



JAG BERHAD

[Registration No. 199701023733 (439230-A)]



**TOWARDS
SUSTAINABLE FUTURE
ANNUAL REPORT 2022**

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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 Products 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/
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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
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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, Mercuri 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 2021”	Financial year ended 31 December 2021
“FYE 2022”	Financial year ended 31 December 2022
“FYE 2023”	Financial year ending 31 December 2023
“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 30 March 2023
“MFRS”	Malaysian Financial Reporting Standard
“MCCG”	Malaysian Code on Corporate Governance
“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

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



Dear valued shareholders,

The year 2022 began with optimism after two years of being engulfed in the pandemic that saw many unprecedented events in our lives. As we sailed through the year, we saw 2022 as a year of opportunity and recovery.

Economic activities started to pick up although the sentiment remained cautious. Businesses progressively stabilised and gained momentum, with more vigorous economic and social activities. The country also witnessed the much-anticipated border reopening in April 2022 and Malaysia's 15th general election in November 2022.

We remained steadfast as a Group, in navigating the challenges that came our way and as a result, we achieved a positive year. Though certain challenges persisted, we were also presented with various opportunities, which we leveraged on. We made significant progress in driving value creation and in supporting our customers, colleagues and shareholders, throughout their journey of recovery and growth.

On that note and on behalf of the Board, I am pleased to present to you the Annual Report for JAG Berhad for the financial year ended 31 December 2022 (FYE 2022).

CHAIRPERSON'S STATEMENT

cont'd

ECONOMIC LANDSCAPE

Globally, 2022 was the year Covid-19 pandemic became endemic. The global economic growth confronted a mix of headwinds, driven by the Russian invasion of Ukraine, the slowdown in China, disruptions in supply chains and a pressing need to address climate change.

At the domestic front, the economy was set to re-bound as travel restrictions eased and international borders re-opened. Malaysia's economy registered a growth of 8.7% in 2022, compared with 3.1% year-on-year in 2021¹.

Following the reopening of the economy, exports flourished by double digits, buoyed by a resilient Electronics & Electrical ('E&E') sector and rising commodity prices. Various policy support and assistance subsidies bolstered consumer and household spending. Strong external and domestic demand provided some stability to the economic uncertainty, driven by strong consumer spending and trade performance.

The E&E industry, which the Group is dependent on for raw materials, also had a strong 2022. According to the Malaysian Investment Development Authority ('MIDA'), the Malaysian manufacturing sector continued to contribute significantly to the economy and in 2022, recorded a total of RM84.3 billion or 31.9% of total approved investments in various economic sectors. The E&E division remained the top-performing industry in the manufacturing sector, with a total of approved investments of RM29.3 billion².

PERFORMANCE HIGHLIGHTS

"We delivered sustainable value and embarked on strategic initiatives to remain agile and poised for growth"

For FYE 2022, the Group registered a lower profit after tax of RM9.6 million, a decrease from the RM18.6 million recorded a year ago, due to the weakening of commodity prices particularly copper, tin and nickel, which are the commonly traded commodities of our total waste management ('TWM') business segment.

Revenue for the Group stood at RM254.1 million, a 14% increase from the RM224.0 million recorded a year ago. The increase in revenue was driven by the TWM business segment, which reported revenue of RM247.9 million compared to RM207.1 million in the previous financial year. This hike was driven by an increase in contracts as well as a one-off agreement with Bank Negara Malaysia ('BNM').

The lifestyle and services business segment's revenue improved by 49% compared to the previous financial year, mainly due to the overall recovery of retail market activities in the FYE 2022. The lifestyle and services business segment's revenue improved in the current financial year.

Earnings per share for the year under review stood at 1.6 sen compared with 3.2 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 Annual Report.

DELIVERING SHAREHOLDER VALUE

The interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3.13 million for the financial year ending FYE 2021 was declared on 23 February 2022 and paid on 25 March 2022.

On 25 November 2022, the Group announced an interim share dividend in the form of a distribution of treasury shares at a ratio of one (1) treasury share for every seventy (70) existing ordinary share. The distribution was completed on 27 December 2022, with 8,405,397 treasury shares, valued at RM3,069,732, being distributed.

On 28 March 2023, the Board of Directors announced the recommendation of a Final and Special Dividend of RM0.3659 per share via a share dividend distribution of treasury shares on the basis of one (1) treasury share for every nineteen (19) existing ordinary shares held in respect of the FYE 2022, subject to the approval of the shareholders at the forthcoming 25th Annual General Meeting of JAG Berhad.

CORPORATE MILESTONES

Expanding Horizons

On 31 March 2022, Jaring Metal Industries Sdn Bhd ('JMI'), a wholly-owned subsidiary of JAG Berhad, entered into an agreement with BNM for the purpose of buying and meltdown of Cupronickel and Nickel Raw Metals as scrap. This was following BNM's tender exercise in September 2021, where prospective companies were invited to participate in BNM's scrap disposal plan. The tender exercise ended in October 2021, with JMI selected as a partner.

On 14 October 2022, JMI received a license issued under Section 18(1) of Environmental Quality Act, 1974 by the Department of Environment, Ministry of Environment and Water, to collect and process end-of-life vehicles ('AATF License'). The AATF License shall be valid until 30 April 2023, and it is yearly renewable upon application made with the Director General of Environment Quality. We are currently in the midst of renewing the license.

¹ Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the Fourth Quarter of 2022

² MIDA, Malaysia Attracted RM264.6 Billion of Approved Investments in 2022

CHAIRPERSON'S STATEMENT

cont'd

CORPORATE MILESTONES *cont'd*

Building Blocks for the Future

On 5 December 2022, JAG Land Sdn Bhd, a wholly-owned subsidiary of JAG Berhad, entered into a Sale and Purchase Agreement with Menara ABS Berhad, for the purpose of acquiring a twelve and a half-storey (12½) office building with two levels of basement car park erected on a piece of freehold land held in Kuala Lumpur, for a total purchase price of RM35.3 million. The Proposed Acquisition is meant for investment purposes with the aim to create a new stream of recurring income contribution for the Group. In addition, this is also a part of the Group's efforts to expand our property investment business segment, which will positively contribute to the Group, as at LPD, the transaction was completed.

UPHOLDING CORPORATE GOVERNANCE

JAG Berhad recognises the way we do business is key in delivering our purpose and strategy, and that good governance continues to be pivotal in our responses to the challenges we face. 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 section of this Annual Report.

FOCUSING ON A SUSTAINABLE FUTURE

"We are committed to making sustainability an integral part of our future"

Market trends are centred around mitigating climate change through the establishment of environmental objectives, global emission targets and carbon reduction initiatives. We view this transition to a lower carbon economy as an opportunity to grow our business in line with demand and future-proof our business.

We are cognisant of the role we play in safeguarding the environment. Production of secondary metals, being the core of our business, emits lower carbon compared with the mining of raw materials such as copper. As a comparison, according to Reuters' article say that mining copper accounts for approximately 2.3-2.5 tonnes of carbon emissions for each tonne, and smelting the metal adds another 1.65 tonnes, totaling to approximately 4.1 tonnes. However, production of secondary metal is responsible for only 1.5 tonnes of greenhouse gas. Through consistently recycled metals from e-waste, we are able to reduce the reliance on primary sources of materials, which in turn reduces carbon emissions.

Sustainability-based initiatives across the Group have been and will remain at the forefront of our future planning and operational decision-making. We will be focusing on making further progress on our sustainability targets over the next few years.

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

FORGING AHEAD

2023 is expected to be a year of normalisation though there is still much uncertainty in the macroeconomic and geopolitical environments with continued headwinds in the external market conditions. We are hopeful that 2023 will be a better year for us though we are mindful that the year ahead may be impacted by heightened macroeconomic and geopolitical uncertainty.

The outlook for Malaysia in general is looking positive. Amid fears of inflation and a global recession, the economy is expected to grow at 4% in 2023, driven by private spending as construction projects are revived and the unemployment rate further reduces to 3.5%.

However, Malaysia's E&E industry is likely to see slower growth in 2023 compared to last year, amid global headwinds, according to the Malaysia Semiconductor Industry Association. Nevertheless, the E&E industry is the foundation of all technology. A multitude of applications, such as AI, AR/VR, IoT, autonomous vehicles, electric vehicles, high-performance computing, 5G/6G, smart cities, medical tech and many more, depend on advancements in semiconductor technologies to enable their innovations. This presents the industry with vast opportunities, more so as digitalization continues to accelerate.

This certainly rings true for Malaysia, and under the Twelfth Malaysia Plan (12MP), the E&E industry is targeted to contribute RM120 billion to Malaysia's GDP in 2025, compared to RM86.1 billion in 2020.

As we sharpen our strategies, aligning our businesses to growth and value opportunities, we will continue to maintain a culture that safeguards the responsible and sustainable business practices, underpinned by our strong moral values and deep sense of integrity. We are cautiously optimistic for the year ahead and expect stable growth barring any unforeseen circumstances.

³ Article, Carbon Footprint: Recycling Compared to Not Recycling <https://www.reuters.com/business/environment/metals-recycling-be-key-plank-cutting-emissions-2021-07-15/>

⁴ Bank Negara Malaysia, Economic and Monetary Review 2022

⁵ MIDA, Outlook for the E&E Industry in Malaysia

CHAIRPERSON'S STATEMENT cont'd

FORGING AHEAD *cont'd*

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 any opportunities that arise.

APPRECIATION

Reflecting on how we have weathered another challenging year, I am honoured to acknowledge the people who are the strength behind this organisation.

On behalf of the Board, my sincere gratitude to the Management and our employees for their commitment and agility as one team that has made it possible for the organisation to navigate the challenges towards recovery and contribute to this year's performance.

My thanks also go to my fellow Board Members for their support and stewardship in ensuring the highest standards of governance and oversight on matters that are critical to the organisation.

To all our stakeholders, including our valued customers, business partners, relevant authorities and bankers, I thank you for your confidence and continued journey with us despite the challenging period.

We will continue to ensure that the trust you place in JAG Berhad will be rewarding in the longer term. Together, let us move into 2023 stronger, with higher hope amidst the uncertainty.

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

After two years of pandemic-related restrictions, 2022 was a welcome reprieve. As engines of economic recovery were re-ignited, the Group drove a year filled with new possibilities and renewed determination. Though certain challenges persisted, we were also presented with various opportunities that have the potential of steering the Group towards new levels of growth and enhanced value creation for stakeholders.

This report takes you through our journey for the year where we continue to build a more inclusive and sustainable financial ecosystem for our partners, employees and communities, to better serve all our stakeholders.

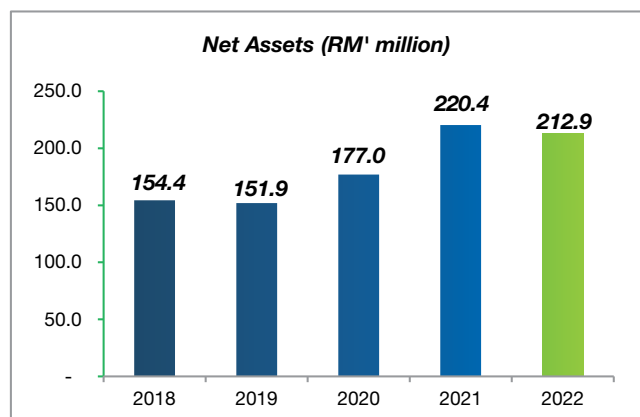
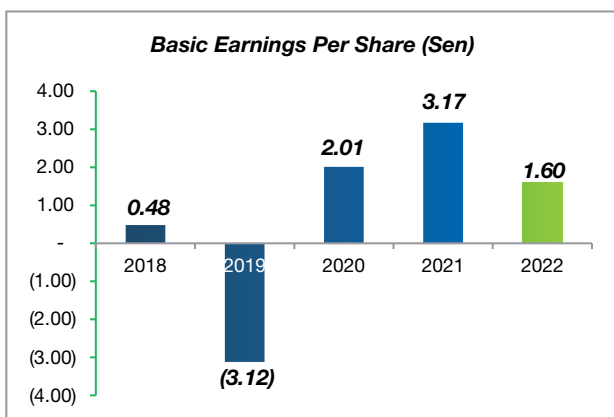
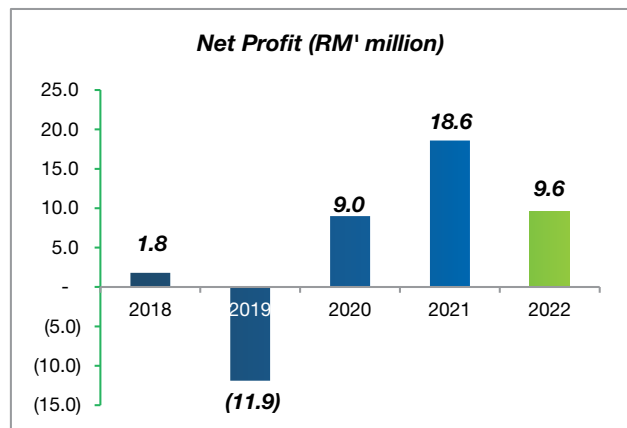
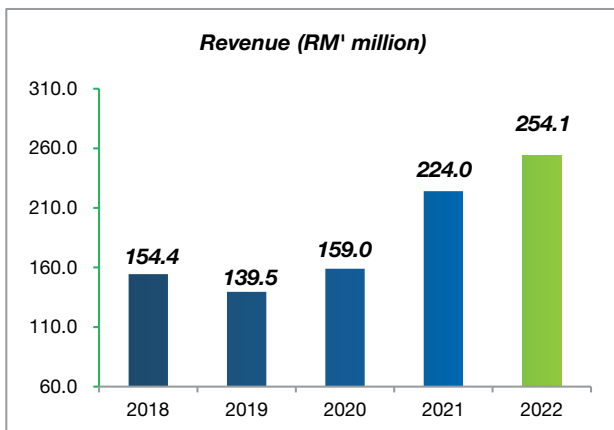
OUR GROUP

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

The flagship subsidiary, JMI, which operates as a TWM company focuses on the recycling of e-waste, contributed approximately 98% of the Group’s total revenue, followed by the investment holding business segment and the lifestyle services business segment.

GROUP FINANCIAL PERFORMANCE

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

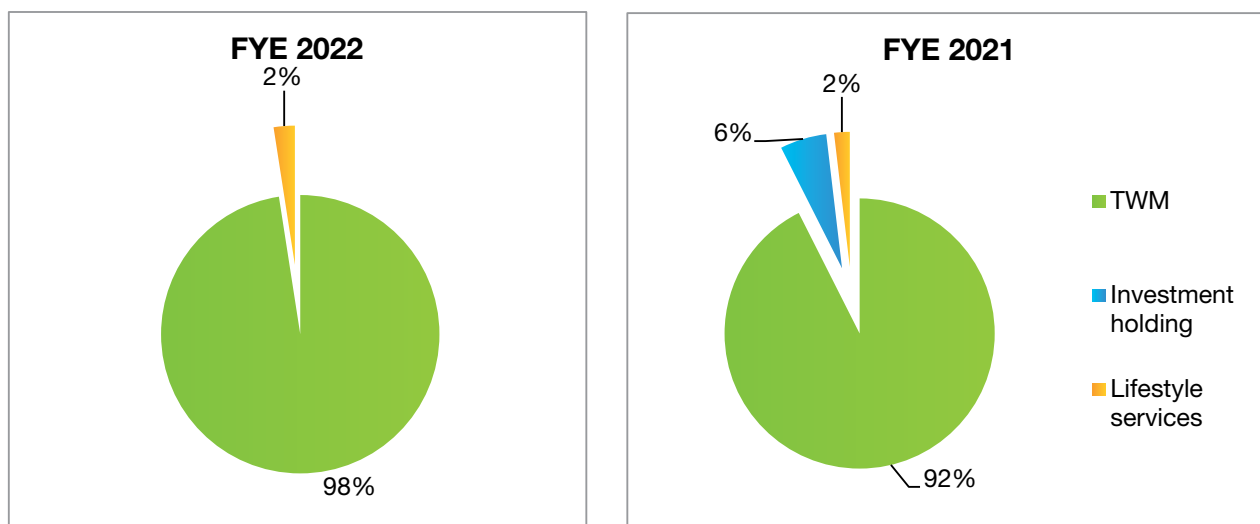


MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Revenue

In FYE 2022, JAG recorded the highest revenue since its operations at RM254.1 million, marking a 13.4% or RM30.1 million increase compared with FYE 2021 of RM224.0 million.

The breakdown of the revenue is as below:



The TWM business segment, being the main contributor to the Group, recorded a revenue of RM247.9 million in FYE 2022, representing an increase of RM40.6 million or 19.6% compared with FYE 2021. This growth was mainly due to an agreement entered by the TWM business segment with BNM on 31 March 2022, regarding the sale and meltdown of cupronickel and nickel as scrap. The TWM business segment fulfilled the agreement during the financial year, resulting in improved revenue compared to the previous financial year. In addition, the improved production capacity and greater procurement of e-waste supply contributed to the growth of the business segment.

The lifestyle services business segment, which consists of coin-operated laundry services and retail sales and manufacturing of gelato products, experienced a strong recovery following the pandemic, with revenue increasing from RM4.2 million in the FYE 2021 to RM6.2 million in FYE 2022, reflecting a remarkable 48.6% growth.

Net Profit

The summary of net profit of business segment as follows:

	FYE 2022 RM'000	FYE 2021 RM'000
TWM	15,736	22,335
Lifestyle services	(2,540)	(2,577)
Investment	(2,319)	54
Property	(1,248)	(1,189)
	9,629	18,623

The Group's net profit for FYE 2022 was RM9.6 million, a decrease of 48.3% from the previous year's RM18.6 million. This decline was primarily driven by lower commodity prices, particularly for copper, tin, and nickel, which are frequently traded by the TWM business segment. These commodities price adjustments resulted in the reduced profitability of the business segment.

The lifestyle services business segment registered losses in FYE 2022 mainly due to expenses related to refurbishing outlets and relocation of the factory, which resulted in the write-off of renovation and fixed assets. These one-time costs impacted the profitability of the business segment, despite the increase in revenue.

The investment holding business segment reported a net loss in FYE 2022 compared to FYE 2021. This was due to absent of disposal of investment during the financial year, which resulted in the absence of income stream for the business segment. Additionally, the business segment incurred regulatory expenses such as listing fees, statutory fees and other operating expenses as well as adjustment of fair value for investment held, which further impacted its profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

The loss for property investment and development business segment was due to the interest of borrowing, and other operating expenses.

Total Assets and Liabilities

The Group's total assets as at FYE 2022 decreased by 3.5% or RM9.5 million to RM260.9 million as compared to RM270.4 million in FYE 2021. The decrease was mainly due to the decrease in cash and cash equivalent as well as a decrease in inventory. The decrease in the Group's liabilities was mainly due to the repayment of borrowing.

Liquidity and Capital Resources

As at 31 December 2022, the Group maintained cash and cash equivalents amounting to RM11.9 million compared to RM32.4 million in FYE 2021. The Group's bank borrowings have decreased from RM21.3 million to RM14.6 million due to repayments of term loans.

The Group's capital expenditure ("CAPEX") for FYE 2022 amounted to RM9.2 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

JMI's primary operation involves the acquisition of e-waste, primarily consisting of non-ferrous and precious metals from local semiconductor manufacturers. JMI subsequently employs environmentally sustainable methods to transform the E-waste into valuable secondary metals, such as copper, tin, nickel, silver and gold. The resultant commodities are then sold both domestically and internationally to satisfied customers.

In respect of market position, JMI is the market leader in the E-waste (SW110) recovery business in Malaysia². JMI is also one (1) of nineteen (19) 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 is committed to promoting a sustainable environment for the present and future generations. JMI places high priority on continuously refining its recycling and recovery operations to achieve optimal results that are both energy-efficient and cost-effective. Additionally, the company strives towards a zero-waste production process and is steadfast in its efforts to achieve this objective.

As such, JMI conducts routine evaluations of its production efficiency to ensure optimal performance. In recent years, the company made refinements to its major production processes, with the goal of minimizing waste by way of downstream refinery to maximize the output. Additionally, JMI continually invests in cutting-edge equipment to accommodate expanding input volumes. These capital expenditures are tailored to the specific needs of the company and are vital to enhancing production efficiency and cost savings over the long term.

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 of quality management system for the trading, processing and recovery of ferrous, non-ferrous and precious metals

ISO 14001:2015

Certification of environmental management system for the trading, processing and recovery of ferrous, non-ferrous and precious metals

ISO 45001:2018

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

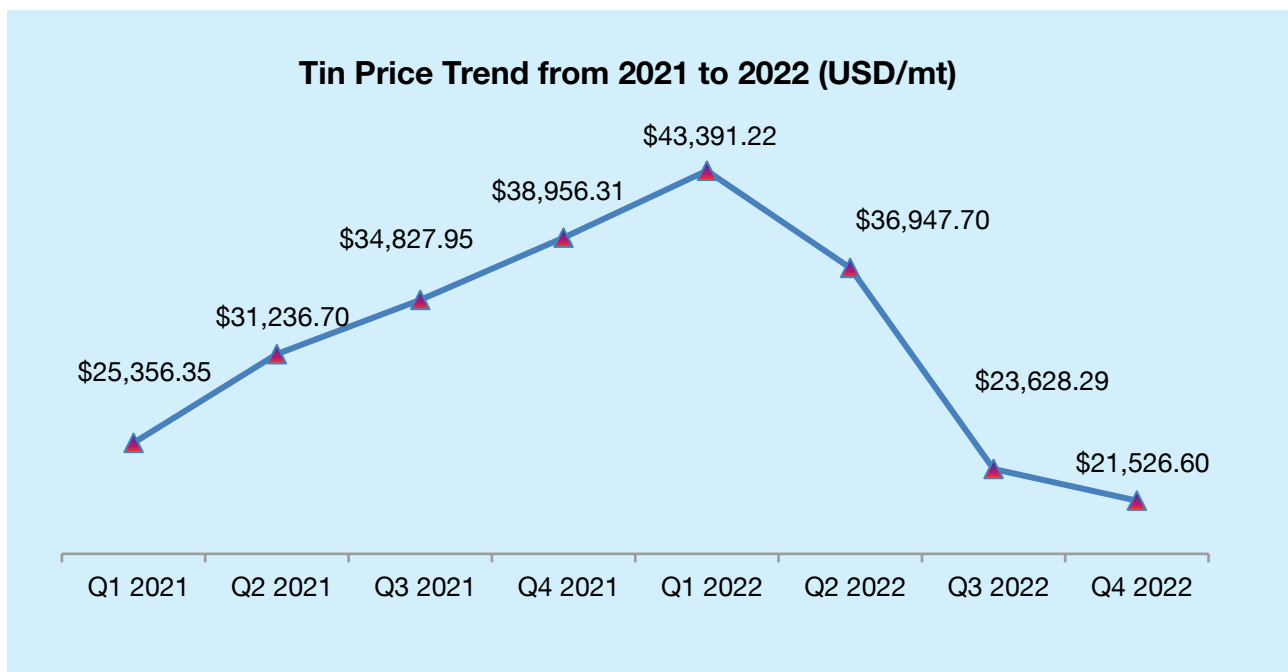
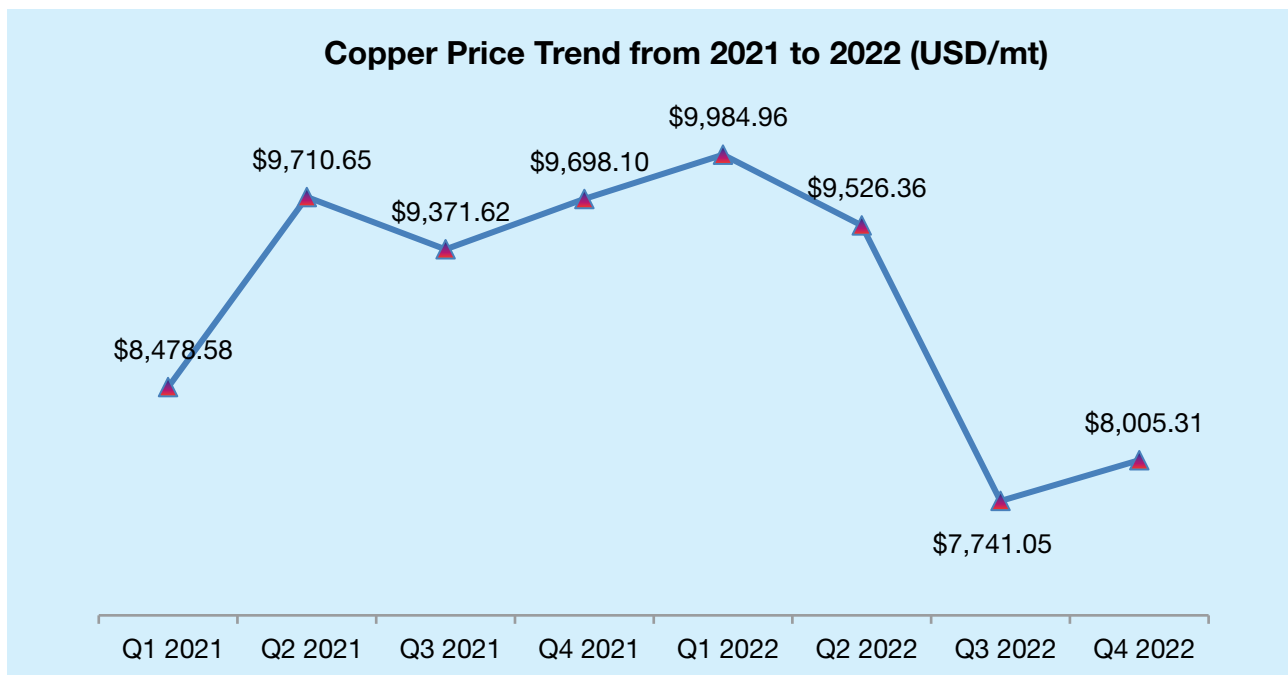
¹ <https://eswis.doe.gov.my/>

² Based on market study by Providence Strategic Partners Sdn Bhd dated 30th May 2022

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Given that JMI's final products consist of secondary metals, the company is susceptible to fluctuations in commodities prices, which has a direct impact on the Group's profitability and overall performance. Nevertheless, the company has implemented strategic measures to reduce its dependence on fluctuating commodities prices and exchange rates, with the aim of mitigating potential negative impacts, particularly during adverse business conditions.

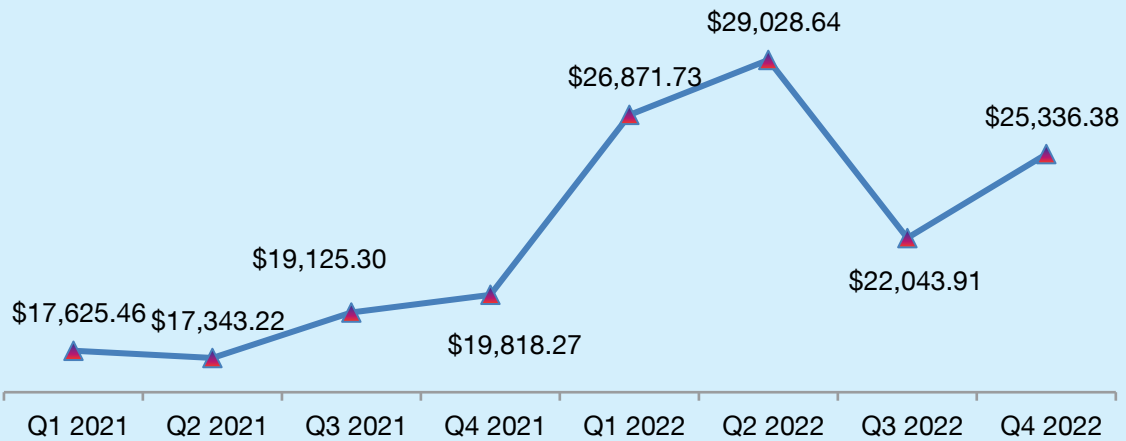
JMI's sales revenue for the FYE 2022 was predominantly generated from export markets, with 93.3% of total sales revenue derived from countries such as China, Japan and others. The company primarily trades in secondary metals such as copper, tin, nickel, silver and gold. The fluctuation of major commodity prices traded by JMI in 2021 and 2022 are illustrated below:-



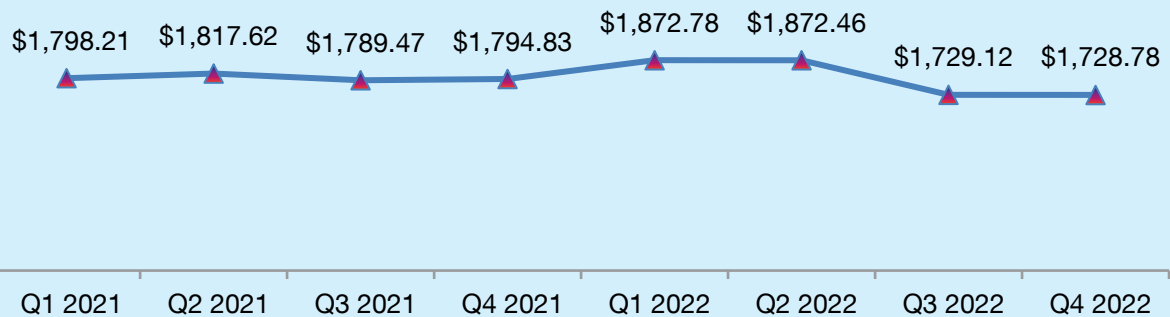
MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

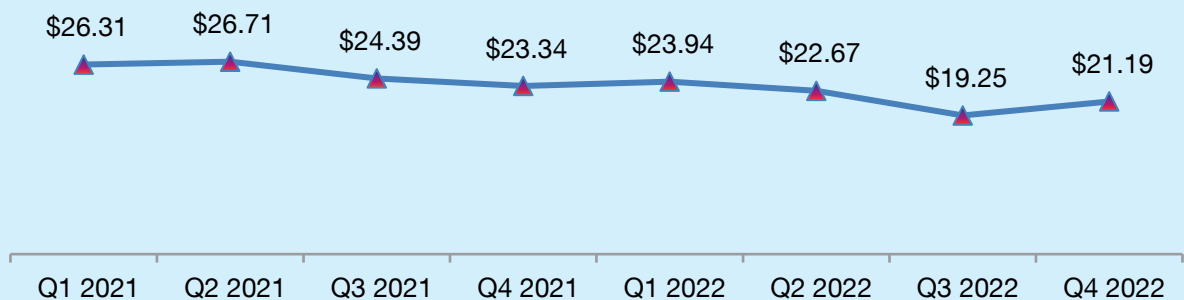
Nickel Price Trend from 2021 to 2022 (USD/mt)



Gold Price Trend from 2021 to 2022 (USD/Ozt)



Silver Price Trend from 2021 to 2022 (USD/Ozt)

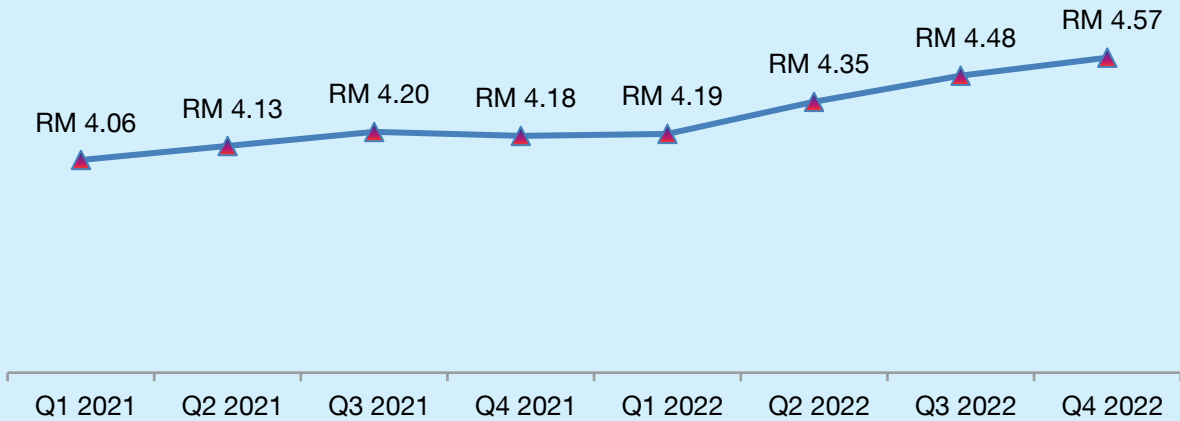


Source: Average price extracted from Argus Metal

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Exchange Rate from 2021 to 2022 (USD 1: MYR)



Source: Average price extracted from Bank Negara Malaysia

Lifestyle Services

The lifestyle services business segment consists 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.

JAG Nasmeh Sdn. Bhd. (“JAGN”)

JAGN began its journey with its first outlet in September 2015. To-date, there are a total of thirteen (13) outlets operated by JAGN in carefully identified densely populated areas around Klang Valley.

FYE 2022 was a recovery year for this business segment as business operations were severely disrupted by the pandemic in FYE2021 and FYE2020. The recovery of the launderette business was encouraging with no significant disruption of the business model.

Although the market conditions are highly competitive, JAGN remains confident that its competitive advantages enable the company to create significant value. JAGN’s spacious and clean launderette environment, well-maintained laundry equipment, and proactive support from its principal contributed to and enhanced the company’s performance.

JAG Scoops Sdn. Bhd. (“JAG Scoops”)

The Company operated as a manufacturer and retailer for gelato and its related products carrying the trade name of “Frost n Bites” to-date, has seven (7) outlets as listed below:-

- Pavilion Kuala Lumpur
- Sunway Pyramid
- Fahrenheit (Closed on Feb 2023)
- Setapak Central
- One Utama
- Mid Valley Megamall
- Sunway Velocity (Ground Floor)
- Sunway Velocity (First Floor)

As part of its branding strategy, JAG Scoops has established an in-house R&D department and expanded its menu to include new flavours of gelato, pastries, and a range of waffle-based products such as croffles and waffles. Additionally, JAGS has been renovating its outlets to achieve a fresh and modern look. To-date, three of JAG Scoops outlets have been successfully refurbished to reflect the new theme, namely One Utama, Sunway Pyramid and Pavilion Kuala Lumpur.

Property Investment and Development

The property arm of the Group is formed by four (4) subsidiaries, JAG Land Sdn. Bhd. (“JAG Land”), JAG Development Sdn. Bhd. (“JAG Development”), JAG Prop Sdn. Bhd. (“JAG Prop”) and JAG Eco Sdn Bhd (“JAG Eco”).

The management noted that the recovery path for Malaysia’s property sector remained uncertain in 2023, the Russian-Ukrainian conflict coupled with the downturn in China’s economic growth affected the pace propelled the rate of inflation, had causing the United States Federal Reserve Board (“Fed”) to tighten its monetary policies by aggressively raising its policy rates.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

In view of the USA's Federal Reserve System rate hikes and the global economic situation, BNM raised its Overnight Policy Rate ("OPR") by 25 basis points to 2.25% in July 2022. They then raised the OPR again to 2.50% in September 2022 and once more in November 2022 to 2.75%. This has increase additional pressure to loan borrowers ³.

After taking into consideration the various factors, the management decided to maintain the current situation for JAG Land, JAG Development and JAG Eco. The land held will be remained 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.

For JAG Prop (nominated building owner), the Company entered into a Sales and Agreement with Menara ABS Berhad to acquire a twelve and half (12 ½) storey office building (Namely Menara TM) with two (2) levels of basement car park in Taman Desa, Kuala Lumpur. The transaction has been completed on 10 March 2023. The office building shall be used as corporate office as well as investment property.

The list of property and investment properties are listed in page 167 to 169 in this 2022 Annual Report.

Prospects and Moving Forward

We are hopeful that 2023 will be a better year though we are mindful that the year ahead may be impacted by heightened macroeconomic and geopolitical uncertainty. As the business returns to normalcy, we anticipate stable growth for the Group, driven by our TWM business segment, which will remain the major contributor to our revenue and profit.

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 the major contributors to the Malaysia economy and plays an essential role.

According to the Malaysia Semiconductor Industry Association, the development of semiconductor and E&E sector likely to see slower growth in 2023 compared to last year global headwinds which Malaysia's E&E sector had grown by 18% in 2021 and 30% in 2022 ⁴.

On the other hand, the global's Electric Vehicle ("EV") market is experiencing strong growth. The production for EV and batteries required significant volume of nickel ⁵, copper and tin, which will bode well for the semiconductor industry.

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 allocated for expansion and CAPEX to the tune of RM20 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 JAG Scoops, re-branding and development of new products coupled with strategic marketing will be our primary concentration. The management is targeted to establish at least two (2) outlets in FYE 2023 with the aim to improve the sales via awareness and publicity of our products.

Nevertheless, 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 deliver stronger returns to shareholders.

On behalf of the Management,

Dato' Ng Meow Giak

Executive Director

⁽³⁾ <https://www.propertyguru.com.my/property-guides/malaysia-property-market-outlook-2023-67079>

⁽⁴⁾ <https://selangorjournal.my/2023/02/malysias-ee-industry-to-see-slower-growth-in-2023/>

⁽⁵⁾ <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>

PROFILES OF THE BOARD OF DIRECTORS

DATIN STACEY TAN SIEW CHING	
<i>Chairperson and Executive Director Malaysian, aged 54, Female</i>	
Date of appointment as Director	: 15 March 2011
Length of service as director since appointment (as at LPD)	: 12 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 2022.

DATO' NG MEOW GIAK	
<i>Executive Director Malaysian, aged 51, Male</i>	
Date of appointment as Director	: 5 December 2013
Length of service as director since appointment (as at LPD)	: 9 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 25 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 2022.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

ROY THEAN CHONG YEW

*Independent Non-Executive Director
Malaysian, aged 52, Male*

Date of appointment as Director	: 18 October 2010
Length of service as director since appointment (as at LPD)	: 12 years 4 months
Board Committee(s) Membership	: <ul style="list-style-type: none"> • Chairman of Audit Committee • Chairman of Risk Management Committee • Member of Nomination Committee • Member of Remuneration Committee
Academic/Professional Qualification(s)	: <ul style="list-style-type: none"> • 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	: <ul style="list-style-type: none"> • Malaysia Steel Works (KL) Berhad • Teladan Setia Group Berhad
Working experience	: <p>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. (“RB MBA”) for another six (6) years, rising to the position of an Executive Director. In 2009, he left RB MBA to start his own business venture.</p> <p>With over 28 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.</p>
Time committed	: Mr. Roy Thean attended all the five (5) Board of Directors’ Meetings of the Company held in the FYE 2022.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

DATUK MD. HASSIM BIN PARDI

*Independent Non-Executive Director
Malaysian, aged 71, Male*

Date of appointment as Director	:	26 August 2011
Length of service as director since appointment (as at LPD)	:	11 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 2022.

PROFILES OF THE BOARD OF DIRECTORS

cont'd

EWE CHUAN SENG

Senior Independent Non-Executive Director
Malaysian, aged 67, Male

Date of appointment as Director : 13 August 2014

Length of service as director since appointment (as at LPD) : 9 years and 2 months

Previous Appointment: 7 months
03.11.2010 to 20.06.2011

Current Appointment: 8 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 2022.

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 54, Female

[Please refer to page 17 for profile of Datin Stacey Tan]

Dato' Ng Meow Giak
Executive Director
Malaysian, aged 51, Male

[Please refer to page 17 for profile of Dato' Ng]

Dato' Ng Aik Kee, Thomas
Managing Director, JMI
Malaysian, aged 53, 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.

Working experience : Dato' Thomas Ng joined JMI since 1 January 1998 and has over 25 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 47, 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 23 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 52, 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 ”)	Member 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 35, 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 of Management and Technology 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 Fellow Member of Association of Chartered Certified Accountant ("FCCA").
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	Member of RMWG (reporting to the Risk Management Committee)

PROFILES OF KEY SENIOR MANAGEMENT

cont'd

<p>Ng Seng Teik <i>Project Director, JAG Land Sdn. Bhd.</i> <i>Malaysian, aged 47, Male</i></p>	
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.

The Board takes note of the updates on the Malaysian Code on Corporate Governance (“**MCCG**”) issued by the Securities Commission Malaysia with effect from 28 April 2021. MCCG introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

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 2022 (“**FYE 2022**”), which are available for public access on the Company’s corporate website at:-

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

The CG Report 2022 provides the detailed explanations on how JAG has applied each Practice as set out in the MCCG during the FYE 2022 and/or up to 17 March 2023, being the latest practicable date (where applicable) (hereinafter referred to as “**Applicable Period**”).


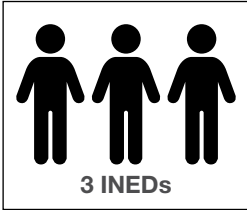
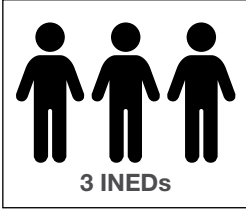
JAG’s Key Focus Area

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>Practice 1.1</td> <td></td> </tr> <tr> <td></td> <td>Key Responsibilities of the Board</td> <td></td> </tr> </table>		Practice 1.1			Key Responsibilities of the Board		<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.
	Practice 1.1						
	Key Responsibilities of the Board						

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>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 directors</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 an 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

Malaysia has on 1 April 2022, transitioned to the Covid-19 endemic phase and the standard operating procedures to curb Covid-19 infection had been relaxed as announced by the Malaysian Government.

The Board constantly 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 2022, 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 2022 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 2022 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) Private Placement of up to 30% of the total number of issued shares in the Company ("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.

Subsequently, the Company had on 25 May 2022, announced that the extended timeframe to implement the Private Placement 2021 will lapse on 30 June 2022, and the Company would not seek further extension to implement the Private Placement 2021. As such, the Private Placement 2021 is deemed completed with the issuance and listing of 90,000,000 new ordinary shares in the Company on 11 August 2021 on the ACE Market of Bursa Securities and had raised gross proceeds of RM25,650,000/-.

iii) Proposed Acquisition of Property by JAG Land Sdn. Bhd. ("JAG Land")

On 5 September 2022, JAG Land had entered into a Sale and Purchase Agreement with Menara ABS Berhad for the purpose of acquiring a twelve and a half-storey (12½) office building with two (2) levels of basement car park erected on a piece of freehold land held under HS(D) 71280, PT3569, Mukim Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan KL, bearing postal address of Wisma TM Taman Desa, Jalan Desa Utama, Pusat Bandar Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("Property"), for a total purchase price of RM35,288,000/-.

The said acquisition is meant for investment purposes with the aim to create a new stream of recurring income contribution for the Group. In addition, this is also a part of the Group's efforts to expand our property investment business segment, which will positively contribute to the Group.

The Company had on 10 March 2023, announced that the balance purchase price has been duly settled by JAG Land and the said acquisition is deemed to be completed.

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.

All five (5) Directors of the Company had attended the ESG training that had taken place on 15 February 2022.

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.

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

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 2022 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 objective.

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 the Board.

During the FYE2022, the RMC has incorporated corruption risk and sustainability risk into the ERM Framework, in line with the anti-bribery and anti-corruption policy and sustainability governance of the Group.

(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) The 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 2022**, which are available for viewing on the Company's corporate website at www.jagb.com.my.

For FYE 2022, 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 2021.

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 2022, 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 2023.

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 the Group's, 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. Directors' Fit and Proper Policy

The Board had on 31 May 2022 adopted the Directors' Fit and Proper Policy ("**Policy**") which in line with the recent amendments to the ACE LR. The Board believes that it is in the best interest of the Company and its stakeholders that its Directors are of the required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries. This Policy forms part of the established and approved policy and procedures on nomination and appointment of Director and re-appointment of Director.

The scope of the Policy applies to existing Directors of the Company and its subsidiaries who seeking for re-appointment and re-election and candidates for nomination or appointment as a Director.

The NC and the Board shall be guided by the following four (4) criteria while evaluating the appointment, re-election or re-appointment of the candidates/ directors, whichever applicable:-

- (a) Probity, personal integrity and reputation;
- (b) Financial integrity.
- (c) Experience and competence; and
- (d) Time and commitment.

The NC and the Board had been guided by the said Policy in evaluating and considering the re-election of Datin Stacey Tan and Mr. Ewe as the Directors of the Company ("**Retiring Directors**") at the forthcoming Twenty-Fifth Annual General Meeting of the Company ("**25th AGM**").

The Retiring Directors had executed the Directors' Fit and Proper Declaration Form.

Upon evaluation, the NC and the Board are satisfied with the declaration made by the Retiring Directors and recommended the re-election of the Retiring Directors to the shareholders for approval at the forthcoming 25th AGM.

The Policy is available for viewing under the "Investors" section of the Company's corporate website at www.jagb.com.my.

8. 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

8. Whistleblowing Procedures *cont'd*

- (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 measures 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.

9. 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.

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*

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):-

<p>For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated persons:-</p> <p><u>AC Chairman</u></p> <p>Mr. Roy Thean Chong Yew at email address: rthean@hotmail.com</p>
<p>For employment-related concerns, one can report directly to the following designated persons:-</p> <p>(1) <u>ED (JAG Group)</u></p> <p>Datin Stacey Tan at email address: stacey@jagb.com.my</p> <p>(2) <u>ED (TWM Division)</u></p> <p>Dato’ Ng Meow Giak at email address: nigel@jaringmetal.com</p> <p>(3) <u>Head of Human Resources</u></p> <p>Mr. Ng Yaw Long at email address: tony@jaringmetal.com</p>
<p>For any concerns from the shareholders/stakeholders, one can email to the following designated Director:-</p> <p><u>Senior INED</u></p> <p>Mr. Ewe Chuan Seng at email address: ewealbert@gmail.com</p>

For FYE 2022, none of the designated persons received any report or concerns vide the abovementioned communication and feedback channels.

10. **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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

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

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

11. Trainings attended in relation to Sustainability issues

The Board, through the NC, assesses the training programmes attended by each Director during the FYE 2022 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.

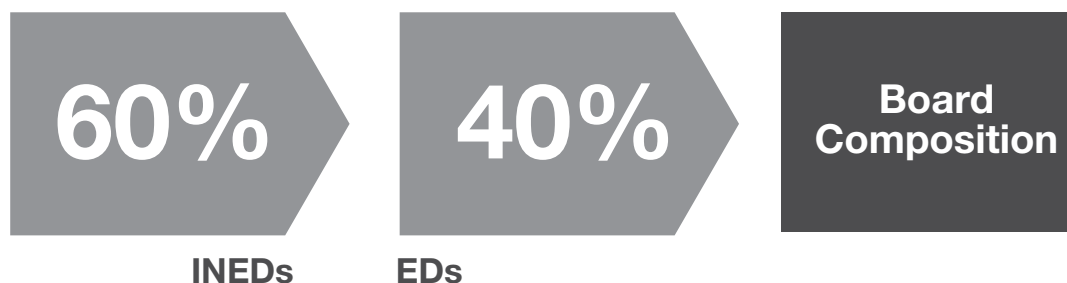
Description of Training Programmes in relation to Sustainability
Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
Sustainability Report Awareness
The Role of Board in Strategy, ESG & Risk Management Usual Oversight

The key sustainability training programme(s) attended by each Director in FYE 2022 are found in this “**Corporate Governance Overview Statement**” section of our 2022 Annual Report.

II. BOARD COMPOSITION

1. Size and Composition of the Board

For FYE 2022, the Board comprises five (5) members, three (3) of whom or 60% are INEDs and two (2) or 40% are the EDs which is compliance with the Rule 15.02(1) of the ACE LR, as well as Practice 5.2 of the MCCG.



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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

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 twelve (12) years and eleven (11) years, respectively.

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 INED of the Company. Mr. Ewe has served in that capacity for a cumulative term of more than nine (9) years.

With regards to Mr. Roy Thean’s, Datuk Hassim’s and Mr. Ewe’s professional qualifications and experience (*as illustrated in the profiles of Directors of Mr. Roy Thean, Datuk Hassim and Mr. Ewe in the 2022 Annual Report*), they 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, Datuk Hassim and Mr. Ewe as INEDs of the Company, the Board had vide the NC, assessed the independence of Mr. Roy Thean, Datuk Hassim and Mr. Ewe, 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, Datuk Hassim and Mr. Ewe 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 nine (9) 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, Datuk Hassim and Mr. Ewe remained on Board as INEDs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

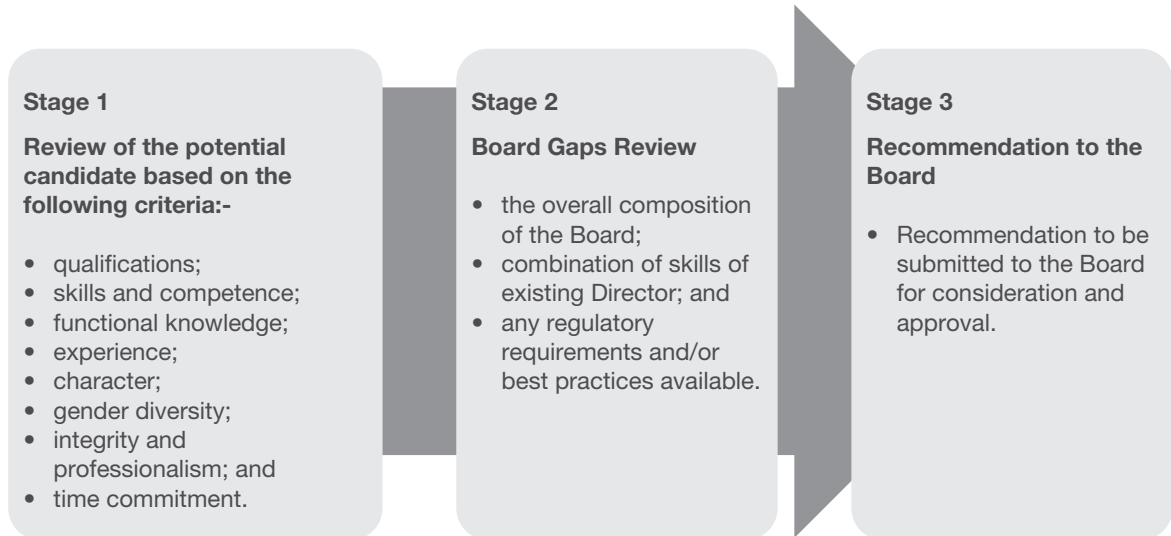
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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

3. Procedures for Appointment of Directors

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 (50) to sixties (60) 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 2022, 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 2022, 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 2022:-

- (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 2021 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*.

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 nine (9) 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 2021 and identified the training needs of the Directors for FYE 2022.
- (xiii) Assessed the suitability of the Director(s) who will be standing for the re-election at the 24th Annual General Meeting of the Company held in 2022 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 2022 was as follows:-

General Meetings

Name of Directors	Number of Meetings Attended/Held	%
Datin Stacey Tan Siew Ching (Chairperson)	1/1	100.00
Dato' Ng Meow Giak	1/1	100.00
Mr. Roy Thean Chong Yew	1/1	100.00
Datuk Md. Hassim Bin Pardi	1/1	100.00
Mr. Ewe Chuan Seng	1/1	100.00

Board of Directors' Meetings

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*.

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

NC Meeting

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

RMC Meetings

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

The attendance of AC Meetings held during FYE 2022 is stated in the AC Report in this 2022 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 2022.

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*.

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	
12/01/2022	Corporate Liability
15/02/2022	Environmental, Social and Governance (ESG) Sustainability: Impact to the Company and Board of Directors
17/10/2022	Masterclass – Mergers & Acquisitions for Board
7/11/2022 to 10/11/2022	Sustainability Report Awareness
Dato' Ng Meow Giak	
12/01/2022	Corporate Liability
15/02/2022	ESG Sustainability: Impact to the Company and Board of Directors
7/11/2022 to 10/11/2022	Sustainability Report Awareness
Mr. Roy Thean Chong Yew	
12/01/2022	Corporate Liability
15/02/2022	ESG Sustainability: Impact to the Company and Board of Directors
8/06/2022 to 09/06/2022	MIA International Accountants Conference 2022
7/11/2022 to 10/11/2022	Sustainability Report Awareness
6/12/2022	SC's Audit Oversight Board Conversation with Audit Committees
12/12/2022	The Role of Board in Strategy, ESG & Risk Management Usual Oversight
Mr. Ewe Chuan Seng	
12/01/2022	Corporate Liability
15/02/2022	ESG Sustainability: Impact to the Company and Board of Directors
7/11/2022 to 10/11/2022	Sustainability Report Awareness
Datuk Md. Hassim Bin Pardi	
12/01/2022	Corporate Liability
15/02/2022	ESG Sustainability: Impact to the Company and Board of Directors
7/11/2022 to 10/11/2022	Sustainability Report Awareness

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 2022 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*.

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

2023 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 2023 (“**FYE 2023**”). Upon review, the NC would encourage the Directors to attend more than one (1) continuing education programme in year 2023, 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 2022 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 2022 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 2022, 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 2021:-

(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 2022, 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 2022, the NC is satisfied with the performance of the individual Directors for FYE 2021.

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

(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 2022, 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 2021, 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 2022.

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 2022, 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 2022, the NC conducted assessment on Datin Stacey Tan and Mr. Ewe Chuan Seng (“**Retiring Directors**”) who would retire by rotation at the forthcoming 25th AGM of the Company 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/her 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)
- The Director’s fitness and propriety with reference to the Directors’ Fit and Proper Policy.

Upon review, the NC, being satisfied with the performance as well as the fit and proper of the Retiring Directors and recommended to the Board on their re-election at the 25th AGM.

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 2021.
- (ii) Deliberated on the remuneration package of the Executive Directors for FYE 2022 and recommended the same to the Board for approval.
- (iii) Reviewed the Directors’ fees payable to the Directors of the company for the FYE 2022 and recommended the same for the Board for consideration.
- (iv) Reviewed the benefits payable to the Directors of the Company for the period from 1 June 2022 until the next AGM of the Company to be held in year 2023 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 2022.

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 2022, 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	-	48,000	-	7,500	55,500
Ewe Chuan Seng	-	48,000	-	7,500	55,500
Roy Thean Chong Yew	-	58,800	-	6,500	65,300
Total	-	154,800	-	21,500	176,300

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	738,000	-	31,150	-	769,150
Dato' Ng Meow Giak	846,000	-	18,000	-	864,000
Total	1,584,000	-	49,150	-	1,633,150
Non-Executive Directors					
Datuk Hassim Bin Pardi	-	48,000	-	7,500	55,500
Ewe Chuan Seng	-	48,000	-	7,500	55,500
Roy Thean Chong Yew	-	58,800	-	6,500	65,300
Total	-	154,800	-	21,500	176,300

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	-
RM500,001 – RM550,000	-
RM550,001 – RM600,000	-
RM600,001 - RM650,000	1
RM650,001 - RM700,000	1
RM700,001 - RM750,000	-
RM750,001 - RM800,000	1
RM800,001 - RM850,000	-
RM850,001 - RM900,000	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 2022, reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2022.

The RC is of the view that the level of remuneration package of the top five (5) senior managements in respect of FYE 2022 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 2022 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 2022, 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 2022, 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 2022. The Board has in turn, recommended the same for shareholders' approval at the 24th AGM of the Company held in 2022.

4. Skillsets of AC

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

During FYE 2022, 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 2022 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*

Risk Management *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 2022, 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 2022.

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 2022 Annual Report.

Internal Controls

The internal controls were tested for effectiveness and efficiency four (4) cycles during FYE 2022 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 2022, 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 2022 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.

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*

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

During FYE 2022, 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 2021 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 2022 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.

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

(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.

(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 25th 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
4 April 2022	Media Interview by 8TV for TV Programme "Shall We Talk"	Media Interview	Public
15 April 2022	Investor Briefing with KAF Investment Fund Berhad	Investor briefing	Fund manager
22 October 2022	<i>Sambutan Hari Alam Sekitar Negara Peringkat Kebangsaan Tahun 2022</i>	Awareness event	Public
21 March 2023	<i>Waste Management Event : Building a Resilient Future, Role of Circular Economy in Empowering Sustainability</i>	Awareness event	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 24th AGM held in 2022 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 24th AGM, facilitating full understanding and evaluation of issues involved in the proposed resolutions.

(b) Directors' Commitment

There was one (1) general meeting held in 2022, i.e. 24th AGM held on 31 May 2022.

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

The proceedings of the General Meeting included the presentation of financial statements to the shareholders in the 24th 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 Meeting.

(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 24th AGM held on 31 May 2022, 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 Meeting 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

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

cont'd

II. CONDUCT OF GENERAL MEETINGS *cont'd*

(c) Voting Format *cont'd*

Key CG future priorities for FYE 2023

Bursa Securities has on 26 September 2022 issued amendments to the ACE LR of Bursa Securities in relation to enhanced sustainability reporting framework as well as the updated sustainability reporting guide and toolkits ("**Enhanced Sustainability Disclosures**").

Taking cue from Bursa Securities' directives and emphasis, ESG adoption and sustainability disclosure shall remain the key CG priority of the Board for FYE 2023.

CONCLUSION

The Board is satisfied that, it complies substantially with the Practices of the MCCG throughout FYE 2022.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board of Directors on 20 April 2023.

SUSTAINABILITY REPORT 2022

BOARD STATEMENT AND ASSURANCE

Dear Shareholder,

The Board is pleased to present JAG Berhad (“the Company/the Group/JAG”)’s Sustainability Report 2022 (“SR”). The Company is pleased to share the notable strides we have taken, and will continue to take, in embedding sustainability across all aspects of our organization and operations. Our objective is to generate enduring value for all stakeholders and maintain our position as a market leader in our core operations and business segment of total waste management in Malaysia.

After dealing with the global pandemic for two years, numerous countries are now moving towards endemicity as vaccination efforts ramp up. Malaysia initiated its transition phase in April 2022, lifting restrictions and resuming economic activities in full swing. Despite these varying situations, the Company remains unwavering in its commitment to comply with all Covid-19 Standard Operating Procedures (“SOPs”) and maintain vigilance in preventing the spread of the virus. The Company acknowledges that uncertainties and challenges may arise during this transition phase but stands prepared to face them with agility and resilience.

The Company is dedicated to integrate sustainability and business continuity plans into our operations. This statement outlines our approach to identifying and managing economic, environmental, social and governance (“EESG”) issues that are significant to us and our stakeholders.

The establishment of a good corporate governance is also acknowledged in managing and monitoring sustainability issues to achieve their goals and objectives. The Company believes this approach will act as a sustainable, overarching proposition to strike a balance between economic, environmental, social responsibilities and governance considerations, which serves the best interests of all stakeholders in the long run.



SUSTAINABILITY REPORT 2022

cont'd

Sustainability Initiatives

As a responsible organisation, JAG understands the significance of upholding sustainability in our business operations in all facets. We recognise that the potential effect that our business operations may have on the Environment, Social and Governance (“ESG”) aspects. Thus, we are committed to implementing a comprehensive sustainability framework to address these concerns. Our core values revolved around accomplishing the highest benchmarks of sustainability throughout our operations, striving to achieve a harmonious balance between economic growth, environmental conservation and social responsibility.

The Company is dedicated to tackling the pressing issue of climate change by actively working towards reducing both embodied and operational carbon emissions. In line with the Malaysian government’s ambitious goal of achieving zero emissions by 2050, we strive to participate actively in global initiatives such as the *Scheduled Waste Management Symposium: Building A Resilient Future: Role of Circular Economy in Empowering Sustainability* exhibition to drive meaningful change and spread awareness. We have also taken steps to promote transparency and accountability by adhering to the reporting guidelines established by the Task Force on Climate-related Financial Disclosures (“TCFD”). Additionally, JAG has set clear short-term and long-term targets for reducing greenhouse gas (“GHG”) emissions, which serve as measurable benchmarks to track our progress in addressing climate change.

Throughout the year, the Group has established the environmental sustainability initiatives to mitigate the adverse impacts on the environment. The initiatives include implementing a Solar Energy, conversion of fuel based manufacturing plant to natural gas based, and measures to prevent pollution. In order to proactively address sustainability concerns more effectively, JAG is progressing towards the establishment of a dedicated committee consisting of six members. This committee will uphold rigorous standards for sustainability practices and consistently enhance our efforts to integrate sustainability into our management and day-to-day operations. As a result, the Board has increased confidence that we are effectively incorporating broader considerations of corporate governance and social responsibility into our decision-making processes, as part of our overall Sustainability Governance approach.

At JAG, we recognize that our success is rooted in the dedication of our team. Thus, we prioritize the safety and health of our staff as a fundamental duty. As part of our commitment to ensuring their safety and well-being, we strive to ensure all our employees are equipped with the essential skills and knowledge to perform their duties safely by organising various internal and external training on issues such as safety awareness. In FYE 2022, we reported zero fatalities at work.

Additionally, we reinforce our commitment to protecting our employees’ well-being and welfare by providing them with various employment benefits and cultivating an inclusive workplace. We strongly believe that our team is the key to our sustained success. Thus, we are committed to creating a positive work environment that promotes productivity, engagement and fulfilment among our employees. In pursuit of this goal, we have implemented a range of programs aimed at providing learning and development opportunities for our staff. As a result, our employees have collectively completed a total of 1,560 training hours, reflecting our dedication to investing in their growth and development.

We acknowledge the significance of contributing to society, and our continuous efforts exemplify our dedication to making a positive impact on the lives of those in our communities. As a part of our corporate social responsibility strategy, we consistently review our community engagement programs to ensure they are in alignment with our values and objectives.

Moving forward, we will continue to provide updates on our sustainability journey as we strive to generate sustainable value for our stakeholders in the years to come.



SUSTAINABILITY REPORT 2022

cont'd

ABOUT THE REPORT

At JAG, we are committed to fostering a sustainable future by capitalizing good business fundamentals, strategic focus and efficient operational practices. This statement best reflects our practices, initiatives and efforts invested in addressing the impact on the local economy, society, environment and governance by our organisation.

Scope of Reporting

The reporting period aligns with our financial year from 1st January 2022 to 31st December 2022 and focuses on our on-going operational activities and future projects involving in total waste management, lifestyle services, and property investment and development through its subsidiaries.

Details of the Group's facilities and subsidiaries are shown in the table below.

Name of Company	Principal Activities	Country of Incorporation/ Operation
Jaring Metal Industries Sdn. Bhd.	<ul style="list-style-type: none"> Recycling and extraction of precious metals via the recovery and reclamation of industrial and electronic waste Trading of ferrous and non-ferrous metals 	Malaysia
Jag Nasmeh Sdn. Bhd.	Operating twenty-four (24) hours coin-operated laundry business	
Jag Eco Sdn. Bhd.	Real property	
Jag Renewable Energy Sdn. Bhd.	Production and manufacturing of renewable energy business, currently dormant	
Jag Capital Equity Sdn. Bhd.	Investment holding	
Jag Land Sdn. Bhd.	Property developer, real estate project development, building constructor and property investment	
Jag Development Sdn. Bhd.		
Jag Prop Sdn. Bhd.		
Jag Scoops Sdn. Bhd.	Manufacturing, distribution, sale and other related services of confectionery, ice-cream, and gelato products	

Reporting Framework

This report is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide 3rd Edition and is adopted in line with the internationally recognised Integrated Reporting <IR>. The Company also decided to adopt the TCFD recommendations and Sustainable Development Goals ("SDGs") as part of the report as well.

DEFINING OUR SUSTAINABILITY STRATEGY

The company prioritizes a balanced approach that encompasses economic, social and environmental responsibilities, with a vested interest in our stakeholders' well-being for a brighter future. Our focus is on fostering a positive impact on society by continuously exploring opportunities to integrate sustainability into our long-term growth and development objectives.

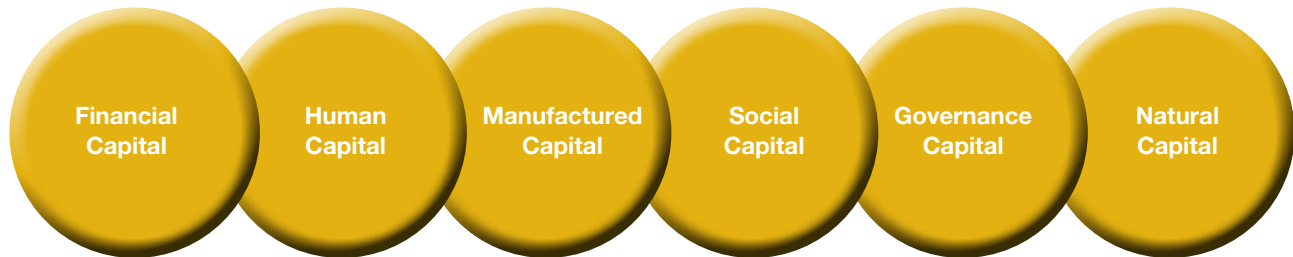
The continued success of JAG throughout the pandemic has provided insights on the importance of balancing value and growth. This defines that the Company's long-term objectives encompasses not only profit creation but also extended to all our stakeholders' interest and value creation. As an additional measure to address the dynamic environment and business landscape, the company decided to embrace the framework designed by the International Integrated Reporting Council ("IIRC") to make financial and business sense of sustainability performance via the Six Capitals Model.







SUSTAINABILITY REPORT 2022

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The Six Capitals Model allows us to create sustained value for our business and stakeholders, as well as reinforced our sustainability strategy, policies and practices and is aligned to global best standards including the UN SDGs. The six capitals represent the stores of value that are the basis of the Company's value creation.

The six capitals are defined as per below:



Financial	Manufactured	Governance
Funds available to Group from operations and financing	Recycle process from physical E-waste objects used in value creation	Governance, Internal control system and procedures
Financial Highlight Resources to support the Group's operation and implement other Capitals 	Marketplace Implementing sustainability through Recycle efficiency quality and compliance 	Governance Board engagement on strategy, internal control to enhance the sustainability initiative 
Human	Social	Natural
Skills, motivation, alignment with organisational goals	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate	Renewable and non-renewable natural elements, and the eco-system, used as inputs by the Group now or in the past or future, and impact of the Group on them
Workplace Creating a safe and supportive working environment, training and self-development 	Community Contributing to local community development 	Environment Improving our environment by utilising greener alternatives 

SUSTAINABILITY GOVERNANCE

Sustainability is regarded as an important aspect and inherent element in JAG; thus, we have formed a systematic and comprehensive governance framework to effectively achieve our sustainability targets and goals.

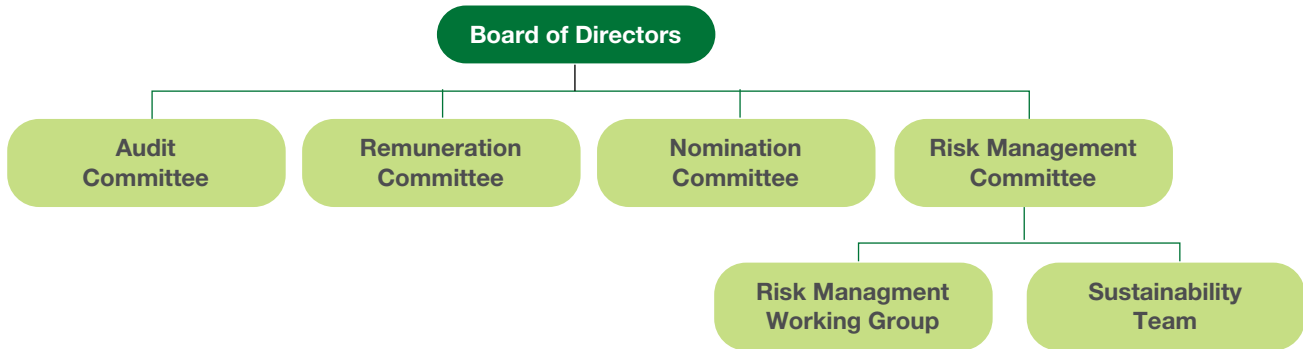
The Board of Directors at Group and subsidiary level are instrumental in promoting sustainability throughout the organisation and oversees the Group's sustainability strategy. Their duties include ensuring that the significant objectives are attained and creating a robust risk management framework and internal control system, ensuring they are appropriate and efficient. The Board is also assisted by the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee in tracking the performance of the organisation and managing the effectiveness of the risk management framework and internal control system.

To ensure better efficiency in our sustainability initiatives, we are also in the progress of establishing a dedicated ESG Committee that focuses on the Group's objectives, policies and practices pertaining to sustainability or ESG matters. Their roles encompass the formulation of sustainability strategies, identification and assessment of sustainability-related risks, evaluation of sustainability performance and targets, and diligent monitoring of the implementation of sustainability-related policies and practices.

SUSTAINABILITY REPORT 2022

cont'd

The Board has assigned the responsibility of assessing the sufficiency and effectiveness of the risk management framework and internal control system to the Risk Management Committee. Furthermore, the Audit Committee, Nomination Committee and Remuneration Committee play a role in monitoring the performance of the Company.



The responsibility of the Board to promote and embed sustainability in the Company includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment & identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

STAKEHOLDER ENGAGEMENT TABLE

As a part of our unwavering dedication to building a sustainable business, we strive to foster positive relationships with our stakeholders. These valued stakeholders offer invaluable insights into our operations, allowing us to identify areas for improvement and identify opportunities. Thus, it is vital for us to regularly engage with them to seek feedback and address any concerns raised.

The Company has identified the key stakeholder groups and seek to engage them via various methods and channels, which are summarised in the table below:

Stakeholder	Areas of Concern/ Interest	Engagement Approach
Customer	<ul style="list-style-type: none"> • Product Quality & Safety • Customer Service & Experience • Product compliance 	<ul style="list-style-type: none"> • Customer Survey • Relationship Management
Employee	<ul style="list-style-type: none"> • Health & Safety • Welfare & Remuneration • Workplace Diversity • Training & Career Development • Value Equal Opportunities 	<ul style="list-style-type: none"> • Performance Appraisal • Management & Staff Meeting • Annual Event • Training Programs
Supplier	<ul style="list-style-type: none"> • Transparent Procurement Practices • Payment Schedule • Anti-Bribery 	<ul style="list-style-type: none"> • Evaluation on Performance • Anti-Bribery Commitment
Investor	<ul style="list-style-type: none"> • Financial Performance • Business Strategy • Shareholder Value 	<ul style="list-style-type: none"> • Annual Report • Annual General Meeting • Corporate Website • Company Announcements • Investor Relations activities
Governance	<ul style="list-style-type: none"> • Governance Compliance • Environment Management & Compliance • Fair Labour Practices • Policy Matters (Public, Health & Safety) 	<ul style="list-style-type: none"> • Annual Report • Meeting & Seminar • Public Announcement • Inspection/ Audit by Local Authority
Local Community	<ul style="list-style-type: none"> • Impact of Business Operation • Social Issue 	<ul style="list-style-type: none"> • Community Program • Seminar & Exhibitions

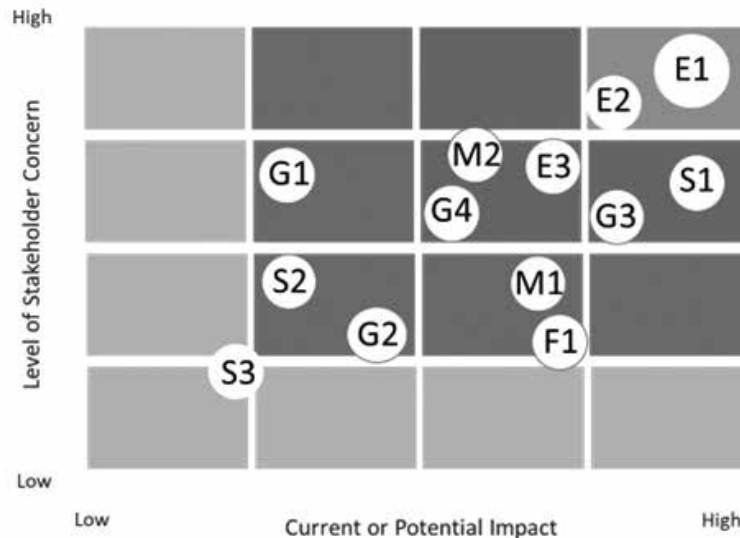
SUSTAINABILITY REPORT 2022

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MATERIALITY MATRIX

The Company has performed a comprehensive materiality assessment to identify the sustainability events that hold significant relevance to both the business and its stakeholders. While conducting the review, we assessed the trends and developments within the industry as well as global and local sustainability issues.

The following table lists the material topics in 2022:



Material Sustainability Matter	Relevant Stakeholders
E1 – Waste Management	Regulatory Agencies and Local Communities
E2 – Climate Change	Regulatory Agencies and Local Communities
E3 – Energy Consumption	Regulatory Agencies and Local Communities
S1 – Occupational Health and Safety	Employees and Local Communities
S2 – Training and Development	Employees and Regulatory Agencies
S3 – Social Contribution	Investors
G1 – Business Ethics and Compliance	Regulatory Agencies and Local Communities
G2 – Governing Purpose	Regulatory Agencies and Local Communities
G3 – Risk Management	Regulatory Agencies and Local Communities
G4 – Licensing	Investors and Regulatory Agencies
M1 – Equipment Maintenance	Employees, Regulatory Agencies and Local Communities
M2 – Supply Chain and Responsible Sourcing	Customers, Investors and Local Communities
F1 – Economic Performance	Investors and Customers

SUSTAINABILITY REPORT 2022

cont'd

FINANCIAL HIGHLIGHT

Resources to support the Group's operation and implement other Capitals

In FYE 2022, the Company has generated revenue of RM254.1 million which is a 13.4% increase from the previous year's corresponding period (FYE 2021: RM223.9 million). The increase in revenue was primarily driven by the TWM business segment, which reported RM247.9 million in revenue for the current financial year, compared to RM207.3 million in the previous financial year. This growth was attributed to an agreement the Company made with BNM on 31 March 2022 for the sale and meltdown of cupronickel and nickel as scrap to the TWM business segment. The TWM business segment successfully fulfilled the agreement during the financial year, resulting in improved revenue compared to the previous year.

Additionally, the lifestyle and services business segment also saw a 48.6% improvement in revenue compared to the previous financial year, mainly due to the overall recovery of retail market activities in the FYE 2022.

However, despite the revenue growth, the Group's profitability declined due to the weakening of commodity prices in 2022, particularly copper, tin and nickel, which are the commonly traded commodities of the TWM division.

MARKETPLACE

Implementing sustainability through Recycle efficiency quality and compliance

JAG recognizes that incorporating sustainability principles into product quality and safety practices is of utmost importance to ensure that our products are not only safe for our customers, but also environmentally responsible throughout their production processes. Our commitment to delivering high-quality, right products and services to our stakeholders is a top priority and we continuously strive to enhance our standards, processes and controls to maintain consistent levels of quality and sustainability.

Sustainable Supply Chain Management

The Company recognizes that a reliable and sustainable supply chain is essential to support our total waste management operations, which rely on a network of E&E industry participants and semiconductors in Malaysia. Despite the various social and governance risks that come with engaging with suppliers, we remain committed to sound governance by embedding sustainability considerations throughout our supply chain.

As an effective measure to ensure a steady stream of incoming materials (E-waste) for processing, we have implemented a Supplier Risk Assessment to effectively identify and mitigate risks associated with a specific supplier as it is crucial to accurately pinpoint and address potential threats. We are of the firm belief that establishing fair and equitable supply chains is not only a responsible action, but also a strategic measure to mitigate risks within our supply networks. By ensuring the security and integrity of our products through ethical and transparent supply chain practices, we aim to create long-term value for all stakeholders involved.

Sustainable Operation Management

In respect of quality control, especially in the metal industries, JAG firmly believes that it is vital to regularly assess how we manage our operations. The Company is resolutely committed to meeting present requirements while also actively contributing to a sustainable future. This entails taking measures to reduce our carbon footprint in manufacturing processes, enhance energy efficiency, and adopt circular practices that maximize the use of renewable resources, all with the aim of minimizing our environmental and societal impact.

We acknowledge the pressing need to address the critical issue of climate change, which poses a significant existential threat to our planet. As a responsible organization, we are fully committed to safeguarding the environment and ensuring compliance with all relevant environmental regulations and requirements. Moreover, we consistently strive to research and develop improved sustainability strategies, aiming to make our operations more environmentally sustainable, not only from a moral perspective but also from a commercial standpoint. It is imperative to take proactive measures to adapt to and mitigate potential risks in the future.

SUSTAINABILITY REPORT 2022

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Product Quality and Compliance

At JAG, we place great emphasis on maintaining and delivering high standards of product quality in our journey of value creation and long-term business growth. Our unwavering dedication to upholding industry-leading quality standards has yielded positive outcomes, including heightened customer satisfaction, increased market value, enhanced reputation, effective risk mitigation and an empowered workforce that strives for excellence.

As a reliable and trustworthy organisation, we take pride in benchmarking our products and services against the best industry standards. The Company prioritises the manufacturing of quality products and services, whereby we regularly review and monitor the production efficiency in total waste management. Thus, in respect of quality control, the e-waste procurement department of the Company – Jaring Metal Industries Sdn Bhd (“JMI”) has successfully obtained the following certifications for the trading, processing, and recovery of ferrous, non-ferrous and precious metals:

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
Quality Management Systems	Environmental Management Systems	Occupational Health and Safety Management Systems

GOVERNANCE

Board engagement on strategy, internal control to enhance the sustainability initiative



At JAG, we strongly emphasize on practicing good governance. The Board recognises the critical importance of robust risk management framework and internal control system in promoting sound corporate governance. By disclosing relevant sustainability-related information, we strive to enhance the transparency of our management practices, fostering increased confidence among our customers, stakeholders and the broader public.

To reinforce our commitment to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering and insider trading. To this end, we have implemented an Anti-Bribery and Corruption Policy and a Whistleblowing Policy. These measures not only enhance the transparency of our group but also create an environment that fosters better governance.

The Company is also a member of the following associations:

- Federation of Malaysian Manufacturers
- FMM Aluminium Manufacturers Group of Malaysia
- The Chinese Chamber of Commerce Industry of Kuala Lumpur & Selangor
- The Free Industrial Zone, Penang Companies' Association

SUSTAINABILITY REPORT 2022

cont'd

WORKPLACE

Creating a safe and supportive working environment, training and self-development

The Group highly values our employees as we believe there are the backbone of our organisation's continued growth and success. Thus, we view the well-being and overall satisfaction of our stakeholders as a fundamental criterion in our management strategy.

Training and Development

With the belief that human capital is essential to our operations, the Company is dedicated to investing in training for the employees to facilitate their growth and meet evolving business requirements. Thus, we provide both internal and external training programmes to deliver an all-round training experience to ensure they are equipped with the necessary skills to perform their responsibilities.

The training programs encompass education on topics such as environmental awareness, waste management, occupational health and safety, first aid, road and traffic safety. After completing these training programs, employees undergo a review by the Head of Department, who evaluates their skills and knowledge based on what was learned during the training. The table below details the types of training participated by all employees:

No.	Types of Training & Certifications
1	CePSWaM – Certified Environmental Professional in Schedule Waste Management
2	CePIETSO (PCP) – Certified Environmental Professional in Industrial Effluent Treatment System
3	CePSO – Certified Environmental Professional in Scrubber Operation
4	CePBFO – Certified Environmental Professional in Bag Filter Operation
5	Occupational Safety & Health Coordinator & Radiation Safety Awareness, First Aid Training
6	Training for ICP – OES Optima 8300, MACC, ESG, Employment Act & Road Traffic Safety Truck

In 2022, the employees received a total of 1560 hours of training. We firmly believe that by investing in the development of the workforce enables the Company to attract and retain top talent, leading to enhanced financial performance. Additionally, equipping the employees with the essential skills and knowledge to execute their responsibilities proficiently and safely fosters operational and safety excellence.

Workplace Diversity

As part of our dedication to promoting diversity and equality, we acknowledge that cultivating an inclusive work environment demands continuous effort and active engagement. We have implemented internal policies and practices that prioritize diversity and equal opportunities, such as anti-discrimination and anti-harassment policies, along with comprehensive diversity training programmes. Our goal is to create an inclusive environment where employees from diverse backgrounds feel respected, valued and empowered to bring their unique perspectives and talents to contribute their best work.

We are also committed to ensuring that all employees, irrespective of their personal characteristics, have equal access to career advancement opportunities and leadership positions. Our talent management process involves conducting regular skills assessments and career development planning for all employees. By offering equal opportunities for professional growth and development, we can attract and retain the most exceptional individuals, leading to enhanced overall business performance.

In addition, we regularly review our workforce data to identify areas for improvement and measure our progress in achieving our diversity goals. The charts below indicate our diversity employment in terms of gender, age, and ethnicity.

SUSTAINABILITY REPORT 2022

cont'd

Healthy and Safe Working Environment

In JAG, employees' health and safety are of utmost importance in our workforce. Thus, we are committed to prioritizing employees' safety by providing protective gear (monthly distribution of free masks and unlimited sanitiser refill) and implementing safety regulations in the workforce during the Covid-19 pandemic phase. We strive to set an example of best practices in health and safety within our industry and go beyond regulatory requirements. Our comprehensive Safety and Health Policy outlines safety standards for daily operations and is also provided to all employees.

As a continuous effort in this aspect, the Company's management will also conduct regular workplace inspection to ensure the workplaces are neat, tidy and safe. Other proactive approach to occupational health and safety includes a monthly toolbox meeting, conducting regular fire and safety drills, as well as risk awareness campaigns and trainings to ensure all employees are well-equipped to handle emergency situations.

Additionally, the Company upholds the international standard of OHSAS to assure the safety of the workers as well as supporting to the RBA Code of Conduct. This includes ensuring safe working conditions, respectful and dignified treatment of workers, and environmentally responsible and ethical business operations. We have also obtained a certification on ISO 45001:2018 Occupational Safety and Health Management System. With an enforced rule and regulatory system in ensuring employees' safety, it was reported that there are zero number of fatalities and zero incidents of non-compliance in 2022.

Employees' well-being

As a company that prioritises employees' health and safety, we care strongly for their mental well-being too. We believe that there exists a clear connection between the health and well-being of employees and their overall job satisfaction. Thus, we are committed to creating a comfortable and harmonious working environment that promotes a healthy work-life balance.

In line with this, the Company also provides various employment benefits, such as:

1. Group insurance encompassing hospitalization and outpatient medical for all levels of employees
2. Time-off of up to six times per annum (at a limit of two hours maximum per time-off)
3. Incentive allowances (excellent attendance and line leader allowance for production employees)
4. Life insurance coverage for all local permanent employees (Death & Total Permanent Disability)
5. Foreign worker Retention scheme
6. Maternity & Paternity Leave, Compassionate Leave, Paid Study Leave, Natural Disaster Caused Leave
7. Cash Token for life changing events (first legal marriage, new birth child)
8. Free face mask distribution

COMMUNITY

Contributing to local community development

At JAG, we acknowledge that our customers and the community play a crucial role in contributing to the success of our business. Thus, we strive to engage with these parties consistently to build a positive brand image and reputation, as well as address their concerns. Our commitment to the community does not only revolve around maintaining their satisfaction level and delivering exceptional services and products, but also ensure that they are aware of our business processes and place their trusts in us.

Community Engagement

As a responsible corporate citizen, we acknowledge the importance of supporting the local community and giving back to society. We are committed to engaging with the community through various initiatives and programmes, namely, media interview, awareness exhibitions/ workshops and food sponsorships.

SUSTAINABILITY REPORT 2022

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On April 2022, the Company enrolled in the media interview by 8TV for the TV Programme namely “Shall We Talk 一周拾谈” in conjunction with the theme of “Earth Day” to promote the E-waste recycling in Malaysia



On October 2022, JMI participated in the Sambutan Hari Alam Sekitar Negara Peringkat Kebangsaan Tahun 2022 in Kuantan to create awareness of E-waste recycling to the public.



In the most recent activity of 2023, the Company participated in an exhibition organised by the Department of Environment (“DOE”) at Bangi, Selangor. The exhibition was called the *Scheduled Waste Management Symposium: Building A Resilient Future: Role of Circular Economy in Empowering Sustainability*.



(Photos sourced from Department of Environment)

While we recognize that there is still room for improvement, our commitment remains unwavering as we actively pursue opportunities to extend our support to community initiatives and programs that are in line with our core values and mission.

Customer Services and Relationship Management

As a compassionate business, we highly prioritize our customers as key stakeholders, and their satisfaction is of utmost importance to us. To ensure effective communication and positive working relationships with our valued customers, we have appointed Dato’ Ng Meow Giak as our Executive Director, who will oversee customer communication and engagement efforts.

We are committed to constantly improving customer satisfaction by delivering products, solutions and services that meet the evolving demands and expectations of individuals around the world. Our core approach is to provide our customers with reliable products they can trust, which in turn promotes peace of mind and overall satisfaction.

SUSTAINABILITY REPORT 2022

cont'd

ENVIRONMENT

Improving our environment by utilising greener alternatives

As an environmentally conscious organization, we place great emphasis on making positive contributions to the environment. We are mindful of the importance of developing our business in a sustainable and responsible manner, and we strive to engage in activities that promote environmental preservation and benefit the environment both today and in the future. We are committed to practicing and promoting environmentally friendly initiatives that align with our values and contribute to a greener and more sustainable future.

Energy Efficiency & CO₂ Emission

The Company recognizes the elevated importance of climate change as a significant environmental, social and governance (“ESG”) issue, and thus, effective monitoring and management of emissions have become imperative for our operations. Robust measures have been implemented to mitigate the Greenhouse Gas (“GHG”) emissions and adapt to the impacts of climate change. By recognizing the high-risk reality of climate change, we prioritize operational eco-efficiency by operating our diverse businesses in the most environmentally responsible manner possible, while ensuring compliance with environmental laws and regulations. We are also committed to safeguarding natural resources, understanding the detrimental consequences of unsustainable exploitation over the long term, and taking steps to minimize our environmental footprint.

SCOPE 1 GHG EMISSIONS	
Indicator	Performance
Energy Consumption (Petrol & Diesel)	98, 300 Litre
GHG Emissions	263.44 tCO ₂ e

SCOPE 2 GHG EMISSIONS	
Indicator	Performance
Energy Consumption (Natural Gas)	7,000 GJ
GHG Emissions	387 tCO ₂ e
Energy Consumption (Electricity)	708,164 kWh of electricity
GHG Emissions	338 tCO ₂ e

The table shown above displays the levels of GHG emission by JAG. It shows that its business operations (mainly in the metal industry) have the potential to generate high levels of GHG, primarily derived from energy consumption resulting from the direct combustion of fossil fuels, namely, petrol and diesel (Scope 1), and natural gas and electricity consumption (Scope 2). The metal industry is a significant contributor to global GHG emissions, as it is energy-intensive and involves various processes that release GHGs, such as smelting and carbonisation process.

Scope 1 emissions refer to the direct GHG emissions by the Company’s vehicle fuel consumption (e.g., forklift and truck). In 2022, we have recorded total emissions of approximately 263.44 tonnes of CO₂e from fuel consumption (Scope 1), which has decreased compared to the previous year. On the other hand, the Scope 2 emissions recorded a figure of 387 tCO₂e (contributed by natural gas consumption) and 338 tCO₂e (contributed by electrical consumption).

As part of JAG's ongoing commitment to sustainability and addressing the challenge of climate change, we have employed various measures such as solar power harvesting and using natural gas burning in lieu of diesel burning. We also acknowledge the significance of reducing our energy consumption and are actively exploring strategies to enhance our energy efficiency while continuing our business operations. Thus, we are dedicated to constantly explore and invest in sustainable energy solutions with the aim of reducing our carbon footprint and lowering our energy costs. We are committed to taking proactive steps towards adopting greener practices and mitigating our impact on the environment by embracing sustainable energy solutions that align with our sustainability goals.

SUSTAINABILITY REPORT 2022

cont'd

ENVIRONMENT *cont'd*

Environmental Management and Pollution Prevention

At JAG, we take our responsibility to prevent and reduce pollution very seriously. We are committed to implementing robust measures and best practices to minimize our environmental impact and prevent pollution in all aspects of our operations. We also comply with all relevant environmental laws, regulations and standards, and actively seek ways to go beyond compliance to reduce our ecological footprint. Our commitment to pollution prevention is an integral part of our sustainability efforts, as we strive to protect and preserve the environment for present and future generations. Thus, the Company has engaged and utilized in new initiatives in its metal industry operations to prevent further pollution or environmental harm.

- **Fume Scrubbers**

The utilization of chemical process zones is equipped with fume scrubbers. These fume scrubbers function by separating chemical fumes from an airstream using the principles of evaporative cooling and condensation. It works effectively in eliminating or neutralizing harmful substances emitted by chemicals, further reinforcing JAG's efforts towards environmental stewardship.

- **Dust Collection Systems**

The Company also employs dust collection systems in its smelting processes, which offer numerous benefits to the metal industry. These systems enhance airflow, optimize energy utilization and improve temperature control, enabling maximum operational flexibility and compliance in key processes like smelting, refining, recycling and recovery.

From an environmental perspective, dust and fume extraction systems are crucial not only for minimizing air emissions and greenhouse gases, but also for mitigating the risks associated with pollution and combating climate change.

- **Air Pollution Control ("APC")**

The utilization of dust collection systems in the Company's smelting processes helps reduce or eliminate the emission of harmful substances into the atmosphere, thereby mitigating potential impacts on the environment and human health. Thus, each of our thermal treatment facilities such as the wet scrubber, secondary combustion and cyclone comes with its own APC control.

As such, we have also implemented stringent monitoring procedures to ensure compliance with environmental regulations in all our operations. The regulatory environmental acts and requirements that we comply with are as listed below:

- 1) Environmental Quality Act, 1974
- 2) Environmental Quality (Industrial Effluent) 2009
- 3) Environmental Quality (Schedule Waste) 2005
- 4) Environmental Quality (Clean Air) 2014

Additionally, to further demonstrate our commitment towards maintaining environmental compliance, we have successfully obtained the certification on the Environmental Management System EMS ISO 14001:2018. In 2022, the Company have also received a license under the Environmental Quality Act from the DOE to launch an end-of-life vehicles project, also known as the ELV Project, which helps mitigate environmental pollution and promote the recycling of valuable materials, with a particular focus on metals.

With the objective of protecting the environment and ensuring a sustainable future, we are dedicated to proactively preventing and reducing pollution, as well as promoting sustainable construction practices.

SUSTAINABILITY REPORT 2022

cont'd

ENVIRONMENT *cont'd*

Water

Uncontrolled and excessive water usage can impose a significant strain on water resources and potentially result in waterway contamination, leading to declining water quality. Such impacts can have detrimental effects on local ecosystems, compromising critical services provided by these ecosystems and adversely affecting the quality of life in nearby communities.

In 2022, the average water consumption per year by the Company is approximately 10,000m³, which converts to 10 million litres. By recognizing the importance of water conservation, we are dedicated to reducing our total water consumption by implementing efficient water management measures. The measures include establishing a rainwater harvesting system and a chemical process zone whereby the drainage is linked to a Wastewater Treatment Plant system. The wastewater treatment is a method employed to eliminate impurities from wastewater or sewage, transforming it into a treated effluent that can be safely reintroduced into the water cycle with minimal environmental impact, or utilized directly. By actively reducing our water consumption, our goal is to make a positive impact on the preservation of water resources and the protection of local ecosystems and communities.

Effluent and Waste

As an environmentally conscious organization, we recognize our duty to minimize waste and promote a greener environment. Given that our primary operations revolve around the metal industry and involve the responsible procurement of e-waste for conversion into final products, we are committed to furthering our sustainability efforts. As part of this commitment, we are actively working towards the goal of achieving zero-waste in our production processes. In 2022, we generated a total of 1,758.3 Mt of waste and 1,592.0 Mt of waste diverted from disposal.

LOOKING FORWARD

As a publicly listed company, we prioritize transparency and integrity in our business operations. Our Sustainability Statement serves as a crucial means for us to communicate with our stakeholders and provide information about our sustainability practices. In line with this commitment, we have introduced policies like the Anti-Bribery and Corruption Policy and the Whistleblowing Policy. We maintain a strict zero-tolerance stance against fraudulent activities, bribery, corruption, money laundering and insider trading. By upholding these core values and principles, we strive to establish trust and confidence with our stakeholders and continue to operate as a responsible corporate citizen.

As we gaze into the future with optimism, we eagerly anticipate the recovery from the pandemic and the opportunities it brings. The significant milestone of Malaysia's transition towards endemicity is noteworthy, and we are fully committed to supporting this transition and contributing to the rebuilding of the economy. We acknowledge that the pandemic has posed new challenges and opportunities for businesses and society. Moving forward, we will continue to prioritize the health and safety of our employees, customers and communities while actively adapting and innovating in response to changing circumstances.

Simultaneously, our management is committed to prioritizing the enhancement of our capabilities to better meet our customers' needs and promote sustainable practices throughout our operations. We will also maintain our focus on sustainability, building on the progress we have achieved in reducing our environmental impact and engaging with our stakeholders on social and ethical matters. At JAG, we firmly believe that by collaborating with our stakeholders and embracing innovation, we can emerge from this pandemic as a stronger and more resilient organization than ever before.

SUSTAINABILITY REPORT 2022

cont'd

RELATIONSHIP WITH SDGS

Sustainable Development Goals	Main Activity	Detailed Information	
 1 NO POVERTY	No Poverty	JAG provides training and development	<ul style="list-style-type: none"> Workplace
 2 ZERO HUNGER	Zero Hunger	JAG provides training and development	<ul style="list-style-type: none"> Workplace
 3 GOOD HEALTH AND WELL-BEING	Good Health and Well-being	JAG provides a safe working environment	<ul style="list-style-type: none"> Governance Capital Marketplace Workplace
 4 QUALITY EDUCATION	Quality Education	Training and development for staff	<ul style="list-style-type: none"> Workplace
 5 GENDER EQUALITY	Gender Equality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 6 CLEAN WATER AND SANITATION	Clean Water and Sanitation	Promoting water saving	<ul style="list-style-type: none"> Marketplace
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy	Using solar power system	<ul style="list-style-type: none"> Environment
 8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	Quality control and management	<ul style="list-style-type: none"> Marketplace
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure	Non-toxic waste management	<ul style="list-style-type: none"> Marketplace
 10 REDUCING INEQUALITY	Reducing Inequality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities	Community relationship and engagement	<ul style="list-style-type: none"> Community
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	Promise to deliver safe and quality products	<ul style="list-style-type: none"> Marketplace Community
 13 CLIMATE ACTION	Climate Action	Reduce CO2 emission	<ul style="list-style-type: none"> Governance Environment
 14 LIFE BELOW WATER	Life Below Water	Water management	<ul style="list-style-type: none"> Environment
 15 LIFE ON LAND	Life On Land	Preservation of water resources and the protection of local ecosystems and communities	<ul style="list-style-type: none"> Environment
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institutions	Emphasize on practicing good governance. The Board recognises the critical importance of robust risk management framework and internal control system in promoting sound corporate governance	<ul style="list-style-type: none"> Governance
 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals	Sustainability report initiative	<ul style="list-style-type: none"> Governance Environment

SUSTAINABILITY REPORT 2022

cont'd

TCFD – ALIGNED DISCLOSURES

TCFD Recommendation	Topmix Disclosure	Reference
Governance – Disclose the organisation’s governance around climate-related risks and opportunities		
a) Describe the Board’s oversight of climate - related risks and opportunities	<ul style="list-style-type: none"> • Risk management Board skills and experience – climate change • Sustainability Management Team – role and focus 	<ul style="list-style-type: none"> - Chairman Statement - Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> • Risk management Climate change – managing risk and opportunity • Sustainability Management Team – role and focus FY2022 	<ul style="list-style-type: none"> - Governance - Supply Chain Management - Environment
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> • Risk management – Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> - Materiality Matrix
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.	<ul style="list-style-type: none"> • Risk management – Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> - Materiality Matrix
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> • Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> - Energy Efficiency & CO2 Emission
Risk management – Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> • Risk management 	<ul style="list-style-type: none"> - Materiality Matrix
b) Describe the organisation’s processes for managing climate-related risks.	<ul style="list-style-type: none"> • Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> - Materiality Matrix - Energy Efficiency & CO2 Emission
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation’s overall risk management.	<ul style="list-style-type: none"> • Risk management Non-financial KPIs – sustainability KPIs • Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> - Materiality Matrix - Energy Efficiency & CO2 Emission

SUSTAINABILITY REPORT 2022

cont'd

TCFD – ALIGNED DISCLOSURES *cont'd*

TCFD Recommendation	Topmix Disclosure	Reference
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability • KPIs Climate change – Operational emissions • Climate change – Scope 3 emissions 	- Energy Efficiency & CO2 Emission
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance • Climate change – Scope 3 emissions performance Climate change data 	- Energy Efficiency & CO2 Emission
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance FYE 2022 performance outcomes 	- Energy Efficiency & CO2 Emission

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

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 of up to 30% of the existing total number of issued shares in the Company (“**Private Placement 2021**”).

Subsequently, the Company had on 25 May 2022, announced that the extended timeframe to implement the Private Placement 2021 will lapse on 30 June 2022, and the Company would not seek further extension to implement the Private Placement 2021. As such, the Private Placement 2021 is deemed completed with the issuance and listing of 90,000,000 new ordinary shares in the Company on 11 August 2021 on the ACE Market of Bursa Securities and had raised gross proceeds of RM25,650,000/-.

As of LPD, the actual utilisation of the total gross proceeds of RM25,650,000/- raised from the Private Placement 2021 had been fully utilised as follows:-

	Status of utilisation	Proposed utilised RM'000	Amount utilised RM'000	Amount unutilised RM'000
Acquisition of equipment	Fully	4,410	4,410	-
Working Capital	Fully	14,245	14,245	-
Repayment of bank borrowings	Fully	6,742	6,742	-
Estimated expenses in relation to the Private Placement 2021	Fully	253	253	-
Total		25,650	25,650	-

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.

3. AUDIT AND NON-AUDIT SERVICES

For the FYE 2022, 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 2022	63,000	203,900
Non-audit services rendered		
Tax fees in respect of FYE 2022	5,500	47,700
Review of the Statement on Risk Management and Internal Control for Annual Report 2022	7,000	7,000
Total	12,500	54,700

ADDITIONAL COMPLIANCE INFORMATION

cont'd

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



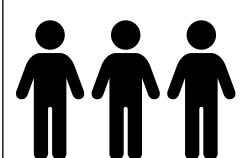
The Board presents the Audit Committee (“AC”) Report to provide insights on the discharge of the AC’s functions during the FYE 2022, in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities and the MCCG.

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 2022:-



MCCG Practices	Applications by the Company						
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"></td> <td style="width: 60%;">Practice 9.1</td> <td style="width: 20%;"></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: 20%;"></td> <td style="width: 60%;">Practice 9.2</td> <td style="width: 20%;"></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="border: 1px solid gray; background-color: #cccccc; padding: 10px; width: fit-content; margin: 0 auto;"> <p>Incorporated in the Terms of Reference of AC</p> </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: 20%;"></td> <td style="width: 60%;">Practice 9.3</td> <td style="width: 20%;"></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="border: 1px solid gray; background-color: #cccccc; padding: 10px; width: fit-content; margin: 0 auto;"> <p>EA Policy & Procedures established</p> </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: 20%;"></td> <td style="width: 60%;">Step-up Practice 9.4</td> <td style="width: 20%;"></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		<p>■ The AC comprises solely of three (3) INEDs</p> <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="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"></td> <td style="width: 60%;">Practice 9.5</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td>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="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"></td> <td style="width: 60%;">Practice 11.1</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td>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. ("Tricor Axcelasia") <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 2023, 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 2022.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2022. 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 2023. The Board, thereafter, has recommended the same for shareholders’ approval at the forthcoming 25th AGM of the Company.

MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE 2022 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	%
Roy Thean Chong Yew	5	5	100.00
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 2022.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC’s attention. For FYE 2022, three (3) private sessions were held between the AC with the external auditors without the presence of the Executive Board members and management personnel.

AUDIT COMMITTEE REPORT

cont'd

MEETINGS AND ATTENDANCES *cont'd*

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.

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 and, disseminate the electronic copy and/or hardcopy to the members of the AC prior to the commencement of the AC meetings.

All deliberations during the AC Meetings were duly minuted by the Company Secretary in attendance. 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"). The TOR was last reviewed and updated by the AC, and adopted by the Board on 13 April 2022, which is in line with the ACE LR and MCGG.

The last review and update on the TOR were 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 AC is available for viewing under "Investors" section of the Company's website at www.jagb.com.my.

SUMMARY OF WORKS

During the FYE 2022, 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 2021, 31 March 2022, 30 June 2022 and 30 September 2022 and recommended the same for the Board's approval.
- Reviewed the annual budget of the Group for FYE 2022 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 2021 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.

AUDIT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE *cont'd*

2. Oversight of External Auditors

- In the AC Meeting held in February 2022, received the Audit Progress Memorandum prepared by the external auditors for the FYE 2021, covering matters to highlights, key audit matters and significant outstanding information/documents from the audit field works.
- In the AC Meeting held in November 2022, reviewed the Audit Planning Memorandum for the FYE 2022 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.
- 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 2022, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for the FYE 2022 and recommended the same for the Board's approval.

3. Oversight of Internal Audit Function

- Reviewed the Internal Audit Reports for the FYE 2021 and FYE 2022 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 2021.

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 in respect of the FYE 2021.
- Reviewed and updated the TOR of the AC which in line with the MCCG.

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.

AUDIT COMMITTEE REPORT

cont'd

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 2022, the engagement team personnel from 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.

(2) Summary of Works of the Internal Audit Function for the FYE 2022

During the FYE 2022, 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.

For FYE 2022, the following areas of the Group have been successfully audited by Tricor Axcelasia in accordance with the risk-based audit plan adopted:-

Audited Entity	Audit Area/ Function	Tabling of Internal Audit Report
JAG Berhad	Sustainability Management Processes	First Quarter of 2022
Jaring Metal Industries Sdn. Bhd. ("JMI")	Follow-up on Previous Internal Audit Findings • Inventory Quantity Management (Finished Goods)	
JAG Scoops Sdn. Bhd. ("JAG Scoops")	<ul style="list-style-type: none"> • Procurement Function • Sales Function • Production Function • Inventory Function • Outlet Management • Production and Outlet Management • Procurement, Production and Inventory Function • Procurement, Sales, Production, Inventory, Finance and Outlet Management 	Third Quarter of 2022 (Cycle 2/2022)
JMI	<ul style="list-style-type: none"> • Procurement Management 	Fourth Quarter of 2022 (Cycle 3/2022)
JAG Berhad and JAG Scoops	Follow-up on Previous Internal Audit Findings <ul style="list-style-type: none"> • Safety, Health and Welfare Measures • Succession Planning Process • Effectiveness of Due Diligence Process 	

AUDIT COMMITTEE REPORT

cont'd

(3) Total costs incurred for the FYE 2022

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2022 amounted to RM45,000 (2021: RM45,000).

(4) Continuing Education Programmes/ Trainings attended by the members of AC

During the FYE 2022 and the Applicable Period, the members of AC had attended the following continuing education programmes/ trainings in furtherance of their knowledge in the areas of accounting and financial reporting:-

Training(s) Attended
<ul style="list-style-type: none">• Environmental, Social and Governance (“ESG”) Sustainability• ESG Oversight• Mergers and Acquisitions for Board• Sustainability Report Awareness• MIA International Accountants Conference 2022• SC’s AOB Conversation with the AC• The Role of Board in Strategy, ESG and AC• In House Training Programme in respect of the Corporate Liability Updates

This AC Report is made in accordance with the Resolution passed by the Board of Directors on 20 April 2023.

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 2022.

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 2022, 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 2022.

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")

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.

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.

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

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.

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

During the FYE 2022, Risk Registers for JMI and JAGN are still in the midst of adopting the Responsible Business Alliance (RBA) format, to address the risks.

C. RISK MANAGEMENT ACTIVITIES DURING FYE 2022

During the FYE 2022, 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 2022 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.

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 Financial Reporting Standards.

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 2022 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 20 April 2023.

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 20 April 2023.

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 2022.

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	9,629,224	16,957,014

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

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 December 2021:	3,133,911
- Single tier interim dividend of RM0.005 per ordinary share, declared and paid on 25 March 2022	
In respect of financial year ended 31 December 2022:	
- Interim dividend by way of dividend-in-specie via a share dividend distribution of 8,405,397 treasury shares on the basis of 1 share dividend for every 70 ordinary shares held equivalent to a dividend of RM0.005 per ordinary share, declared on 25 November 2022 and distributed on 27 December 2022	3,069,733

Subsequent to the reporting period, the directors proposed a final and special dividend for the financial year ended 31 December 2022 by way of dividend-in-specie via a share distribution on the basis of 1 share dividend for every 19 existing ordinary shares. The proposed final and special dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements for the reporting period.

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

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

DIRECTORS' REPORT

cont'd

TREASURY SHARES

During the financial year, the Company:

- (i) cancelled its 7,325,000 treasury shares pursuant to Section 127 of the Companies Act 2016. After the cancellation, the Company's issued share capital decreased from RM204,468,382 to RM203,171,882. The average cancellation price of the treasury shares was RM0.179;
- (ii) repurchased from the open market 38,150,000 of its ordinary shares at an average price of RM0.365 per share. The total repurchased price consideration of RM13,932,750 was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016; and
- (iii) declared interim dividend by way of dividend-in-specie via a share dividend distribution of 8,405,397 treasury shares on the basis of 1 share dividend for every 70 ordinary shares held in the Company. The treasury shares were repurchased at an average price of RM0.365 per share.

As at 31 December 2022, the Company held a total of 29,744,603 treasury shares of its 626,784,892 issued ordinary shares with the carrying amount of RM10,863,017.

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 31.12.2022
	Balance as at 1.1.2022	Bought	Sold	
Shareholdings registered in the name of directors:				
Datin Tan Siew Ching	26,610,996	365,870*	1,000,000	25,976,866
Datuk Md Hassim bin Pardi	-	-	-	-
Dato' Ng Meow Giak	44,169,341	2,659,561**	-	46,828,902
Roy Thean Chong Yew	-	-	-	-
Ewe Chuan Seng	-	-	-	-

* Share Dividend distributed

** Share Dividend distributed of 659,561

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.

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS *(cont'd)*

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.

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.

DIRECTORS' REPORT cont'd

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: 20 April 2023

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 2022, 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: 20 April 2023

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 20 April 2023)

.....
KEK BENG SOON

Before me,

.....
COMMISSIONER FOR OATHS

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 2022, 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 2022, 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 2022, the Group held manufacturing and trading inventories of RM62,985,574 representing approximately 24% 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 *(cont'd)*

1.3.1 Existence and valuation of manufacturing inventories *(cont'd)*

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
02006/09/2024 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Date: 20 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	4	254,092,710	223,982,127	21,500,000	4,000,000
Other operating income		1,006,490	2,039,182	465,405	2,271,070
Direct costs		(1,428,969)	(10,052,484)	-	-
Changes in inventories of finished goods and work in progress		(6,197,018)	14,697,654	-	-
Raw materials and consumables used		(189,490,184)	(165,942,021)	-	-
Changes in inventories of trading merchandise		(598,033)	(2,051,545)	-	-
Staff costs	5	(16,061,843)	(13,781,111)	(393,676)	(341,815)
Depreciation and amortisation		(8,231,165)	(8,028,511)	(4,682)	(4,111)
Net allowance for expected credit loss of receivables		35,110	281,674	(2,906,261)	(227,525)
Other operating expenses		(18,125,087)	(13,896,027)	(1,727,061)	(1,746,208)
Profit from operations	6	15,002,011	27,248,938	16,933,725	3,951,411
Finance income	7	145,647	283,434	23,289	55,254
Finance costs	8	(1,604,390)	(974,459)	-	-
Net finance (costs)/income		(1,458,743)	(691,025)	23,289	55,254
Profit before tax		13,453,268	26,557,913	16,957,014	4,006,665
Income tax expense	9	(3,914,044)	(7,934,679)	-	-
Net profit/Total comprehensive income for the year		9,629,224	18,623,234	16,957,014	4,006,665
Net profit attributable to:					
Owners of the Company		9,629,224	19,139,766	16,957,014	4,006,665
Non-controlling interests		-	(516,532)	-	-
		9,629,224	18,623,234	16,957,014	4,006,665
Total comprehensive income attributable to:					
Owners of the Company		9,629,224	19,139,766	16,957,014	4,006,665
Non-controlling interests		-	(516,532)	-	-
		9,629,224	18,623,234	16,957,014	4,006,665
Basic earnings per share (sen)	10.1	1.60	3.17		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non current assets					
Property, plant and equipment	11	93,826,608	90,518,410	17,253	17,136
Right of use assets	12	6,986,637	7,835,045	-	-
Investment properties	13	35,692,755	35,692,755	-	-
Intangible assets	14	99,760	100,584	-	-
Investment in subsidiaries	15	-	-	134,832,574	135,510,926
Other investments	16	2,350,000	2,350,000	-	-
Inventories – Property development	17	10,604,531	10,570,014	-	-
Other receivables	19	-	-	18,300,000	17,725,939
Deferred tax assets	28	253,000	-	-	-
		149,813,291	147,066,808	153,149,827	153,254,001
Current assets					
Inventories	17	62,985,574	71,703,197	-	-
Trade receivables	18	14,967,816	6,689,018	-	-
Other receivables, deposits and prepayments	19	11,359,996	5,004,883	50,248,264	46,919,361
Tax recoverable		49,956	49,382	14,900	11,200
Other investments	16	8,917,142	6,600,161	-	-
Derivative assets	20	-	6,912	-	-
Fixed deposits with licensed banks	21	1,266,128	3,426,973	396,001	389,244
Cash and bank balances		11,529,915	29,865,926	170,280	2,674,250
		111,076,527	123,346,452	50,829,445	49,994,055
Total assets		260,889,818	270,413,260	203,979,272	203,248,056

STATEMENTS OF FINANCIAL POSITION *cont'd* AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Equity					
Share capital	22	203,171,882	204,468,382	203,171,882	204,468,382
Reserves	23	9,755,481	15,896,418	(401,928)	(1,588,781)
Total equity		212,927,363	220,364,800	202,769,954	202,879,601
Non current liabilities					
Lease liabilities	24	4,269,934	5,467,785	-	-
Deferred income	25	307,926	447,938	-	-
Borrowings	26	10,695,727	17,681,343	-	-
Provision	27	37,686	37,686	-	-
Deferred tax liabilities	28	6,598,821	6,170,821	-	-
		21,910,094	29,805,573	-	-
Current liabilities					
Trade payables	29	6,688,649	7,392,528	-	-
Other payables and accruals	30	10,998,098	2,939,746	1,209,318	368,455
Tax payable		2,033,892	4,047,802	-	-
Borrowings	26	3,886,087	3,608,254	-	-
Lease liabilities	24	2,445,635	2,254,557	-	-
		26,052,361	20,242,887	1,209,318	368,455
Total liabilities		47,962,455	50,048,460	1,209,318	368,455
Total equity and liabilities		260,889,818	270,413,260	203,979,272	203,248,056

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Group	Share capital RM	Revaluation reserve RM	Reverse acquisition reserve RM	Treasury shares RM	Retained profits RM	Total RM
At 1 January 2022	204,468,382	28,138,734	(72,050,600)	(1,296,500)	61,104,784	220,364,800
Transactions with owners						
Cancellation of treasury shares	(1,296,500)	-	-	1,296,500	-	-
Shares repurchased	-	-	-	(13,932,750)	-	(13,932,750)
Dividends (Note 31)	-	-	-	3,069,733	(6,203,644)	(3,133,911)
Net profit/Total comprehensive income for the year	(1,296,500)	-	-	(9,566,517)	(6,203,644)	(17,066,661)
At 31 December 2022	203,171,882	28,138,734	(72,050,600)	(10,863,017)	64,530,364	212,927,363

STATEMENTS OF CHANGES IN EQUITY *cont'd* FOR THE YEAR ENDED 31 DECEMBER 2022

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
					19,139,766	19,139,766	(516,532)	18,623,234

STATEMENTS OF CHANGES IN EQUITY *cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2022

Company	Share capital RM	Treasury shares RM	(Accumulated losses)/ Retained profits RM	Total RM
At 1 January 2021	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
Transactions with owners				
Cancellation of treasury shares	(1,296,500)	1,296,500	-	-
Shares repurchased	-	(13,932,750)	-	(13,932,750)
Dividends (Note 31)	-	3,069,733	(6,203,644)	(3,133,911)
	(1,296,500)	(9,566,517)	(6,203,644)	(17,066,661)
Net profit/Total comprehensive income for the year	-	-	16,957,014	16,957,014
At 31 December 2022	203,171,882	(10,863,017)	10,461,089	202,769,954

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from/(used in) operating activities				
Profit before tax	13,543,268	26,557,913	16,957,014	4,006,665
Adjustments for:				
Allowance for impairment of receivables	464,890	698,031	2,906,261	700,000
Allowance for impairment of receivables no longer required	(500,000)	(979,705)	-	(472,475)
Amortisation of club memberships	824	824	-	-
Bad debts written off	-	125,000	-	125,000
Changes in fair value of				
- derivative financial instruments	6,912	12,688	-	-
- other investments	1,636,567	244,142	-	-
Depreciation	8,230,341	8,027,687	4,682	4,111
Dividend income	(58,098)	(306,808)	(21,500,000)	(4,000,000)
Gain on derecognition of lease liabilities	-	(104,680)	-	-
Gain on lease modification	(154,263)	-	-	-
Gain on disposal of				
- other investments	(127,234)	(914,280)	-	-
- plant and equipment	(46,058)	(231,061)	-	-
- right of use assets	(222,144)	-	-	-
Government grant income	(140,012)	(140,012)	-	-
Impairment losses on				
- investment property	-	631,207	-	-
- investment in subsidiaries	-	-	1,143,757	1,086,028
- plant and equipment	111,281	153,654	-	-
- right of use assets	103,908	134,162	-	-
Impairment loss on investment in subsidiaries no longer required	-	-	(465,405)	(2,271,070)
Interest expense	1,604,390	974,459	-	-
Interest income	(145,647)	(283,434)	(23,289)	(55,254)
Plant and equipment written off	471,980	182,332	-	-
Unrealised loss on foreign exchange	147,075	92,449	-	-
Realised gain on foreign exchange - cash and cash equivalents	(45,438)	(38,959)	-	-
Operating profit/(loss) before working capital changes	24,882,542	34,835,609	(976,980)	(876,995)
Decrease/(Increase) in inventories	8,683,106	(15,507,320)	-	-
(Increase)/Decrease in other investments	(4,453,399)	3,325,122	-	-
(Increase)/Decrease in trade and other receivables	(7,645,995)	6,921,266	(8,400)	(13,400)
Increase/(Decrease) in trade and other payables	7,529,318	(10,425,989)	(8,836)	(1,325)
Cash generated from/(used in) operations	28,995,572	19,148,688	(994,216)	(891,720)
Income tax paid	(5,753,528)	(4,815,021)	(3,700)	(3,700)
Net cash from/(used in) operating activities	23,242,044	14,333,667	(997,916)	(895,420)

STATEMENTS OF CASH FLOWS cont'd

FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from/(used in) investing activities				
Advances to subsidiaries	-	-	(6,800,825)	(28,023,417)
Net cash inflow from acquisition of a subsidiary	-	3,467	-	-
Acquisition of non-controlling interests	-	(606,000)	-	-
Acquisition of shares in an existing subsidiary	-	-	-	(586,000)
Deposits paid for purchase of				
- investment property	(7,274,726)	-	-	-
- plant and equipment	-	(56,976)	-	-
Dividends received	58,098	306,808	21,500,000	4,000,000
Increase in fixed deposits pledged	(7,881)	(16,702)	-	-
Interest received	145,647	283,434	23,289	55,254
Proceeds from disposal of				
- plant and equipment	150,000	250,188	-	-
- right of use assets	517,660	-	-	-
- other investments	627,085	-	-	-
Purchase of				
- property, plant and equipment	(9,172,071)	(5,865,045)	(4,799)	(3,427)
- right of use assets	(652,751)	-	-	-
Net cash (used in)/from investing activities	(15,608,939)	(5,700,826)	14,717,665	(24,557,590)
Cash flows from/(used in) financing activities				
Interest paid	(1,604,390)	(1,430,069)	-	-
Advances from/(Repayments to) subsidiaries	-	-	849,699	(506,397)
Dividends paid	(3,133,911)	-	(3,133,911)	-
Proceeds from issue of shares	-	25,650,000	-	25,650,000
Share issue expenses	-	(253,789)	-	(253,789)
Shares repurchased	(13,932,750)	-	(13,932,750)	-
Repayments of term loans	(6,707,783)	(2,826,656)	-	-
Repayments of lease liabilities	(2,804,446)	(2,499,375)	-	-
Net cash (used in)/from financing activities	(28,183,280)	18,640,111	(16,216,962)	24,889,814
Net (decrease)/increase in cash and cash equivalents	(20,550,175)	27,272,952	(2,497,213)	(563,196)
Cash and cash equivalents at beginning of year	32,430,653	5,118,742	3,063,494	3,626,690
Effect of exchange differences	45,438	38,959	-	-
Cash and cash equivalents at end of year	11,925,916	32,430,653	566,281	3,063,494
Cash and cash equivalents comprise:				
Cash and bank balances	11,529,915	29,865,926	170,280	2,674,250
Fixed deposits with licensed banks	1,266,128	3,426,973	396,001	389,244
	12,796,043	33,292,899	566,281	3,063,494
Less: Fixed deposits pledged	(870,127)	(862,246)	-	-
	11,925,916	32,430,653	566,281	3,063,494

STATEMENTS OF CASH FLOWS *cont'd* FOR THE YEAR ENDED 31 DECEMBER 2022

Reconciliation of liabilities arising from financing activities - Group

	2021 RM	Cash flows RM	Non-cash changes RM	2022 RM
Lease liabilities				
- hire purchase	724,119	(753,966)	1,845,500	1,815,653
- others	6,998,223	(2,050,480)	(47,827)	4,899,916
Term loans	21,289,597	(6,707,783)	-	14,581,814

	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

Reconciliation of liabilities arising from financing activities - Company

	2021 RM	Cash flows RM	Non-cash changes RM	2022 RM
Amount due to subsidiaries	232,439	849,699	-	1,082,138

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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 20 April 2023.

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 2022

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 2022

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 2022

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:

	2022 RM	2021 RM
Euro	4.6846	4.7142
Singapore Dollar	3.2740	3.1739
United States Dollar	4.3900	4.1650

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

Income tax *(cont'd)*

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 (primarily non financial assets) is 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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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	10%-20%
Motor vehicles	20%
Plant and machinery	10%-20%
Renovation	10%-20%

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

Inventories *(cont'd)*

a) Property development *(cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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

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.

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 other operating income in profit or loss due to its 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. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

(i) Financial assets at amortised cost *(cont'd)*

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.

(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).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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)*

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.

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 2022

4. REVENUE

4.1 Disaggregation of revenue

Set out below is the disaggregation of revenue from contracts with customers:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Type of goods or service				
Sale of manufactured goods	246,526,098	205,819,136	-	-
Trading of goods	3,737,841	3,031,705	-	-
Trading of shares	-	12,484,159	-	-
Laundry services	3,828,771	2,647,127	-	-
	254,092,710	223,982,127	-	-
Others				
Dividend income	-	-	21,500,000	4,000,000
	254,092,710	223,982,127	21,500,000	4,000,000

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Timing of revenue recognition				
At a point in time	254,092,710	223,982,127	-	-

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
Trading of shares	Trading of quoted equity instruments	Revenue recognised upon conclusion of sale contract	Generally 3 days from contract date

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

4. REVENUE (cont'd)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages, bonus and allowances	14,471,563	12,285,975	364,312	316,050
Defined contribution plan	1,146,502	983,519	22,608	21,120
Other employee related expenses	443,778	511,617	6,756	4,645
	16,061,843	13,781,111	393,676	341,815

6. PROFIT FROM OPERATIONS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit from operations is arrived at after charging/(crediting):				
Auditors' remuneration	203,900	143,500	63,000	43,000
Bad debts written off	-	125,000	-	125,000
Changes in fair value of				
- derivative financial instruments	6,912	12,688	-	-
- other investments	1,636,567	244,142	-	-
Directors' remuneration				
- directors of the Company				
- fees	154,800	136,800	154,800	136,800
- others	1,795,580	1,346,840	21,500	23,000
- directors of a subsidiary				
- other than fees	1,962,240	1,310,400	-	-
Expenses relating to short term leases on premises	261,441	231,031	92,400	100,525
Expenses relating to leases of low value assets on equipment	175,481	160,823	-	-
(Gain)/ Loss on hedging activities on commodity price	(149,585)	1,049,304	-	-
Loss on foreign exchange				
- realised	859,475	172,882	-	-
- unrealised	147,075	92,449	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

6. PROFIT FROM OPERATIONS *(cont'd)*

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit from operations is arrived at after charging/(crediting): <i>(cont'd)</i>				
Operating lease income from premises	(71,000)	(56,600)	-	-
Plant and equipment written off	471,980	182,332	-	-
Gain on derecognition of lease liabilities	-	(104,680)	-	-
Gain on lease modifications	(154,263)	-	-	-
Gain on disposal of				
- other investments	(127,234)	(914,280)	-	-
- plant and equipment	(46,058)	(231,061)	-	-
- right of use assets	(222,144)	-	-	-
Dividend income from other investments	(58,098)	(306,808)	-	-

The key management personnel of the Company whose remuneration is analysed as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive directors:				
Salaries, bonus and allowances	1,584,000	1,182,000	-	-
Defined contribution plan	190,080	141,840	-	-
Benefits in kind	49,150	46,650	-	-
	1,823,230	1,370,490	-	-
Non executive directors:				
Fees	154,800	136,800	154,800	136,800
Salaries, bonus and allowances	21,500	23,000	21,500	23,000
	176,300	159,800	176,300	159,800
Total directors' remuneration	1,999,530	1,530,290	176,300	159,800

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:

	2022	2021
Executive directors:		
RM650,001 to RM700,000	-	2
RM800,001 to RM850,000	1	-
RM900,001 to RM950,000	1	-
Non executive		
RM50,001 to RM100,000	3	3

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

7. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income from:				
- advances to a subsidiary	-	-	-	2,441
- current account deposits	122,051	224,437	16,532	46,464
- fixed deposits	23,596	58,997	6,757	6,349
	145,647	283,434	23,289	55,254

8. Finance costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on:				
- bank overdrafts	42,331	77,802	-	-
- hire purchase	70,352	50,277	-	-
- other lease liabilities	365,649	460,803	-	-
- term loans	1,126,058	841,187	-	-
	1,604,390	1,430,069	-	-
Less: amount capitalised in property development activities (Note 17)	-	(455,610)	-	-
	1,604,390	974,459	-	-

9. Income tax expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Expected income tax payable				
- current year	(3,696,050)	(7,524,717)	-	-
- (under)/over provision in prior years	(42,994)	70,038	-	-
	(3,739,044)	(7,454,679)	-	-
Deferred tax (Note 28)				
- current year	25,000	(283,000)	-	-
- under provision in prior years	(200,000)	(197,000)	-	-
	(175,000)	(480,000)	-	-
	(3,914,044)	(7,934,679)	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	13,543,268	26,557,913	16,957,014	4,006,665
Taxation at statutory tax rate of 24% (2021: 24%)	(3,250,400)	(6,373,900)	(4,070,000)	(962,000)
Expenses not deductible for tax purposes	(992,850)	(1,834,317)	(1,090,000)	(543,000)
Income not subject to tax	234,900	106,900	5,160,000	1,505,000
Utilisation of reinvestment allowance arising during the year	889,000	490,000	-	-
Utilisation of previously unrecognised deferred tax assets	-	225,000	-	-
Deferred tax assets not recognised (Under)/Over provision in prior years	(551,700)	(421,400)	-	-
- income tax	(42,994)	70,038	-	-
- deferred tax	(200,000)	(197,000)	-	-
Income tax expense for the year	(3,914,044)	(7,934,679)	-	-

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	
	2022 RM	2021 RM
Net profit attributable to owners of the Company	9,629,224	19,139,766
Weighted average number of ordinary shares in issue	599,433,426	603,152,879
Basic earnings per share (sen)	1.60	3.17

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 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2022

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 2021	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
Additions	-	2,482	2,600,495	-	5,464,509	114,480	990,105	9,172,071
Disposals	-	-	-	(741,130)	-	-	-	(741,130)
Transfers	-	39,901	-	-	-	(380,275)	340,374	-
Write offs	-	-	(576,297)	-	(65,055)	-	(544,238)	(1,185,590)
Reclassification from right of use assets	-	-	-	434,255	-	-	-	434,255
At 31 December 2022	50,346,585	17,901,424	12,810,533	6,137,865	41,833,440	114,480	11,801,386	140,945,713
Representing:								
At cost	3,700,000	1,342,383	12,810,533	6,137,865	41,833,440	114,480	11,801,386	77,740,087
At valuation	46,646,585	16,559,041	-	-	-	-	-	63,205,626
At 31 December 2022	50,346,585	17,901,424	12,810,533	6,137,865	41,833,440	114,480	11,801,386	140,945,713
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

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 DECEMBER 2022

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 2021	-	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
Charge for the year	-	389,564	917,180	330,794	2,478,074	-	1,191,335	5,306,947
Disposals	-	-	-	(637,188)	-	-	-	(637,188)
Write offs	-	-	(367,133)	-	(26,702)	-	(319,775)	(713,610)
Reclassification from right of use assets	-	-	-	303,978	-	-	-	303,978
At 31 December 2022	-	821,424	7,431,286	5,792,573	22,992,881	-	7,935,687	44,973,851
Accumulated impairment losses								
At 1 January 2021	-	-	-	-	1,880,319	-	-	1,880,319
Impairment loss for the year	-	-	-	-	128,837	-	24,817	153,654
At 31 December 2021	-	-	-	-	2,009,156	-	24,817	2,033,973
Impairment loss for the year	-	-	93,123	-	-	-	18,158	111,281
At 31 December 2022	-	-	93,123	-	2,009,156	-	42,975	2,145,254

NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2022

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land		Furniture, fittings, office and factory equipment		Motor vehicles		Plant and machinery		Total RM
	land RM	Freehold buildings RM	Freehold buildings RM	RM	RM	RM	Plant and machinery under construction RM	Renovation RM	
Carrying amount									
At cost	3,700,000	1,324,241	5,286,124	345,292	16,831,403	114,480	3,822,724	31,424,264	
At valuation	46,646,585	15,755,759	-	-	-	-	-	62,402,344	
At 31 December 2022	50,346,585	17,080,000	5,286,124	345,292	16,831,403	114,480	3,822,724	93,826,608	
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	

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

11. PROPERTY, PLANT AND EQUIPMENT (*cont'd*)

Company	Computers and printers RM	Total RM
Cost		
At 1 January 2021	19,984	19,984
Additions	3,427	3,427
At 31 December 2021	23,411	23,411
Additions	4,799	4,799
At 31 December 2022	28,210	28,210
Accumulated depreciation		
At 1 January 2021	2,164	2,164
Charge for the year	4,111	4,111
At 31 December 2021	6,275	6,275
Charge for the year	4,682	4,682
At 31 December 2022	10,957	10,957
Carrying amount		
At 31 December 2022	17,253	17,253
At 31 December 2021	17,136	17,136

11.1 At the reporting date, 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	
	2022 RM	2021 RM
<u>At carrying amount</u>		
Freehold land	48,136,585	48,136,585
Freehold buildings	16,751,607	17,090,002
	64,888,192	65,226,587

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Total additions	9,172,071	10,747,989	4,799	3,427
Additions through:				
- deposits paid in previous reporting period	-	(1,382,944)	-	-
- term loan	-	(3,500,000)	-	-
Cash payments	9,172,071	5,865,045	4,799	3,427

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. Details of valuation techniques and input are disclosed in Note 36.

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	
	2022 RM	2021 RM
Freehold land	18,166,036	18,166,036
Freehold buildings	12,599,574	12,933,449
	30,765,610	31,099,485

11.4 Impairment review of plant and equipment

In the current reporting period

The Group performed an impairment test on plant and equipment and right of use assets of its subsidiaries, JAG Nasmeh Sdn Bhd ("JAGN") and JAG Scoops Sdn Bhd ("JAGS") with indication of impairment in view of losses incurred.

The recoverable amount of plant and equipment and right of use assets of JAGN approximates its carrying amount while JAGS recognised an impairment loss of RM215,189 (RM111,281 for plant and equipment and RM103,908 for right of use assets) to write down the plant and equipment and right of use assets to its recoverable amount.

The impairment loss 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 2022

11. PROPERTY, PLANT AND EQUIPMENT (*cont'd*)

11.4 Impairment review of plant and equipment (*cont'd*)

In the previous reporting period

The Group performed an impairment test on plant and equipment and right of use assets of a subsidiary, JAGN with indication of impairment in view of losses incurred.

An impairment loss of RM287,816 (RM153,654 for property, plant and equipment and RM134,162 for right of use assets) was recognised to write down the plant and equipment and right of use asset to its recoverable amount.

The impairment loss has been included in the Group's profit or loss under "Other operating expenses" line item.

11.5 Key assumptions used in the value in use calculations

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 of JAGN at a rate of 8.64% (2021: 8.38%) and to the business of JAGS at a rate of 8.08%; 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.

12. RIGHT OF USE ASSETS

Group	Motor vehicles RM	Office premises RM	Outlets RM	Restoration costs RM	Total RM
Cost					
At 1 January 2021	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
Additions	2,498,251	-	441,804	-	2,940,055
Disposal	(680,565)	-	-	-	(680,565)
Lease modifications	-	-	(732,038)	-	(732,038)
Derecognition upon lease completion	-	-	(441,455)	-	(441,455)
Reclassification to property, plant and equipment	(434,255)	-	-	-	(434,255)
At 31 December 2022	4,321,564	-	8,928,000	37,686	13,287,250

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

12. RIGHT OF USE ASSETS (cont'd)

Group	Motor vehicles RM	Office premises RM	Outlets RM	Restoration costs RM	Total RM
Accumulated depreciation					
At 1 January 2021	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
Charge for the year	763,501	-	2,153,611	6,282	2,923,394
Disposal	(385,049)	-	-	-	(385,049)
Lease modifications	-	-	(396,670)	-	(396,670)
Derecognition upon lease completion	-	-	(441,455)	-	(441,455)
Reclassification to property, plant and equipment	(303,978)	-	-	-	(303,978)
At 31 December 2022	1,532,219	-	4,509,035	21,289	6,062,543
Accumulated impairment losses					
At 1 January 2021	-	-	-	-	-
Impairment loss for the year	-	-	134,162	-	134,162
At 31 December 2021	-	-	134,162	-	134,162
Impairment loss for the year	-	-	103,908	-	103,908
At 31 December 2022	-	-	238,070	-	238,070
Carrying amount					
At 31 December 2022	2,789,345	-	4,180,895	16,397	6,986,637
At 31 December 2021	1,480,388	-	6,331,978	22,679	7,835,045

During the reporting period, cash payments made to acquire right of use assets are as follows:

	Group	
	2022 RM	2021 RM
Total additions	2,940,055	4,897,260
Additions through lease arrangements	(2,287,304)	(4,897,260)
Cash payments	652,751	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

12. RIGHT OF USE ASSETS *(cont'd)*

12.1 Impairment review of right of use assets

The right of use assets of the subsidiaries, JAG Nasmeh Sdn Bhd and JAG Scoops Sdn Bhd, are tested for impairment as explained in Note 11.4.

13. Investment properties

Group	Freehold land RM	Leasehold land RM	Total RM
Cost			
At 1 January 2021	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 2021/31 December 2022	40,329,241	-	40,329,241
Accumulated depreciation			
At 1 January 2021	-	-	-
Charge for the year	-	14,160	14,160
Transfer to inventories	-	(14,160)	(14,160)
At 31 December 2021/31 December 2022	-	-	-
Accumulated impairment losses			
At 1 January 2021	4,005,279	-	4,005,279
Impairment loss for the year	631,207	-	631,207
At 31 December 2021/31 December 2022	4,636,486	-	4,636,486
Carrying amount			
At 31 December 2022	35,692,755	-	35,692,755
At 31 December 2021	35,692,755	-	35,692,755

In the previous 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 (2021: RM 17,081,581) have been pledged as collaterals to secure the banking facilities referred to in Note 26.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

14. Intangible assets

	Group	
	2022 RM	2021 RM
Golf club membership		
At cost		
At beginning/end of year	108,000	108,000
Accumulated amortisation		
At beginning of year	7,416	6,592
Charge for the year	824	824
At end of year	8,240	7,416
Carrying amount	99,760	100,584

15. Investment in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares at cost		
At beginning of year	146,596,954	126,010,954
Subscription of additional shares in an existing subsidiary	-	20,000,000
Acquisition of additional shares in an existing subsidiary	-	586,000
At end of year	146,596,954	146,596,954
Accumulated impairment losses		
At beginning of year	11,086,028	12,271,070
Impairment loss during the year	1,143,757	1,086,028
Impairment loss no longer required	(465,405)	(2,271,070)
At end of year	11,764,380	11,086,028
Carrying amount	134,832,574	135,510,926

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

15. INVESTMENT IN SUBSIDIARIES *(cont'd)*

The details of the subsidiaries are as follows:

Subsidiaries of the Company	Country of incorporation	Group's effective and voting interest		Principal activities
		2022 %	2021 %	
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	100	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	100	Operating twenty-four (24) hour coin-operated laundry business
JAG Eco Sdn Bhd	Malaysia	100	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 previous 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) On 28 December 2020, JMI entered into a share sale agreement to acquire the entire equity interest in JAG Eco Sdn Bhd ("JAGE") for a total consideration of RM3,100,000. The acquisition 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 2022

15. INVESTMENT IN SUBSIDIARIES *(cont'd)*

15.1 Acquisition of subsidiaries and additional subscription of shares in subsidiaries *(cont'd)*

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	3,467
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.

15.2 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 or reversed or to write down or to write back the investments to their respective recoverable amounts:

	Company	
	2022 RM	2021 RM
<u>Impairment loss recognised</u>		
JAG Land Sdn Bhd	532,604	315,770
JAG Capital Equity Sdn Bhd	611,153	-
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)
JAG Renewable Energy Sdn Bhd	(465,405)	-

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 2022

16. OTHER INVESTMENTS

	Group	
	2022	2021
	RM	RM
Non current assets:		
Financial assets at fair value through other comprehensive income:		
- quoted equity instruments in Malaysia	2,350,000	2,350,000
Current assets:		
Financial assets at fair value through profit or loss:		
- quoted equity instruments in Malaysia	8,917,142	6,579,103
- unquoted mutual funds in Malaysia	-	21,058
	8,917,142	6,600,161

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.

17. INVENTORIES

	Group	
	2022	2021
	RM	RM
Manufacturing and trading		
At cost:		
Trading merchandise	500,901	348,719
Raw materials	17,194,504	19,867,291
Work in progress	13,640,615	12,791,146
Finished goods	30,867,419	37,913,906
	62,203,439	70,921,062
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

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

17. INVENTORIES (cont'd)

	Group	
	2022 RM	2021 RM
Property development		
At cost:		
Land held for development	10,604,531	17,725,191
Transfer from investment properties	-	10,557,611
Transfer to investment properties	-	(17,712,788)
	10,604,531	10,570,014
	73,590,105	82,273,211
Less:		
Land held for development – non current portion	(10,604,531)	(10,570,014)
	62,985,574	71,703,197
Amount of inventories recognised as an expense	214,867,923	167,132,611

Land held for property development with carrying amount of RM10,604,531 (2021: RM10,570,014) has been pledged as collaterals to secure the borrowings referred to in Note 26.

Finance cost included in land held for development is RM Nil (2021: RM455,610).

18. TRADE RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Third parties	17,089,610	8,345,922	-	-
Less: Allowance for expected credit loss	(2,121,794)	(1,656,904)	-	-
	14,967,816	6,689,018	-	-

The Group's normal trade credit terms range from 3 days to 90 days (2021: 3 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 expected credit loss of trade receivables during the reporting period are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of year	1,656,904	2,620,515	-	-
Allowance during the year	464,890	198,031	-	-
Allowance no longer required	-	(979,705)	-	-
Write off during the year	-	(181,937)	-	-
At end of year	2,121,794	1,656,904	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

18. TRADE RECEIVABLES *(Cont'd)*

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 expected credit loss based on past due status is not further distinguished between the Group's different customer base.

2022	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	11,393,260	2,120,486	3,027	1,479,322	14,996,095
Less: Allowance for expected credit loss	-	-	-	(1,479,322)	(1,479,322)
	11,393,260	2,120,486	3,027	-	13,516,773
Impairment assessed through provision matrix					
Gross carrying amount	1,441,766	107,133	109,559	435,057	2,093,515
Less: Allowance for expected credit loss	(148,222)	(25,078)	(70,470)	(398,702)	(642,472)
	1,293,544	82,055	39,089	36,355	1,451,043
	12,686,804	2,202,541	42,116	36,355	14,967,816
<hr/>					
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 expected credit loss	-	-	-	(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 expected credit loss	(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

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

19. Other receivables, deposits and prepayments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Advance payments to suppliers	1,547,078	2,551,557	-	-
Amount due from subsidiaries	-	-	72,128,625	65,327,800
Deposits paid for:				
- purchase of plant and equipment	-	56,976	-	-
- purchase of investment property	7,274,726	-	-	-
Other receivables, deposits and prepayments	3,367,561	3,725,719	25,900	17,500
	12,189,365	6,334,252	72,154,525	65,345,300
Less: Allowance for expected credit loss (Note 19.2)	(829,369)	(1,329,369)	(3,606,261)	(700,000)
	11,359,996	5,004,883	68,548,264	64,645,300
Less: Non current portion (Note 19.1)	-	-	(18,300,000)	(17,725,939)
	11,359,996	5,004,883	50,248,264	46,919,361

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 RM18,300,000 (2021: RM17,725,939) 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 expected credit loss

The movements in the allowance for expected credit loss of other receivables during the reporting period are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of year	1,329,369	829,369	700,000	472,475
Allowance during the year	-	500,000	2,906,261	700,000
Allowance no longer required	(500,000)	-	-	(472,475)
At end of year	829,369	1,329,369	3,606,261	700,000

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

20. DERIVATIVE ASSETS

	Group	
	2022	2021
	RM	RM
Forward foreign exchange sale contracts held for trading at fair value through profit or loss	-	6,912
	-	6,912

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 RM6,912 (2021: loss of RM12,688) 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	
	2022	2021
	RM	RM
Forward foreign exchange sale contracts	-	2,604,863
	-	2,604,863

21. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group amounting to RM870,127 (2021: RM862,246) have been pledged with a licensed bank to secure the banking facilities referred to in Note 26.

22. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares	No. of ordinary shares	RM	RM
Issued and fully paid:				
At beginning of year	634,109,892	544,109,892	204,468,382	179,072,171
Shares cancelled	(7,325,000)	-	(1,296,500)	-
Issue of shares pursuant to private placements	-	90,000,000	-	25,396,211
At end of year	626,784,892	634,109,892	203,171,882	204,468,382

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 2022

23. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Retained profits/ (Accumulated losses)	64,530,364	61,104,784	10,461,089	(292,281)
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)	(10,863,017)	(1,296,500)	(10,863,017)	(1,296,500)
	(54,774,883)	(45,208,366)	(10,863,017)	(1,296,500)
	9,755,481	15,896,418	(401,928)	(1,588,781)

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 decrease 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			
	2022 No. of treasury shares	2021 No. of treasury shares	2022 RM	2021 RM
At beginning of year	7,325,000	7,325,000	1,296,500	1,296,500
Shares cancelled	(7,325,000)	-	(1,296,500)	-
Shares repurchased	38,150,000	-	13,932,750	-
Shares dividend distributed	(8,405,397)	-	(3,069,733)	-
At end of year	29,744,603	7,325,000	10,863,017	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 626,784,892 (2021: 634,109,892) issued and fully paid ordinary shares as at 31 December 2022, 29,744,603 (2021: 7,325,000) are held as treasury shares by the Company.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

24. LEASE LIABILITIES

	Group	
	2022	2021
	RM	RM
Hire purchase liabilities	1,815,653	724,119
Other lease liabilities	4,899,916	6,998,223
	6,715,569	7,722,342
Less: Portion due within one year	(2,445,635)	(2,254,557)
	4,269,934	5,467,785
The non current portion of the lease liabilities is payable as follows:		
Later than 1 year and not later than 2 years	2,032,431	2,044,586
Later than 2 years and not later than 5 years	2,237,503	3,423,199
	4,269,934	5,467,785

The weighted average effective interest rates are as follows:

	Group	
	2022	2021
	%	%
Hire purchase liabilities	5.39	4.63
Other lease liabilities	5.83	5.83

The Group and the Company had total cash outflows for leases of RM3,677,369 (2021: RM3,402,309) and RM92,400 (2021: RM100,525) respectively.

25. DEFERRED INCOME

	Group	
	2022	2021
	RM	RM
At beginning of year	447,938	587,950
Grant income recognised	(140,012)	(140,012)
	307,926	447,938

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

31 DECEMBER 2022

26. BORROWINGS

	Group	
	2022 RM	2021 RM
Non current portion:		
Term loans	10,695,727	17,681,343
Current portion:		
Term loans	3,886,087	3,608,254
	14,581,814	21,289,597

	Group	
	2022 RM	2021 RM
The non current portion of term loans is payable as follows:		
Later than 1 year and not later than 2 years	3,387,374	3,632,831
Later than 2 years and not later than 5 years	4,782,983	10,892,888
Later than 5 years	2,525,370	3,155,624
	10,695,727	17,681,343

The weighted average effective interest rates are as follows:

	Group	
	2022 %	2021 %
Bank overdrafts	7.05	7.05
Term loans	6.55	6.55

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	
	2022 RM	2021 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 2022

28. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2022	2021
	RM	RM
At beginning of year	(6,170,821)	(5,690,821)
Recognised in profit or loss (Note 9)		
- current year	25,000	(283,000)
- under provision in prior years	(200,000)	(197,000)
	(175,000)	(480,000)
At end of year	(6,345,821)	(6,170,821)

	Group	
	2022	2021
	RM	RM
Deferred tax assets	1,251,420	1,624,748
Deferred tax liabilities	(7,597,241)	(7,795,569)
	(6,345,821)	(6,170,821)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(253,000)	-
Deferred tax liabilities	(6,598,821)	(6,170,821)

Deferred tax liabilities are in respect at the following:

	Group	
	2022	2021
	RM	RM
Differences between accounting depreciation and tax capital allowances	(4,064,172)	(4,177,671)
Revaluation reserve	(3,533,069)	(3,548,898)
Net fair value gain on held for trading investments	-	(69,000)
	(7,597,241)	(7,795,569)

Deferred tax assets are in respect of the following:

	Group	
	2022	2021
	RM	RM
Allowance for impairment of trade receivables	509,375	398,000
Differences between accounting depreciation and finance lease payments	276,100	405,000
Other deductible temporary differences	-	99,360
Unrealised loss on trade related foreign exchange	81,545	19,088
Unabsorbed capital allowances	358,000	703,300
Unutilised business losses	26,400	-
	1,251,420	1,624,748

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

28. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The analysis of unrecognised deductible temporary differences, unutilised tax losses and tax credits are as follows:

	Group			
	Gross	2021 RM	Tax effects	
	2022 RM		2022 RM	2021 RM
Unabsorbed capital allowances	1,720,500	2,128,100	413,000	513,400
Net fair value loss on held for trading investment	1,537,900	-	369,100	-
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2028	3,658,200	3,658,200	877,300	877,300
- 31 December 2029	5,142,700	5,211,700	1,234,200	1,250,840
- 31 December 2030	82,000	4,500	19,000	1,090
- 31 December 2031	1,177,200	1,269,000	282,500	304,000
- 31 December 2032	2,287,000	-	548,900	-
	15,605,500	12,271,500	3,744,000	2,946,630

	Company			
	Gross	2021 RM	Tax effects	
	2022 RM		2022 RM	2021 RM
Unabsorbed capital allowances	1,567,000	1,567,000	376,000	379,000
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2028	1,527,000	1,527,000	366,000	366,000
	3,094,000	3,094,000	742,000	745,000

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 (2021: 15 days to 60 days).

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
	Advance payments from customers	8,796,047	-	-
Amount due to subsidiaries	-	-	1,082,138	232,439
Other payables and accruals	2,202,051	2,939,746	127,180	136,016
	10,998,098	2,939,746	1,209,318	368,455

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

31. DIVIDENDS

	Dividend per share		Amount of dividend recognised	
	2022 RM	2021 RM	2022 RM	2021 RM
For the financial year ended 31 December 2021:				
- Single tier interim dividend	-	0.005	3,133,911	-
For the financial year ended 31 December 2022:				
- Interim dividend by way distribution of treasury shares	0.005	-	3,069,733	-
	0.005	0.005	6,203,644	-

Subsequent to the reporting period, the directors proposed a final and special dividend for the financial year ended 31 December 2022 by way of dividend-in-specie via a share distribution on the basis of 1 share dividend for every 19 existing ordinary shares. The proposed final and special dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements for the reporting period.

32. SIGNIFICANT RELATED PARTY DISCLOSURES

32.1 Related party transactions

Significant transactions with related parties are as follows:

	Type of transactions	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
With a company in which certain directors of a subsidiary have an interest					
Barrel & Drum (M) Sdn Bhd	Purchases	10,924	25,950	-	-
With a subsidiary					
Jaring Metal Industries Sdn Bhd	Dividend income	-	-	21,500,000	4,000,000
JAG Scoops Sdn Bhd	Interest income	-	-	-	2,441

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

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	
		2022 RM	2021 RM	2022 RM	2021 RM
Financial assets					
With subsidiaries					
Jaring Metal Industries Sdn Bhd	Advances	-	-	32,150,000	41,633,323
JAG Land Sdn Bhd	Advances	-	-	11,467,166	3,847,166
JAG Development Sdn Bhd	Advances	-	-	17,569,400	13,129,400
	Allowance for expected credit loss	-	-	(1,124,717)	(700,000)
		-	-	16,444,683	12,429,400
JAG Capital Equity Sdn Bhd	Advances	-	-	5,425,939	3,425,939
	Allowance for expected credit loss	-	-	(611,153)	-
		-	-	4,814,786	3,425,939
JAG Renewable Energy Sdn Bhd	Advances	-	-	-	25,852
JAG Scoops Sdn Bhd	Advances	-	-	5,516,120	3,266,120
	Allowance for expected credit loss	-	-	(1,870,391)	-
		-	-	3,645,729	3,266,120
Financial liabilities					
With subsidiaries					
JAG Prop Sdn Bhd	Advances	-	-	157,991	232,439
JAG Renewable Energy Sdn Bhd	Advances	-	-	924,147	-

The advances are unsecured, interest free and receivable/repayable on demand except that an amount of RM135,000 (2021: RM135,000) due from JAG Scoops Sdn Bhd bears interest at 5% (2021: 5%) per annum.

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.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

33. CAPITAL COMMITMENTS

	Group	
	2022	2021
	RM	RM
Capital expenditure not provided for in the financial statements are as follows:		
Authorised and contracted for	28,163,074	676,452
Analysed as follows:		
Plant and equipment	159,000	676,452
Investment property	28,004,074	-
	28,163,074	676,452

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their nature of activity, and has five 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 |
| 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

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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.

2022	Manufacturing RM	Trading RM	Lifestyle and services RM	Investment and development RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Revenue								
External revenue	246,526,098	1,335,788	6,230,824	-	-	254,092,710	-	254,092,710
Inter-segment revenue	-	-	-	21,500,000	-	21,500,000	(21,500,000)	-
Total revenue	246,526,098	1,335,788	6,230,824	21,500,000	-	275,592,710	(21,500,000)	254,092,710
Results								
Profit/(Loss) from operations	20,283,068	109,903	(2,279,042)	15,423,847	(696,207)	32,841,569	(17,839,558)	15,002,011
Finance income	232,504	1,260	13,026	27,219	16,138	290,147	(144,500)	145,647
Finance costs	(671,957)	(3,641)	(510,149)	-	(563,143)	(1,748,890)	144,500	(1,604,390)
Profit/(Loss) before tax	19,843,615	107,522	(2,776,165)	15,451,066	(1,243,212)	31,382,826	(17,839,558)	13,543,268
Income tax expense	(4,047,874)	(21,933)	91,874	69,000	(5,111)	(3,914,044)	-	(3,914,044)
Net profit/(loss) for the year	15,795,741	85,589	(2,684,291)	15,520,066	(1,248,323)	27,468,782	(17,839,558)	9,629,224

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 DECEMBER 2022

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
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 2022

34. SEGMENT INFORMATION (cont'd)

34.1 Business segment (cont'd)

2022	Manufacturing RM	Trading RM	Lifestyle and services RM	Investment RM	Investment property and property development RM	Total RM	Elimination RM	Consolidated RM
Assets and liabilities								
Segment assets	195,680,261	4,357,575	10,750,538	220,129,904	50,805,505	481,723,783	(220,833,965)	260,889,818
Segment liabilities	67,735,043	-	15,814,608	14,826,214	40,062,797	138,438,662	(90,476,207)	47,962,455
Other information								
Capital expenditure on property, plant and equipment, investment properties and right of use assets	7,878,416	2,839,889	1,383,452	4,799	5,570	12,112,126	-	12,112,126
Depreciation and amortisation	3,693,727	1,112,462	3,408,812	11,483	4,681	8,231,165	-	8,231,165

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 DECEMBER 2022

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
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 2022

34. SEGMENT INFORMATION (*cont'd*)

34.1 Business segment (*cont'd*)

2022	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 expected credit	464,890	-	-	2,906,261	-	3,371,151	(2,906,261)	464,890
Loss of receivables								
Changes in fair value of								
- derivative financial instruments	6,912	-	-	-	-	6,912	-	6,912
- other investments	98,694	-	-	1,537,873	-	1,636,567	-	1,636,567
Gain on lease modification	-	-	(154,263)	-	-	(154,263)	-	(154,263)
Government grant income	(140,012)	-	-	-	-	(140,012)	-	(140,012)
Impairment loss on								
- investment in subsidiaries	-	-	-	1,143,757	-	1,143,757	(1,143,757)	-
- plant and equipment	-	-	111,281	-	-	111,281	-	111,281
- right of use assets	-	-	103,908	-	-	103,908	-	103,908
Impairment loss on investment								
in subsidiaries no longer required	-	-	-	(465,405)	-	(465,405)	465,405	-
Plant and equipment written off	27,569	-	444,411	-	-	471,980	-	471,980
Unrealised loss on foreign exchange	147,075	-	-	-	-	147,075	-	147,075

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 DECEMBER 2022

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 2022

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	Revenue RM	Group Non-current assets RM
2022		
Malaysia	22,916,565	149,813,291
China	128,475,441	-
Japan	73,684,089	-
Others	29,016,615	-
	<u>254,092,710</u>	<u>149,813,291</u>
2021		
Malaysia	35,558,314	147,066,808
China	126,640,383	-
Japan	56,177,251	-
Others	5,606,179	-
	<u>223,982,127</u>	<u>147,066,808</u>

Non current assets information presented above consist of property, plant and equipment, right of use assets, investment properties, inventories, other investments, deferred tax assets 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:

	2022 RM	Group 2021 RM
Customer A	99,753,198	92,756,123
Customer B	51,953,621	30,953,074
Customer C	29,985,565	29,980,306
	<u>181,692,384</u>	<u>153,689,503</u>

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
Fair value through other comprehensive income				
- other investments	2,350,000	2,350,000	-	-
Fair value through profit or loss				
- other investments	8,917,142	6,600,161	-	-
- derivative assets	-	6,912	-	-
	8,917,142	6,607,073	-	-
Amortised cost				
- trade and other receivables	26,327,812	11,693,901	68,548,264	64,645,300
- cash and bank balances including fixed deposits	12,796,043	33,292,899	566,281	3,063,494
	39,123,855	44,986,800	69,114,545	67,708,794
	50,390,997	53,943,873	69,114,545	67,708,794
Financial liabilities				
Amortised cost				
- lease liabilities (fixed rate)	6,715,569	7,722,342	-	-
- trade and other payables (non interest bearing)	17,686,747	10,332,274	1,209,318	368,455
- borrowings (floating rate)	14,581,814	21,289,597	-	-
	38,984,130	39,344,213	1,209,318	368,455

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 2022

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			
	Euro RM	Singapore Dollar RM	United States Dollar RM	Net RM
2022				
Ringgit Malaysia	2,434,072	23,892	3,375,889	5,833,853
2021				
Ringgit Malaysia	783,057	28,532	2,863,781	3,675,370

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 by:

	Group	
	2022 RM	2021 RM
Euro	243,400	78,300
Singapore Dollar	2,400	2,800
United States Dollar	337,600	286,300

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 2022

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 RM72,910 (2021: RM106,000).

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		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bank balances with one financial institution (2021: one)	9,312,734	26,947,772	-	-
Amount due from three subsidiaries (2021: two)	-	-	61,186,566	54,062,723

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 2022

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

35.2 Financial risk management policies and objectives *(cont'd)*

Credit 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 RM68,522,364 (2021: RM64,627,800) 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 2022

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT *(cont'd)*

35.2 Financial risk management policies and objectives *(cont'd)*

Credit 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:

	2022	2021
	RM	RM
<hr/>		
Secured:		
Corporate guarantees in respect of banking facilities of subsidiaries	11,251,000	17,865,720
	<hr/>	

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	
	2022	2021
	RM	RM
<hr/>		
Entities listed on:		
Bursa Malaysia Securities Berhad	1,127,000	893,000
	<hr/>	

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 202235. 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 2022	Carrying amount RM	Total RM	Contractual cash flows (including interest payments)				
			On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	More than 5 years RM	
Non interest bearing debts	17,686,747	17,686,747	17,686,747	-	-	-	-
Interest bearing debts	14,581,814	16,856,848	4,828,487	4,038,175	5,686,782	2,303,404	
Lease liabilities	6,715,569	7,334,784	2,760,306	2,223,931	2,350,547	-	
	38,984,130	41,878,379	25,457,540	6,262,106	8,037,329	2,303,404	
2021							
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	

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

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
2022			
Non interest bearing debts	1,209,318	1,209,318	1,209,318
Corporate guarantees	-	11,251,100	11,251,100
2021			
Non interest bearing debts	368,455	368,455	368,455
Corporate guarantees	-	17,865,720	17,865,720

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 2022

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 2022, the Group's and the Company's strategy were unchanged from 31 December 2021 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 2022 and 31 December 2021 were as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total debts	21,297,383	29,011,939	-	-
Less: Cash and bank balances and fixed deposits	(12,796,043)	(33,292,899)	(566,281)	(3,063,494)
Net debt/(cash)	8,501,340	(4,280,960)	(566,281)	(3,063,494)
Total equity/Adjusted capital	212,927,363	220,364,800	202,769,954	202,879,601
Debt-to-adjusted capital ratio (times)	0.04	N/A	N/A	N/A

36. FAIR VALUE OF ASSETS AND LIABILITIES

36.1 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).

36.2 Assets not carried at fair value but for which fair value is disclosed

The following table provides an analysis of each class of assets not measured at fair value at the end of the reporting period but for which fair value is disclosed:

	Group 2022			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Non financial assets:				
<u>Investment properties</u>				
Freehold land	-	32,521,581	-	32,521,581

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 DECEMBER 2022

36. FAIR VALUE OF ASSETS AND LIABILITIES *(cont'd)*

36.2 Assets not carried at fair value but for which fair value is disclosed *(cont'd)*

	Group 2021			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Non financial assets:				
<u>Investment properties</u>				
Freehold land	-	32,521,581	-	32,521,581

There were no transfers between these levels of fair values in the current and previous reporting periods.

Valuation techniques used to derive Level 2 fair values

The fair values of freehold land were arrived at based on estimation by the directors based on comparison method that refer to market values of similar properties in the open market.

36.3 Assets carried at fair value

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 2022			
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Recurring fair value measurements				
Financial assets:				
<u>Other investments</u>				
Quoted shares	11,267,142	-	-	11,267,142
Non recurring fair value measurements				
Non financial assets:				
<u>Property, plant and equipment</u>				
Freehold land and buildings	-	62,402,344	-	62,402,344

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2022

36. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

36.3 Assets carried at fair value (cont'd)

	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

There were no transfers between these levels of fair values in the current and previous reporting periods.

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 foreign exchange contracts

Fair value of the forward foreign exchange 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.

36.4 Financial assets and financial liabilities 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 approximates 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.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

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	16	<u>Land area</u> 130 square meters <u>Built-up</u> 173.9 square meters	<u>Land</u> 360,000 <u>Building</u> 160,444	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	Freehold	20	<u>Land area</u> 19,426 square meters <u>Built-up</u> 8,321 square meters	Land 25,800,000 Building 7,660,232	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 <i>(Date of Revaluation)</i>
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	11	<u>Land area</u> 130 square meters <u>Built-up</u> 173.9 square meters	<u>Land</u> 350,000 <u>Building</u> 166,490	31 December 2020 <i>(Date of Revaluation)</i>

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

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
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	8	<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> 6,571,040	31 December 2020 <i>(Date of Revaluation)</i>
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	1,135,765	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

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

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
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 98 years	Land held for development	<u>Land area</u> 8,852.57 square meters	5,494,051	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 storey office used as operation office and warehouse	Freehold	2	<u>Land area</u> 980 square meters <u>Built up</u> 790.51 square meters	<u>Land</u> 3,400,000 <u>Building</u> 3,028,385	23 April 2021
13	Kuala Lumpur	Wisma TM, Taman Desa, Jalan Desa Utama, Pusat Bandar Taman Desa 58100 Kuala Lumpur HS(D) 71280, PT3569, Mukim Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Twelve and a half storey office building with two level of basement car park as investment property	Freehold	1	Land area Approximately 4,230 square meters	35,511,645	11 November 2022

ANALYSIS OF SHAREHOLDINGS

AS AT 17 MARCH 2023

STATISTICS OF SHAREHOLDINGS

Total Issued Share Capital : RM204,722,171 comprising 626,784,892 ordinary shares
(Inclusive of Treasury Shares and after cancellation of 7,325,000 ordinary shares)

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

Treasury Shares held by the Company : 31,944,603 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	2,543	30.44	77,052	0.01
100 - 1,000	734	8.79	268,961	0.05
1,001 - 10,000	2,307	27.62	10,463,826	1.76
10,001 - 100,000	2,467	29.53	64,697,328	10.88
100,001 - 29,742,013 *	299	3.58	368,488,440	61.95
29,742,014 and above **	3	0.04	150,844,682	25.36
Total:	8,353	100.00	594,840,289	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	46,828,902	7.873	-	-
2.	NKK Capital Sdn. Bhd.	38,812,046	6.525	-	-
3.	Dato' Ng Aik Kee	82,461,122	13.863	66,514,046 ⁽¹⁾	11.182
4.	Ng Yaw Long	34,648,554	5.825	-	-

Remark:

⁽¹⁾ Deemed interested by virtue of his interest in NKK Capital Sdn. Bhd. and Libra Valen 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	18,476,866	3.106	-	-
Dato' Ng Meow Giak	46,828,901	7.873	-	-
Roy Thean Chong Yew	-	-	-	-
Datuk Md. Hassim Bin Pardi	-	-	-	-
Ewe Chuan Seng	-	-	-	-

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2023

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	80,657,936	13.56
2.	NKK CAPITAL SDN. BHD.	38,812,046	6.52
3.	DATO' NG MEOW GIAK	31,374,700	5.27
4.	NG YAW LONG	29,599,520	4.98
5.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIBRA VALEN SDN. BHD.	27,702,000	4.66
6.	M&A NOMINEE (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE SENG THYE	24,644,302	4.14
7.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LUCILLE TEOH SOO LIEN	22,850,000	3.84
8.	BEH SENG LEE	22,500,000	3.78
9.	TEH CHIN CHING	19,297,536	3.24
10.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR DATO' NG MEOW GIAK	15,454,202	2.60
11.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TEO YEK MING	11,378,571	1.91
12.	TAN SIEW CHING	10,348,733	1.74
13.	CHAN AN KIEN	8,941,689	1.50
14.	TAN SIEW CHING	8,128,133	1.37
15.	FOO WEN POK	8,114,285	1.36
16.	CHOW PUI LING	7,810,000	1.31
17.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	7,100,000	1.19
18.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. - LIM WILLIE	6,665,928	1.12
19.	CHOW HOW FAI	6,592,857	1.11
20.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR TEH CHIN CHING	5,539,559	0.93
21.	LEE FU-CHIEN	5,183,912	0.87
22.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR NG YAW LONG	5,049,034	0.85
23.	LEONG YEE KEONG	4,906,630	0.82
24.	ONG SAY KIAT	4,541,531	0.76
25.	KELRIX SDN. BHD.	4,158,571	0.70
26.	LIM CHIN SEAN	4,158,571	0.70
27.	APEX NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LUM YET CHONG	3,574,850	0.60
28.	HSBC NOMINEES (ASING) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR J.P. MORGAN SECURITIES PLC	3,429,821	0.58
29.	NG LAI CHOI	3,284,285	0.55
30.	WOO YEW TIM	3,144,285	0.53
Total:		434,943,487	73.12

NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (“**25th**”) Annual General Meeting (“**AGM**”) of JAG Berhad (the “**Company**”) will be held on a **fully virtual basis** at the following date, time and venue to transact the following business:-

Day and date : **Monday, 29 May 2023**
Time : **10:00 a.m.**
Online Meeting Platform : Securities Services e-Portal at <https://sshbs.net.my/>

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 2)**
2. To approve the payment of a Final and Special Dividend of RM0.3659 per share for the financial year ended 31 December 2022. **Ordinary Resolution 1**
3. To approve the Directors’ fees payable to the Directors of the Company of up to RM265,000/- for the financial year ending 31 December 2023. **Ordinary Resolution 2**
4. To re-elect Datin Tan Siew Ching, a Director who retires in accordance with Clause 21.6 of the Company’s Constitution, and being eligible, has offered herself for re-election. **Ordinary Resolution 3**
5. To re-elect Mr. Ewe Chuan Seng, 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 4**
6. To re-appoint Messrs. Russell Bedford LC PLT 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 5**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. **PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)(b) OF THE COMPANIES ACT 2016 (“ACT”)** **Ordinary Resolution 6**

“**THAT** the benefits payable to the Directors of the Company up to an amount of RM76,000/- for the period from 30 May 2023 until the next AGM of the Company to be held in year 2024 pursuant to Section 230(1)(b) of the Act, be and is hereby approved for payment.”

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT** **Ordinary Resolution 7**

“**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;

THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

NOTICE OF 25TH ANNUAL GENERAL MEETING

cont'd

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so be issued on Bursa Securities; **AND FURTHER 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.”

9. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

*Ordinary
Resolution 8*

“**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 (“**Proposed Renewal of Authority for Share Buy-Back**”), 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 Proposal Renewal of 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 conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
 - (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 Proposed Renewal of 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.

10. **PROPOSED RETENTION OF MR. ROY THEAN CHONG YEW AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Ordinary
Resolution 9*

“**THAT** 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 25TH ANNUAL GENERAL MEETING

cont'd

11. **PROPOSED RETENTION OF DATUK MD. HASSIM BIN PARDI AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Ordinary
Resolution 10**

“**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.”

12. **PROPOSED RETENTION OF MR. EWE CHUAN SENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Ordinary
Resolution 11**

“**THAT** subject to the passing of Ordinary Resolution 4, Mr. Ewe Chuan Seng 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.”

13. To transact any other business that may be transacted at an AGM, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a Final and Special Dividend of RM0.3659 per share via a share dividend distribution of treasury shares on the basis of one (1) treasury share for every nineteen (19) existing ordinary shares in respect of the financial year ended 31 December 2022 will be payable on 28 June 2023 to depositors whose name appear in the Record of Depositors at the close of business on 14 June 2023, if approved by the shareholders at the 25th AGM of the Company.

A Depositor shall qualify for entitlement only in respect of :-

- (a) Shares transferred to the Depositor's Securities Account before 4:30 p.m. on 14 June 2023 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

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
28 April 2023

Notes:-

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend this 25th 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 23 May 2023 Only a depositor whose name appears on the Record of Depositors as at 23 May 2023 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.

NOTICE OF 25TH ANNUAL GENERAL MEETING

cont'd

- 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 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.
- g. Publication of Notice of Annual General Meeting on corporate website

Pursuant to Section 320(2) of the Act, 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 25th 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 Saturday, 27 May 2023 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
Electronic appointment	Securities Services e-Portal Weblink: https://sshbs.net.my/ Contact Number for enquiry: +603-2084 9000 Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshbs.com.my

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.

NOTICE OF 25TH ANNUAL GENERAL MEETING

cont'd

Explanatory Notes to Ordinary Business:-

(2) Audited Financial Statements for the financial year ended 31 December 2022

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 2 - Payment of Directors' Fees

The proposed Directors' fees payable to the Directors of the Company for the financial year ending 31 December 2023 shall be up to a total of RM265,000/- only, comprised the following rates based on responsibilities assumed:-

Directors' Fees	Financial Year Ending 31 December 2023
Non-Executive Directors	RM43,200 per person per annum
Audit Committee Chair	Additional RM18,000 per annum
Nomination Committee Chair	Additional RM10,800 per annum
Remuneration Committee Chair	Additional RM10,800 per annum
Risk Management Committee Chair	Additional RM6,000 per annum

The Ordinary Resolution 2, if approved, will authorise the Directors' fees payable to the Directors for the financial year ending 31 December 2023 pursuant to Clause 21.4 of the Constitution of the Company.

(4) Ordinary Resolutions 3 and 4 - Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 25th AGM of the Company, the Nomination Committee ("NC") considered the requirements under Rule 2.20A of the ACE LR and declaration of Directors' Fit and Proper made by Datin Tan Siew Ching and Mr. Ewe Chuan Seng 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 Mr. Ewe Chuan Seng, the Senior Independent Non-Executive Director, therefore, the Board had recommended the same be tabled to the shareholders for approval at the forthcoming 25th AGM of the Company under Ordinary Resolutions 3 and 4 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 5 - 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 ending 31 December 2023. 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 25th AGM of the Company under Ordinary Resolution 5.

NOTICE OF 25TH ANNUAL GENERAL MEETING

cont'd

Explanatory Notes to Special Business:

(6) Ordinary Resolution 6 - Benefits Payable to the Directors

Under Ordinary Resolution 6, 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 30 May 2023 until the next AGM of the Company to be held in year 2024 ("**Applicable Period**"). The benefits comprised meeting allowances (which will only be accorded based on actual attendance of meetings by the Directors) and directors' insurance coverage for the Applicable Period:-

Benefits Payable to Directors		
Meeting Allowance for Non-Executive Directors	RM700/- per meeting (per Director)	RM70,000/-
Directors' insurance coverage		RM6,000/-
	Total	RM76,000/-

(7) Ordinary Resolution 7 - Authority to Issue Shares pursuant to the Act

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 25th 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 31 May 2022 (hereinafter referred to as the "**Previous Mandate**"). As at the date of this Notice of 25th 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 waive the statutory pre-emptive rights of shareholders of the Company ("**Waiver of Pre-Emptive Rights**") and 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.

The Waiver of Pre-Emptive Rights will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

(8) Ordinary Resolution 8 - Proposed Renewal of Authority for Share Buy-Back

The proposed adoption of the Ordinary Resolution 8 is to renew the authority granted by the shareholders of the Company at the 24th Annual General Meeting held on 31 May 2022. The proposed renewal will allow the Directors to exercise the power of the Company to purchase not more than 10% of the total number of issued shares of the Company any time within the time period stipulated in the ACE LR.

NOTICE OF 25TH ANNUAL GENERAL MEETING

cont'd

(9) Ordinary Resolutions 9, 10 and 11 - Proposed Retention of Mr. Roy Thean Chong Yew, Datuk Md. Hassim Bin Pardi and Mr. Ewe Chuan Seng as Independent Non-Executive Directors

Mr. Roy Thean Chong Yew ("**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. As at the date of this Notice of AGM, both of them have served in that capacity for a cumulative term of more than twelve (12) years and eleven (11) years respectively.

Mr. Ewe Chuan Seng ("**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 INED of the Company. Mr. Ewe has served in that capacity for a cumulative term of more than nine (9) years.

For the sustainability of the Company, the Board wishes to retain Mr. Roy Thean, Datuk Hassim and Mr. Ewe as INEDs of the Company.

The Board vide the NC after having assessed of the independence of Mr. Roy Thean, Datuk Hassim and Mr. Ewe regarded them to be independent, recommends that the approval of the shareholders be sought through a two-tier voting process, to retain Mr. Roy Thean, Datuk Hassim and Mr. Ewe 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, Datuk Hassim and Mr. Ewe could have with the Company as they have not entered into any contract or transaction with the Company and/or its subsidiaries; and
- As the electronic waste management in Malaysia geared towards a more sustainable and holistic manner, it is essential for the Directors of the Company to serve a longer tenure in view that there is no quick-fix or short term solution to the long standing waste management approach/ policies in Malaysia.
- Therefore, in line with the Sustainability Development Goals adopted by the Company as well as the sustainability of the Company, 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, intrinsic knowledge of the waste management industry and have provided invaluable contributions to the Board in their roles as INEDs.

FORM OF PROXY

for 25TH ANNUAL GENERAL MEETING

JAG BERHAD

[Registration No. 199701023733 (439230-A)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We _____ *NRIC/Passport/Registration 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) (Second 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-Fifth Annual General Meeting ("**25th AGM**") of the Company which will be held on a fully virtual basis vide the online platform of Securities Services e-Portal at <https://sshb.net.my/> on Monday, 29 May 2023 at 10:00 a.m., or any adjournment thereof:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the payment of a Final and Special Dividend of RM0.3659 per share for the financial year ended 31 December 2022		
2	To approve the Directors' fees payable for the financial year ending 31 December 2023		
3	To re-elect Datin Tan Siew Ching as Director (Clause 21.6)		
4	To re-elect Mr. Ewe Chuan Seng as Director (Clause 21.6)		
5	To re-appoint Messrs. Russell Bedford LC PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration		
6	To approve the benefits payable to the Directors for the period from 30 May 2023 until the next AGM to be held in year 2024		
7	Authority to issue shares pursuant to the Companies Act 2016		
8	Proposed Renewal of Authority for Share Buy-Back		
9	Proposed Retention of Mr. Roy Thean Chong Yew as Independent Non-Executive Director		
10	Proposed Retention of Datuk Md. Hassim Bin Pardi as Independent Non-Executive Director		
11	Proposed Retention of Mr. Ewe Chuan Seng 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:-

(1) Information for Shareholders/Proxies

1. For the purpose of determining a member who shall be entitled to attend this 25th 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 23 May 2023 Only a depositor whose name appears on the Record of Depositors as at 23 May 2023 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
2. 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.
3. 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 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.
4. 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.
5. 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.
6. 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.
7. Publication of Notice of Annual General Meeting on corporate website
Pursuant to Section 320(2) of the Act, 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.
8. Appointment of Proxy(ies)
A member may obtain the proxy form for the 25th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities.

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 Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Attn to: Mr. Jerry Tan

Please fold here to seal

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 Saturday, 27 May 2023 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
Electronic appointment	Securities Services e-Portal Weblink: https://sshsb.net.my/ Contact Number for enquiry: +603-2084 9000 Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshsb.com.my

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 Fax: 03-5740 8912
Email: enquiry@jagb.com.my

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