 99 years	Land held for development	<u>Land area</u> 8,852.57 square meters	5,550,689	28 December 2020
12	Selangor	No. 21, Jalan Sungai Jeluh 32/191, Kawasan Perindustrian Kemuning, Seksyen 32, 40460 Shah Alam, Selangor	Semi-Detached Factory together with Three (3) storey office used as operation office and warehouse	Freehold	1	<u>Land area</u> 980 square meters <u>Built up</u> 790.51 square meters	5,000,000	23 April 2021

ANALYSIS OF SHAREHOLDINGS

AS AT 18 MARCH 2022

STATISTICS OF SHAREHOLDINGS

Total Issued Share Capital (Inclusive of Treasury Shares)	:	RM204,468,382 comprising 634,109,892 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Treasury Shares held by the Company	:	7,325,000 ordinary shares

ANALYSIS BY SIZE OF SHAREHOLDINGS as per the Record of Depositors

Size of Holdings	No. of Holders	%	No. of Ordinary Shares	%
1 - 99	2,088	22.14	62,139	0.01
100 - 1,000	728	7.72	362,413	0.06
1,001 - 10,000	3,277	34.75	18,907,137	3.02
10,001 - 100,000	2,942	31.20	95,432,050	15.23
100,001 - 31,339,243 *	394	4.18	402,296,146	64.18
31,339,244 and above **	2	0.02	109,725,007	17.51
Total:	9,431	100.00	626,784,892	100.00

Notes:-

* Less than 5% of issued holdings

** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS based on the Register of Substantial Shareholders

No.	Name	Direct Interest	No. of Ordinary Shares		%
			%	Indirect Interest	
1.	Dato' Ng Meow Giak	44,169,341	7.047	-	-
2.	NKK Capital Sdn. Bhd.	38,265,398	6.105	-	-
3.	Dato' Ng Aik Kee	89,913,455	14.345	38,265,398 ⁽¹⁾	6.105
4.	Ng Yaw Long	34,160,547	5.450	-	-

Remark:

⁽¹⁾ Deemed interested by virtue of his interest in NKK Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS in the Company or in a related corporation (including number and percentage) based on the Register of Directors' Shareholdings

Name of Directors	Direct Interest	No. of Ordinary Shares		%
		%	Indirect Interest	
Datin Tan Siew Ching	26,610,996	4.246	-	-
Dato' Ng Meow Giak	44,169,341	7.047	-	-
Roy Thean Chong Yew	-	-	-	-
Datuk Md. Hassim Bin Pardi	-	-	-	-
Ewe Chuan Seng	-	-	-	-

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2022

cont'd

TOP 30 SECURITIES ACCOUNT HOLDERS (ORDINARY SHARES) as per Record of Depositors

No.	Name	No. of Ordinary Shares	%
1.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR DATO' NG AIK KEE	71,459,609	11.40
2.	NKK CAPITAL SDN. BHD.	38,265,398	6.11
3.	DATO' NG MEOW GIAK	30,932,803	4.94
4.	NG YAW LONG	29,182,626	4.66
5.	M & A NOMINEE (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE SENG THYE	23,097,200	3.69
6.	TEH CHIN CHING	19,025,740	3.04
7.	DATIN TAN SIEW CHING	18,597,343	2.97
8.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' NG AIK KEE	15,803,846	2.52
9.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR DATO' NG MEOW GIAK	13,236,538	2.11
10.	LEONG YEE KEONG	11,370,700	1.81
11.	CHAN AH KIEN	8,815,750	1.41
12.	DATIN TAN SIEW CHING	8,013,653	1.28
13.	FOO WEN POK	8,000,000	1.28
14.	CHOW PUI LING	7,700,000	1.23
15.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	7,000,000	1.12
16.	ONG SAY KIAT	6,925,600	1.10
17.	LEE FU-CHIEN	6,900,000	1.10
18.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. - LIM WILLIE	5,665,000	0.90
19.	TEO YEK MING	5,500,000	0.88
20.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TEH CHIN CHING	5,461,538	0.87
21.	LEE MEE YOKE	5,182,061	0.83
22.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON	5,000,000	0.80
23.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG YAW LONG	4,977,921	0.79
24.	KELRIX SDN. BHD.	4,100,000	0.65
25.	LIM CHIN SEAN	4,100,000	0.65
26.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE CHOON KWONG	4,062,300	0.65
27.	YAYASAN EKONOMI KEWANGAN ANTARABANGSA	3,100,000	0.49
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG	3,089,700	0.49
29.	KOH CHEE MENG	3,000,000	0.48
30.	JF APEX NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LUM YET CHONG	2,863,700	0.46
Total:		380,429,026	60.70

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth (“24th”) Annual General Meeting (“AGM”) of JAG Berhad (the “Company”) will be held on a **virtual basis** at the following date, time and venue to transact the following business:-

Day and date	:	Tuesday, 31 May 2022
Time	:	10:00 a.m.
Broadcast Venue	:	Executive Conference Room of Jaring Metal Industries Sdn. Bhd. No. 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan
Online Meeting Platform	:	Securities Services e-Portal at https://sshbsb.net.my/login.aspx

AGENDA

Ordinary Business

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 2)**
- To approve the Directors’ fees payable to the Directors of the Company of up to RM154,800/- for the financial year ending 31 December 2022. **Ordinary Resolution 1**
- To re-elect Dato’ Ng Meow Giak, a Director who retires in accordance with Clause 21.6 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 2**
- To re-elect Mr. Roy Thean Chong Yew, a Director who retires in accordance with Clause 21.6 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 3**
- To re-appoint Messrs. Russell Bedford LC PLT (converted from Conventional Partnership to Limited Liability Partnership on 7 February 2022) as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration. **Ordinary Resolution 4**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

- PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016** **Ordinary Resolution 5**

“THAT the benefits payable to the Directors of the Company up to an amount of RM37,500 for the period from 1 June 2022 until the next AGM of the Company to be held in year 2023 pursuant to Section 230(1)(b) of the Companies Act 2016 (“the Act”), be and is hereby approved for payment.”

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **Ordinary Resolution 6**

“THAT pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such 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 ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF 24TH ANNUAL GENERAL MEETING cont'd

8. **PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY ("PROPOSED SHARE BUY-BACK")**

*Ordinary
Resolution 7*

"THAT subject to the provisions of the Act, the provisions of the Constitution of the Company, the ACE LR of Bursa Securities and all other relevant authority, approval be and is hereby given for the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company ("**Share Buy-Back Mandate**"), provided that:-

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company's retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:-
 - (a) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:-
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting, whichever is the earlier;
- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Securities and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Act;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to implement, finalise and give full effect to the aforesaid with full powers to assent to any condition, modification, variation and/or amendment, if any, as may be imposed by the relevant authorities and to do all such acts and things as the Directors of the Company may deem fit and expedient in the interests of the Company."

9. **PROPOSED RETENTION OF MR. ROY THEAN CHONG YEW AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Ordinary
Resolution 8*

"THAT subject to passing of Ordinary Resolution 3, Mr. Roy Thean Chong Yew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

NOTICE OF 24TH ANNUAL GENERAL MEETING

cont'd

10. **PROPOSED RETENTION OF DATUK MD. HASSIM BIN PARDI AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Ordinary
Resolution 9*

“THAT Datuk Md. Hassim Bin Pardi who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company.”

11. To transact any other business that may be transacted at an Annual General Meeting, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

(duly signed)

CHUA SIEW CHUAN (SSM PC No. 201908002648 & MAICSA 0777689)

CHENG CHIA PING (SSM PC No. 202008000730 & MAICSA 1032514)

Company Secretaries

Kuala Lumpur

27 April 2022

Notes:-

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend this 24th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) to issue a General Meeting Record of Depositors as at 24 May 2022. Only a depositor whose name appears on the Record of Depositors as at 24 May 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE LR of Bursa Securities and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”) as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer’s Common Seal or under the hand of an officer or attorney duly authorised.

NOTICE OF 24TH ANNUAL GENERAL MEETING cont'd

g. Publication of Notice of Annual General Meeting on corporate website

Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form are available at the corporate website of JAG Berhad at www.jagb.com.my/notices-gm.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 24th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities.

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide **Securities Services e-Portal**, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. on or **before Sunday, 29 May 2022 at 10:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshbs.com.my
Electronic appointment	Securities Services e-Portal Weblink: https://www.sshbs.net.my/ Contact Number for enquiry: +603-2084 9169

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd.

Explanatory Notes to Ordinary Business:-

(2) Audited Financial Statements for the financial year ended 31 December 2021

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(3) Ordinary Resolution 1 - Payment of Directors' Fees

The proposed Directors' fees payable to the Directors of the Company for the financial year ending 31 December 2022 shall be up to a total of RM154,800/- only, comprised the following rates based on responsibilities assumed:-

Directors' Fees	Financial Year Ending 31 December 2022
Non-Executive Directors	RM40,800 per person per annum
Audit Committee Chair	Additional RM14,400 per annum
Nomination Committee Chair	Additional RM7,200 per annum
Remuneration Committee Chair	Additional RM7,200 per annum
Risk Management Committee Chair	Additional RM3,600 per annum

The Ordinary Resolution 1, if approved, will authorise the Directors' fees payable to the Directors for the financial year ending 31 December 2022 pursuant to Clause 21.4 of the Constitution of the Company.

NOTICE OF 24TH ANNUAL GENERAL MEETING cont'd

(4) Ordinary Resolutions 2 and 3 - Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 24th AGM of the Company, the Nomination Committee (“**NC**”) considered the requirements under Rule 2.20A of the ACE LR and recommended Dato’ Ng Meow Giak (“**Dato’ Ng**”) and Mr. Roy Thean Chong Yew (“**Mr. Roy Thean**”) for the re-election as Directors pursuant to Clause 21.6 of the Constitution of the Company (“**Retiring Directors**”). The Board, through the NC, had conducted separate assessments on Dato’ Ng and Mr. Roy Thean in respect of their responsibilities assumed. Upon review and being satisfied with their past year performance, as well as the additional independence assessment on Mr. Roy Thean as independent director, the Board would like to recommend the re-election of the Retiring Directors to the shareholders for approval at the forthcoming 24th AGM of the Company under Ordinary Resolutions 2 and 3 respectively.

The Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their individual re-election at the NC Meeting, where applicable and the Board of Directors’ Meeting, respectively.

(5) Ordinary Resolution 4 - Re-appointment of Auditors

The Audit Committee (“**AC**”) had assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. Russell Bedford LC PLT* as External Auditors of the Company for the financial year ended 31 December 2021. The Board had in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 24th AGM of the Company under Ordinary Resolution 4.

Effective 7 February 2022, Messrs. Russell Bedford LC & Company (“RBLC**”) has been converted to Russell Bedford LC PLT, a limited liability partnership under the Limited Partnership Act 2012 (“**LLP Act**”).*

Explanatory Notes to Special Business:

(6) Ordinary Resolution 5 - Benefits Payable to the Directors

Under Ordinary Resolution 5, the benefits payable to the Directors of the Company pursuant to Section 230(1)(b) of the Act had been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognise that the benefits payable to the Directors are in the best interest of the Company and in accordance with Directors’ and Senior Management’s Remuneration Policy of the Company for the applicable period from 31 May 2022 until the next AGM of the Company to be held in year 2023. The benefits comprised solely meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors:-

Benefits Payable to Directors	
Meeting Allowance for Non-Executive Directors	RM500/- per meeting

(7) Ordinary Resolution 6 – Authority to Issue Shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Act at the 24th AGM of the Company (hereinafter referred to as the “**General Mandate**”).

The Company had been granted a general mandate by its shareholders at the last AGM of the Company held on 27 May 2021 (hereinafter referred to as the “**Previous Mandate**”). As at the date of this notice of 24th AGM, the Company did not implement any proposal for new allotment of shares under the Previous Mandate. Therefore, no proceeds have been raised under the Previous Mandate.

The purpose for the Company to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

NOTICE OF 24TH ANNUAL GENERAL MEETING cont'd

(8) **Ordinary Resolution 7 - Proposed Share Buy-Back**

The Proposed Resolution 7 is to obtain Shareholders' Mandate for Proposed Share Buy-Back, if passed, will empower the Board of Directors of the Company to purchase the Company's ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in ACE LR of Bursa Securities.

(9) **Ordinary Resolutions 8 and 9 - Proposed Retention of Mr. Roy Thean Chong Yew and Datuk Md. Hassim Bin Pardi as Independent Non-Executive Directors**

Mr. Roy Thean was appointed as an Independent Non-Executive Director ("**INED**") of the Company on 18 October 2010, whereby Datuk Md. Hassim Bin Pardi ("**Datuk Hassim**") was appointed as an INED of the Company on 26 August 2011. Both of them have served in that capacity for a cumulative term of more than eleven (11) years and ten (10) years respectively.

The Board wishes to retain Mr. Roy Thean and Datuk Hassim as INEDs of the Company.

The Board vide the NC after having assessed of the independence of Mr. Roy Thean and Datuk Hassim regarded them to be independent, recommends that the approval of the shareholders be sought to retain Mr. Roy Thean and Datuk Hassim to continue in office as INEDs based on the following justifications:-

- They have fulfilled the criteria under the definition of an Independent Director ("**ID**") pursuant to the ACE LR;
- They are able to exercise independent judgement and act in the best interests of the Company;
- There is no potential conflict of interest that Mr. Roy Thean and Datuk Hassim could have with the Company as they have not entered into any contract or transaction with the Company and/or its subsidiaries; and
- There are significant advantages to be gained from long-serving IDs who have many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and have provided invaluable contributions to the Board in their roles as INEDs.

Important Notes:-

- Members are reminded that the 24th AGM shall be conducted as a virtual meeting, at the broadcast venue at Executive Conference Room of Jaring Metal Industries Sdn. Bhd., at No. 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.
- Members are required to refer to the Administrative Guide for Shareholders/Proxies attending the 24th AGM of the Company, circulated together with the Notice of the 24th AGM which outlines the guidance for **virtual** attendance at the 24th AGM.

FORM OF PROXY

JAG BERHAD

[Registration No. 199701023733 (439230-A)]
(Incorporated in Malaysia)

CDS Account No.	
------------------------	--

No. of Shares Held	
---------------------------	--

I/We _____ NRIC/Passport/Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

and telephone no./email address _____ being *a member/members of
JAG Berhad ("Company") hereby appoint:-

Full Name and Address (in Block Letters) (First Proxy)	NRIC/ Passport No.:	Proportion of Shareholdings	
		No. of Shares	(%)
Email:	Contact No:		

*and/or * delete if inapplicable

Full Name and Address (in Block Letters) (First Proxy)	NRIC/ Passport No.:	Proportion of Shareholdings	
		No. of Shares	(%)
Email:	Contact No:		

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy/proxies to attend, participate, speak and vote for *me/us on *my/our behalf at the Twenty-Fourth Annual General Meeting ("**24th AGM**") of the Company which will be held on a virtual basis at the broadcast venue at the Executive Conference Room of Jaring Metal Industries Sdn. Bhd., No. 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan, on Tuesday, 31 May 2022 at 10:00 a.m., or any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1	To approve the Directors' fees payable for the financial year ending 31 December 2022		
2	To re-elect Dato' Ng Meow Giak as Director (<i>Clause 21.6</i>)		
3	To re-elect Mr. Roy Thean Chong Yew as Director (<i>Clause 21.6</i>)		
4	To re-appoint Messrs. Russell Bedford LC PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration		
5	To approve the benefits payable to the Directors for the period from 27 May 2022 until the next AGM to be held in year 2023		
6	Authority to issue shares pursuant to the Companies Act 2016		
7	Proposed Share Buy-Back		
8	Proposed Retention of Mr. Roy Thean Chong Yew as Independent Non-Executive Director		
9	Proposed Retention of Datuk Md. Hassim Bin Pardi as Independent Non-Executive Director		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting)

Signature of Member(s)/Common Seal

Date: _____

* Delete if not applicable

Notes:-

- a. For the purpose of determining a member who shall be entitled to attend this 24th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 ("SICDA") to issue a General Meeting Record of Depositors as at 24 May 2022. Only a depositor whose name appears on the Record of Depositors as at 24 May 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**ACE LR**") and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the Annual General Meeting, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**") as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.
- g. **Publication of Notice of AGM on corporate website**
Pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice of 24th AGM, together with the proxy form are available at the corporate website of JAG Berhad at www.jagb.com.my/notices-gm.

Please fold here to seal

AFFIX
STAMP

JAG Berhad

[Registration No. 199701023733 (439230-A)]

c/o Securities Services (Holdings) Sdn. Bhd.

Share Registrar

Level 7, Menara Milenium

Jalan Damanela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Wilayah Persekutuan

Attn to: Mr. Jerry Tan

Please fold here to seal

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 24th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form:-

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide **Securities Services e-Portal**, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e. on or **before Sunday, 29 May 2022 at 10:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd Level 7, Menara Milenium, Jalan Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: +603-2094 9940 and/or +603-2095 0292 Email: info@sshb.com.my
Electronic appointment	Securities Services e-Portal Weblink: https://www.sshb.net.my/ Contact Number for enquiry: +603-2084 9169

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd.

Fold this flap sealing

JAG BERHAD [Registration No. 199701023733 (439230-A)]

D65-3A, Block D, Jaya One,
72A, Jalan Universiti, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Tel : 03-7497 2558

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www.jagb.com.my

