



JAG BERHAD
[Registration No. 199701023733 (439230-A)]



Annual Report 2023

Developing a Sustainable Future

JAG BERHAD [Registration No. 199701023733 (439230-A)]

Annual Report 2023

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[Registration No. 199701023733 (439230-A)]

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Form of Proxy Enclosed



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Tan Siew Ching (“Datin Stacey” or “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
Non-Independent Non-Executive Director
(re-designated w.e.f. 31 May 2023)

Datuk Md. Hassim Bin Pardi
Non-Independent Non-Executive Director
(re-designated w.e.f. 25 August 2023)

Hong Cheong Liang
Independent Non-Executive Director
(appointed w.e.f. 31 May 2023)

Maznida Binti Mokhtar
Independent Non-Executive Director
(appointed w.e.f. 1 April 2024)

AUDIT COMMITTEE

Hong Cheong Liang
Chairman
(appointed w.e.f. 31 May 2023)

Roy Thean Chong Yew
Member
(re-designated w.e.f. 31 May 2023)

Ewe Chuan Seng
Member

Maznida Binti Mokhtar
Member
(appointed w.e.f. 1 April 2024)

Datuk Md. Hassim Bin Pardi
Member
(ceased w.e.f. 25 August 2023)

NOMINATION AND REMUNERATION COMMITTEE

(merged w.e.f. 1 April 2024)

Ewe Chuan Seng
Chairman

Datuk Md. Hassim Bin Pardi
Member

Hong Cheong Liang
Member
(appointed w.e.f. 31 May 2023)

Roy Thean Chong Yew
Member
(ceased w.e.f. 31 May 2023)

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

(enhancement of sustainability oversight and rename w.e.f. 1 April 2024)

Roy Thean Chong Yew
Chairman

Datin Stacey Tan Siew Ching
Member

Dato’ Ng Meow Giak
Member

Ewe Chuan Seng
Member

Hong Cheong Liang
Member
(appointed w.e.f. 31 May 2023)

Datuk Md. Hassim Bin Pardi
Member
(ceased w.e.f. 31 May 2023)

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
MAICSA 0777689
SSM PC No. 201908002648

Cheng Chia Ping
MAICSA 1032514
SSM PC No. 202008000730

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@sshsb.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
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PRINCIPAL OFFICES

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D65-3A, Block D, Jaya One,
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46200 Petaling Jaya,
Selangor Darul Ehsan
Telephone no. : +603-7497 2558
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Website : www.jagb.com.my

Jaring Metal Industries Sdn. Bhd.
No. 7, Jalan Sungai Kayu Ara 32/37,
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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
(LLP0030621-LCA & AF1237)
Chartered Accountants
Suite 37, Level 21, Mercu 3,
No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur,
Wilayah Persekutuan
Telephone no. : +603-2202 6666
Facsimile no. : +603-2202 6699

PRINCIPAL BANKERS

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



GROUP CORPORATE STRUCTURE

JAG BERHAD

[199701023733 (439230-A)]

100%

JARING METAL INDUSTRIES SDN. BHD.

[199701010289 (425785-T)]

Principal Activities:

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

100%

JAG NASMECH SDN. BHD.

[201501005407 (1130737-D)]

Principal Activity:

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

100%

JAG ECO SDN.BHD.

[200901024397 (867497-X)]

Principal Activity:

Real property

100%

JAG RENEWABLE ENERGY SDN. BHD.

[202001017576 (1373896-U)]

Principal Activity: Production and manufacturing of renewable energy business, currently dormant

100%

JAG CAPITAL EQUITY SDN. BHD.

[199001015039 (206708-P)]

Principal Activity: Investment holding

100%

JAG LAND SDN. BHD.

[201501005354 (1130684-K)]

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

100%

JAG DEVELOPMENT SDN. BHD.

[201701035547 (1249718-T)]

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

100%

JAG PROP SDN. BHD.

[201901027499 (1336826-T)]

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

100%

JAG SCOOPS SDN. BHD.

[202001038572 (1394893-U)]

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

ABBREVIATIONS

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

Abbreviations	Description
“ACE LR” or “Listing Requirements”	ACE Market Listing Requirements of Bursa Securities
“AGM”	Annual General Meeting
“Bursa Securities”	Bursa Malaysia Securities Berhad
“FYE 2022”	Financial year ended 31 December 2022
“FYE 2023”	Financial year ended 31 December 2023
“FYE 2024”	Financial year ending 31 December 2024
“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 1 April 2024
“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
LME	London Metal Exchange

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

CHAIRPERSON'S STATEMENT

Committed to a Culture of Excellence

“Our resilience and strategic foresight enabled us to achieve positive milestones in FYE 2023”



Dear valued shareholders,

The year 2023 unfolded with new challenges and unique opportunities for JAG Berhad (or the Group). It was a challenging year for the global semiconductor industry, which we are reliant on for raw materials, with global industry sales¹ declining by 8.2% to USD526.8 billion. From supply shortages to growing geopolitical tensions, the sector has struggled to adjust to fluctuating demand.

Through this volatility, I am pleased to report that our resilience and strategic foresight enabled us to achieve positive milestones. As one of the leading total waste management companies in Malaysia, we worked hard to weather through the industry slowdown while keeping a firm grasp on our growth plans as well as our sustainability commitments.

Our focus on creating stakeholder value has stood us in good stead as we continue to pursue our plans for the future. As always, we measure our success by taking into account not only the financial returns created for shareholders but also our long-term sustainability and our overall impact on stakeholders.

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 2023 (FYE 2023).

Reflecting on the Year

Malaysia's economic growth in 2023² normalised to 3.7%, following a strong growth of 8.7% registered in 2022. The growth had moderated amid a challenging macroenvironment mainly due to slower global trade, the global technology downcycle, geopolitical tensions and tighter monetary policies.

On the domestic front, resilient household spending, the continued recovery in economic activity, and labour market conditions supported the growth in 2023.

Meanwhile, growth in investment activity was underpinned by the progressive realisation of multi-year projects and capacity expansion by firms. Exports, however, remained subdued due to prolonged weakness in external demand amid stronger imports. Oil and gas production, agriculture sector, and the services and construction sector continued to expand except for the manufacturing sector which remained soft due to continued weakness in the electrical and electronic industry.

¹ <https://www.semiconductors.org/global-semiconductor-sales-decrease-8-2-in-2023-market-rebounds-late-in-year/>

² <https://www.nst.com.my/business/corporate/2024/02/1013969/malysias-economic-growth-eases-37-pct-2023-87pct-2022>



CHAIRPERSON'S STATEMENT cont'd

Reflecting on the Year (cont'd)

The commodities market experienced a slower year due to the lacklustre global growth, which resulted in lower demand. Prices for copper remained stable, although prices for tin and nickel dropped gradually through the year.

Despite global headwinds, Malaysia's Electronics & Electrical ("**E&E**") sector continued to be a key economic driver for the local economy. In 2023, the E&E industry contributed approximately 5.8% to Malaysia's Gross domestic product ("**GDP**"), and the industry is expected to grow on the back of higher demand for applications like 5G, IoT and AI as well as the growth of Electronic Vehicles ("**EV**").

Performance Highlights

"We remain committed to diversifying our business to build a future-fit Group"

For FYE 2023, the Group registered a profit after tax ("**PAT**") of RM1.2 million compared with RM9.6 million achieved a year ago. Revenue also dipped 20% from RM254 million in the previous financial year to RM203 million in FYE 2023.

The overall decrease was primarily due to the one-off procurement contract between our total waste management ("**TWM**") business segment and Bank Negara Malaysia which contributed to the revenue and profitability in previous corresponding year. Nevertheless, the Group made significant strides in the year under review, securing 2 (two) major contracts that will support the growth of the TWM business segment. In particular, the contract with Atreon Holdings Sdn Bhd ("**AHSB**") for spent catalyst processing and treatment marked JAG Berhad's move to diversify its portfolio to source for raw materials from oil and gas industries.

The lifestyle and services business segment recorded an improvement in profitability in FYE 2023 following the implementation of reformation and restructuring strategies.

For the Group's investment holding business segment, the profit recorded was mainly due to the recognition of gain on changes in fair value of investments held as well as disposal of investments held.

The Group's property investment and development business segment experienced a loss in FYE 2023 due to the cost incurred from operations. During the year under review, the Group acquired Menara TM which has been renamed to Wisma JAG. Wisma JAG is currently undergoing refurbishment and renovation of its facilities to convert the building into a lifestyle property.

Earnings per share for the year under review stood at 0.19 cents compared with 1.60 cents 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

On 20 April 2023, the Group announced a Special and Final share dividend in the form of a distribution of treasury shares at a ratio of one (1) treasury shares for every nineteen (19) existing ordinary shares.

The proposal of dividend has been approved by the shareholders in the Annual General Meeting held on 29 May 2023. The share dividend has been credited into entitled shareholders' security account on 28 June 2023 with total distribution of 31,303,526 ordinary shares from the treasury shares account.

On 13 March 2024, the Group has proposed a bonus issue with bonus warrant on the basis 1 bonus share for every 5 existing ordinary shares held and 3 warrants for every 5 existing shares held respectively. The said exercise had on 15 April 2024, obtained the approval from Bursa Securities. Details of the corporate exercise will be announced in due course.

Corporate Milestones

Building a Stronger Resource

On 25 July 2023, JAG Berhad announced its contract with Infineon Technologies (Malaysia) Sdn Bhd ("**Infineon**"), valued at approximately RM50 million per year, and covering a period of three years. Under this contract, the Group will provide total waste management services to Infineon, managing all types of waste or by-products generated from Infineon's production activities, including scheduled waste (such as electrical and electronic waste, process-related waste and maintenance-related waste), non-scheduled waste and critical scrap.

On 13 June 2023, the Group entered into a contract with AHSB for its spent catalyst processing and treatment. The minimum total value of this three-year contract is RM27.6 million. Spent catalyst is a waste material produced from the cracking of petroleum in oil refineries.

Monetising our Property Division

On 27 July 2023, the Group disposed two (2) adjoining lands in Sungai Buloh, Selangor to TFM Holding Sdn Bhd for RM10 million.



CHAIRPERSON'S STATEMENT cont'd

Maintaining Robust 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.

Building a Sustainable Future

"Sustainability remains at the front and centre of everything that we do"

During the year, we reaffirmed our focus on Economic, Environmental, Social and Governance ("EESG") principles and our commitment to evolve sustainably and in a socially responsible manner.

As climate change continues to pose tremendous challenges across the globe and investor expectations and financial literacy mature in a rapidly changing business environment, the Group is fully aware that it plays an important role in moving the agenda forward as well as contributing to the improvement of communities, the environment and the economy.

At the core of our sustainability efforts lies our commitment to the production of secondary metals. Unlike the mining of raw materials like copper, which generates substantial carbon emissions and contributes to environmental degradation, our production processes focus on recycling and repurposing materials already in circulation. By prioritising secondary metal production, we not only reduce the demand for new resource extraction but also significantly lower our carbon footprint.

Sustainability-based initiatives across the Group have been and will remain at the forefront. 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.

Driving Ahead

According to Bank Negara Malaysia, despite the challenging global environment, the Malaysian economy is projected to expand³ by 4% - 5% in 2024. Growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, particularly in domestic-oriented sectors.

This growth performance along with other favourable economic developments would provide support to the ringgit. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives.

Measures under Budget 2024 will also provide additional impetus to economic activity. The growth outlook remains subject to downside risks stemming primarily from weaker than expected external demand as well as larger and more protracted declines in commodity production.

However, there are notable factors such as stronger-than-expected tourism activity, a stronger recovery from the E&E downcycle, and faster implementation of existing and new investment projects.

Globally, the semiconductor market is expected to experience a revival, with projections indicating a 13.1% increase, reaching a valuation of USD588 billion⁴, primarily fuelled by the memory sector. With chips playing a larger and more important role in countless products the world depends on, the long-term outlook for the semiconductor market is extremely strong, and will bode well for the Group.

With a favourable future outlook, barring unforeseen circumstances, the Group is confident that its efforts will begin to bear fruit leveraging its business strategies. As we embark on the year ahead in 2024, we assure you of our full commitment to our responsibilities with purpose and dedication.

We will remain disciplined and focused on executing our strategy as we move forward to create sustained growth and long-term value.

Appreciation

On behalf of the Board, I would like to express my gratitude to the Management and our employees for their commitment and support. My thanks also go to my fellow colleagues on the Board for their counsel and support throughout the year.

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. We will continue to ensure that the trust you place in JAG Berhad will be rewarding in the longer term.

Yours sincerely,

Datin Stacey Tan Siew Ching
Chairperson and Executive Director

³ <https://www.thestar.com.my/business/business-news/2024/03/20/malaysian-economy-to-grow-4-5-in-2024>

⁴ <https://thesun.my/business/msia-local-semiconductor-sector-to-pick-up-in-second-half-of-2024-HD12112566>



MANAGEMENT DISCUSSION AND ANALYSIS

OUR GROUP

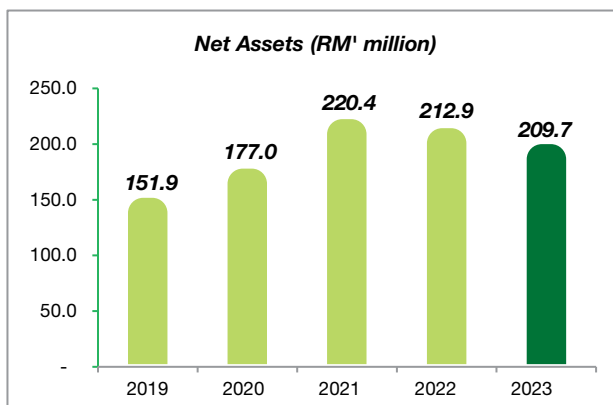
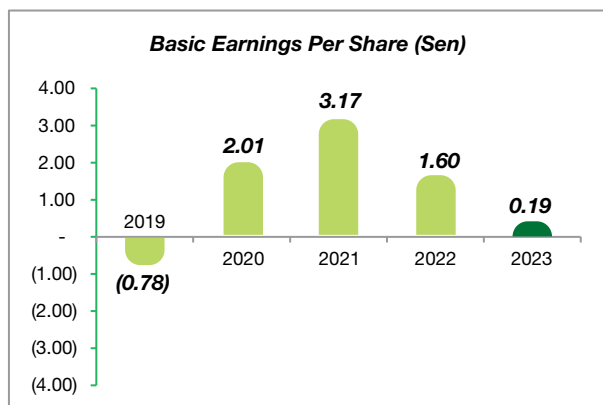
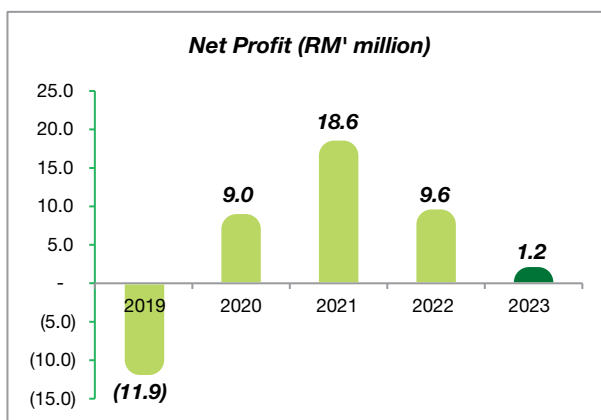
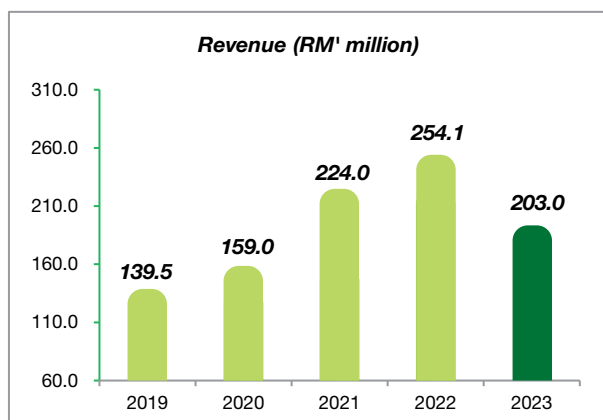
JAG Berhad (“JAG or the Company”) is a public listed company incorporated and based in Malaysia that has been listed on ACE Market of Bursa Malaysia Securities Berhad.

JAG Berhad is an investment holding company with the subsidiaries (collectively known as “the Group”) principally 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 94% of the Group’s total revenue, followed by the lifestyle services business segment, and property investment business segment.

GROUP FINANCIAL PERFORMANCE

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



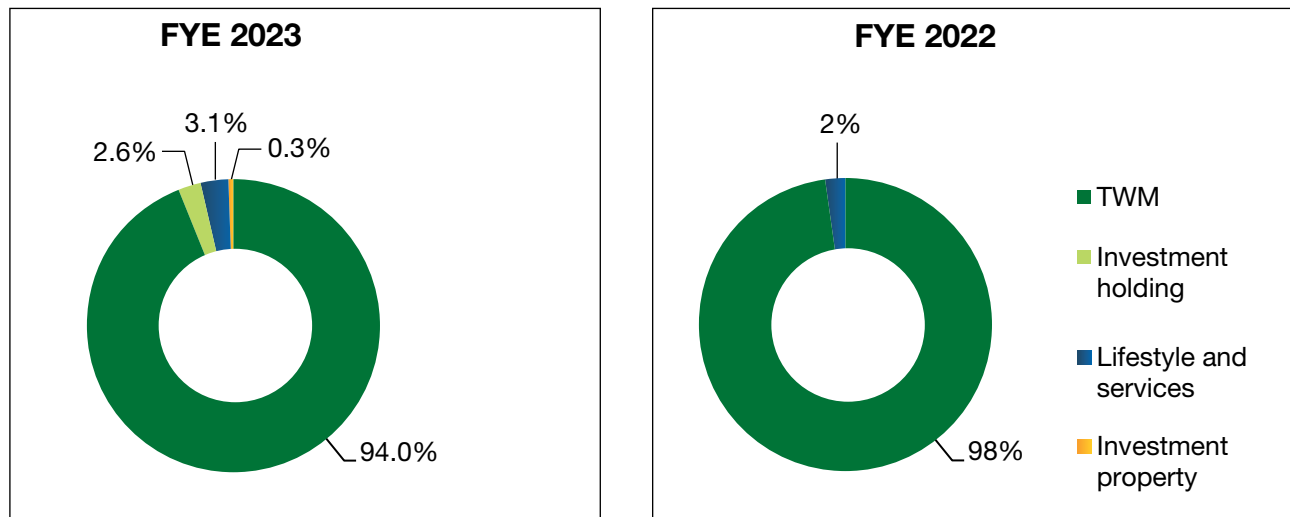
MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Revenue

In FYE 2023, JAG recorded revenue of RM203.0 million, a decreased of 20.1% compared to RM254.1 million in FYE 2022.

The breakdown of the revenue is as below:



	FYE 2023 RM'000	FYE 2022 RM'000
TWM	190,811	247,862
Lifestyle services	6,255	6,231
Investment	5,264	-
Lease rental income	628	-
	202,958	254,093

In FYE 2023, the TWM business segment, which stands as the primary revenue driver for the Group, reported a revenue of RM190.8 million. This marked a decrease of RM57.1 million or 23.0% compared to FYE 2022. The decrease was mainly due to the absence of a substantial one-off procurement agreement that the TWM business segment had entered into with Bank Negara Malaysia on 31 March 2022. This procurement agreement, which involved the sale and meltdown of cupronickel and nickel as scrap, significantly bolstered revenue in the previous financial year. With the absence of this contract in FYE 2023, the business segment experienced a substantial decrease in revenue.

However, it is worth noting that despite the decline, this business segment benefited from enhancements in production capacity and maintained its momentum in the business of e-waste recycling in FYE 2023. Furthermore, the TWM business segment secured two (2) new major procurement and services contracts during the financial year, indicating strong prospects in FYE 2024 in respect of the performance of the business segment.

The lifestyle services business segment, which includes our coin-operated laundry business and retail sales and manufacturing of gelato products, recorded a slight revenue increased from RM6.2 million in the FYE 2022 to RM6.3 million in FYE 2023.

The revenue generated by the investment holding business segment primarily stems from the disposal of investments held.

Additionally, lease rental income totaling RM0.6 million was derived from the property investment business segment. This revenue stream was augmented by the completion of the acquisition of Wisma JAG in Taman Desa, Kuala Lumpur at the beginning of FYE 2023.



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Net Profit/(Loss)

The summary of net profit/(loss) of business segment as follows:

	FYE 2023 RM'000	FYE 2022 RM'000
TWM	6,614	15,736
Lifestyle services	(1,704)	(2,540)
Investment	218	(2,319)
Property	(3,958)	(1,248)
	1,170	9,629

The Group's net profit for FYE 2023 amounted to RM1.2 million, marking a decline of 87.8% compared to FYE 2022, due to the decrease in revenue generated from the TWM business segment. The impact of lower commodity prices, particularly tin and nickel, which are the key commodities traded by the business segment, further reduced the profitability of the business segment.

On a brighter note, the lifestyle services business segment successfully narrowed its loss, improving from RM2.5 million in 2023 to RM1.7 million in FYE 2023. This turnaround is attributed to several strategic initiatives implemented within the segment, particularly within the retail and gelato business.

The investment holding business segment reported a net profit in FYE 2023 compared to net loss in FYE 2022. This was due to the disposal of investments during the financial year as well as recognition of fair value of quoted investments held by the business segment.

The significant loss for the property investment and development business segment was due to the interest of borrowing, operating expenses related to investment property and staff cost, among others.

TOTAL ASSETS AND LIABILITIES

The Group's total assets as at FYE 2023 increased by 17.5% or RM45.7 million to RM306.6 million compared with RM260.9 million in FYE 2022. The increase was mainly due to the completion of acquisition of Wisma JAG during the financial year.

In respect of total liabilities, the Group recorded RM96.9 million of liabilities in FYE 2023 compared with RM47.9 million in FYE 2022. The increase in liabilities was in line with the acquisition of Wisma JAG which was financed by term loan.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2023, the Group reported a negative balance in cash and cash equivalents, totaling RM12.5 million, in contrast to a positive balance of RM11.9 million in the FYE 2022. This negative position primarily comprises outstanding bank overdrafts as at 31 December 2023.

Additionally, the Group's bank borrowings surged from RM14.6 million to RM58.7 million, attributable to the drawdown of bank borrowings to fund the acquisition of Wisma JAG during the financial year.

The Group's capital expenditure ("CAPEX") for FYE 2023 was approximately RM9 million and was financed by internally generated funds as well as bank borrowing if required. CAPEX is largely driven by the production capacity demand, upgrade of production and processes as well as refurbishment and renovation incurred for Wisma JAG.

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.

¹ <https://eswis.doe.gov.my/>

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

In respect of market position, JMI is the one of the market leader in the e-waste (SW110) recovery business in Malaysia². JMI is also one (1) of eighteen (18) recycling companies in Malaysia with full recovery facility license awarded by the Department of Environment (DOE) (License No. 003685) . 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 disposed the non-valuable waste to local construction material companies for transformation into valuable raw materials for cement production. This innovative approach not only extends the usefulness of waste materials but also contributes to a reduction in landfill usage, reflecting the company's commitment to environmental stewardship and resource efficiency.

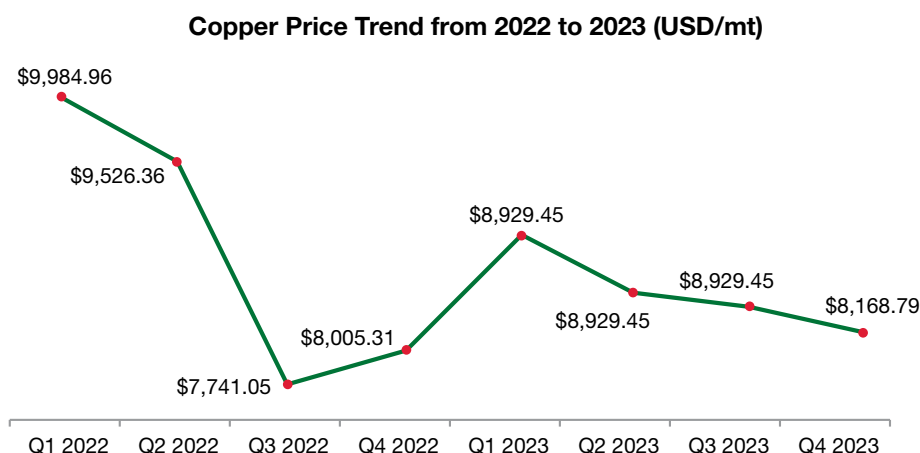
Furthermore, JMI conducts routine evaluations of its production efficiency to ensure optimal performance. In recent years, the company made refinements to its major production processes, with the goal of minimising waste by way of downstream refinery to maximise the output. Additionally, JMI continually 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	ISO 14001:2015	ISO 45001:2018
Certification of quality management system for the trading, processing and recovery of ferrous, non-ferrous and precious metals	Certification of environmental management system for the trading, processing and recovery of ferrous, non-ferrous and precious metals	Certification of health and safety for the trading, processing and recovery of ferrous, non-ferrous and precious metals

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 during the year under review. 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 2023 was predominantly generated from export markets, with 85% 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 2022 and 2023 are illustrated below:-

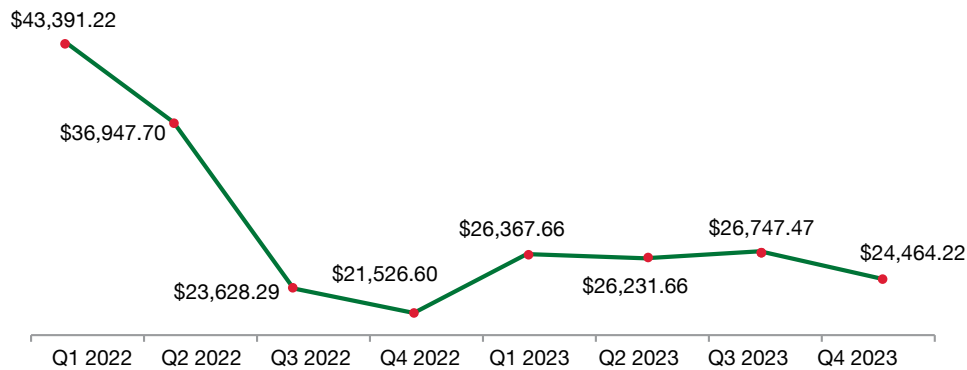


² Based on market study by Providence Strategic Partners Sdn Bhd dated 30th May 2022

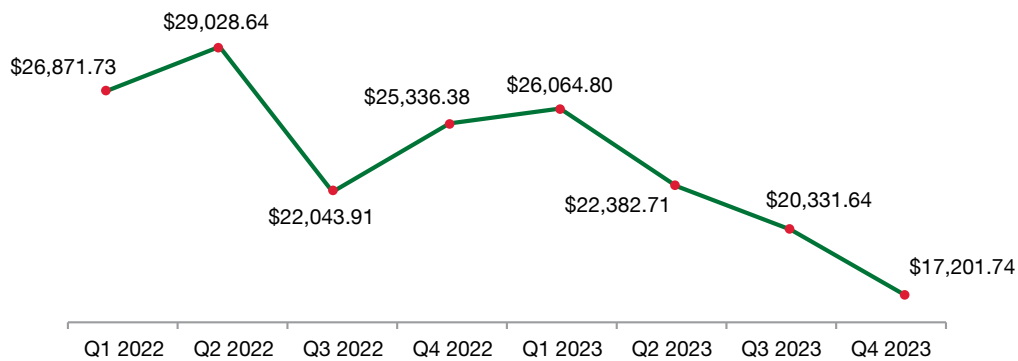


MANAGEMENT DISCUSSION AND ANALYSIS cont'd

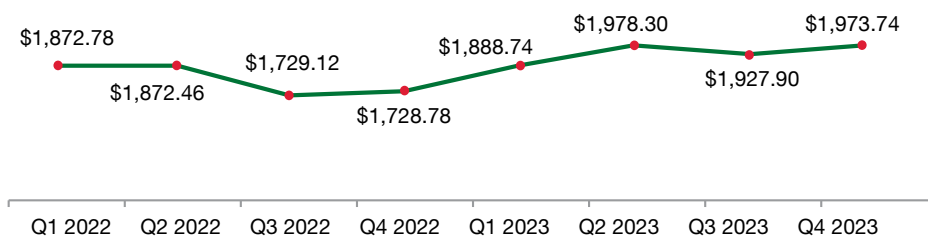
Tin Price Trend from 2022 to 2023 (USD/mt)



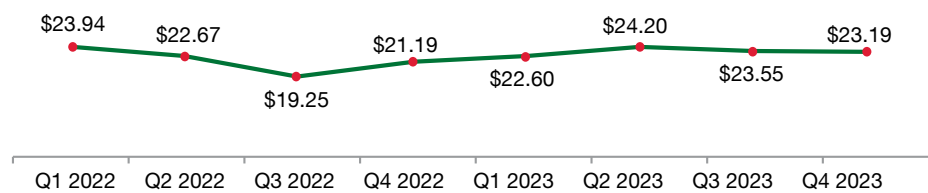
Nickel Price Trend from 2022 to 2023 (USD/mt)



Gold Price Trend from 2022 to 2023 (USD/Ozt)

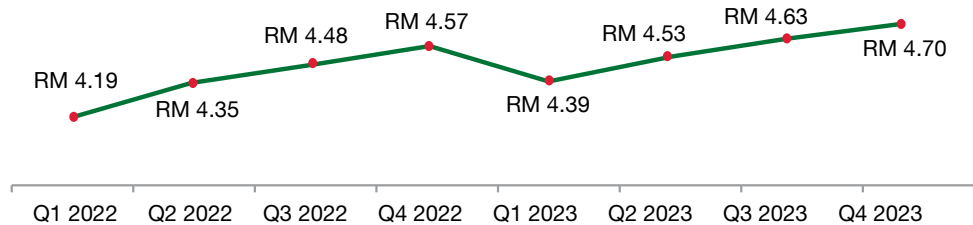


Silver Price Trend from 2022 to 2023 (USD/Ozt)



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Exchange Rate from 2022 to 2023 (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.

The business segment underwent recovery in FYE 2022 and FYE 2023 as business operations were severely disrupted by the pandemic. The recovery of the launderette business is encouraging with no significant disruption to the business model.

Although the market conditions are highly competitive, JAGN remains confident that its competitive advantages enables the company to create significant value. JAGN's spacious and clean launderette environment, well-maintained laundry equipments, and proactive support from its principal, contributes to and enhances its performance.

JAG Scoops Sdn. Bhd. (“JAGS”)

The Company operated as a manufacturer and retailer for gelato and its related products carrying the trade name of “**Frost n Bites**”.

JAGS has initiated a comprehensive restructuring process since fully acquiring the subsidiary in FYE 2022. With a focus on short-term turnaround, the organisation has implemented various impactful practices and strategies. These include rebranding concepts and products to resonate better with consumers, establishing an in-house R&D department to drive innovation, overhauling production SOPs and processes for better efficiency, discontinuing non-performing outlets, optimising manpower planning, and consistently introducing new products and flavors to keep offerings fresh and exciting.

These concerted efforts has yielded favorable results, as evidenced by the notable reduction in losses during FYE 2023 compared to FYE 2022. It is a testament to the effectiveness of the strategies and the dedication of the team involved in the transformation process.

As at LPD, JAGS maintained six (6) outlets as follows:-

- Pavilion Kuala Lumpur
- Sunway Pyramid
- Sunway Velocity (Ground Floor)
- Pavilion Damansara Heights
- One Utama
- Cheras Leisure Mall

As part of the expansion strategy of the business segment, the management has set a target to introduce ten (10) outlets in two (2) years to achieve better economic of scale. This strategy has been backed by the research from MIDF which showcases that the retail trade in Malaysia will grow by 7.5% in 2024 on the back of resilient consumer demand, amid a healthy labour market and softening inflation pressure³.

³ <https://theedgemaalaysia.com/node/697085>



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

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 (“**JAGE**”).

The management is cautiously optimistic of the property development market in Malaysia. Factors such as higher interest rate, rising construction cost especially in building materials⁴ and others, drove the management to maintain the position of JAG Land and JAG Development with the land held to be remained for investment purposes. Concurrently, other options are being analysed to determine their suitability in the current market with the aim to monetise the capital incurred.

For JAG Eco, the Company had entered into a Sale and Purchase Agreement in FYE 2023 for the disposal of land held at RM10 million. As at LPD, the transaction is currently pending for fulfillment of condition precedents set out in the Sale and Purchase Agreement and is expected to be completed in July 2024.

For JAG Prop, the Company completed the acquisition of Wisma JAG, a twelve and half storey office building during the financial year. Wisma JAG is situated in the bustling commercial hub of Taman Desa, Kuala Lumpur, which represents numerous leasing opportunities for the Company.

Throughout the year, significant efforts have been made to refurbish the office building to enhance its appeal and functionality. This includes replacing the elevator system, upgrading the air conditioning system, renovating the building exterior, landscaping and more. These renovations are part of an ongoing process aimed at modernising and optimising Wisma JAG’s facilities to better serve the tenants and maximise returns to our stakeholders.

The list of property and investment properties are listed in page 158 in this 2023 Annual Report.

Prospects and Moving Forward

We are optimistic confident that 2024 will be a better year though we are mindful that the year ahead may be impacted by heightened external forces, mainly macroeconomic and geopolitical uncertainties.

In FYE 2023, the TWM business segment secured two (2) major business contracts, commencing in the latter part of the third and fourth quarters of FYE 2023, respectively. Collaborating closely with suppliers, operations teams and other stakeholders, the business segment is diligently streamlining processes and procedures, as well as optimising production, to maximise the benefits derived therein. The management anticipates that these ongoing contracts will contribute to the Company’s growth in the forthcoming year.

In addition, TWM business segment is exploring into recovery of critical precious metal from waste stream from oil and gas industries. In line with this strategy, the business segment is actively seeking out technologies and potential partners to advance this endeavor, both domestically and internationally.

Amidst the backdrop of the ongoing trade tensions between the US and China, Malaysia has emerged as an unexpected triumph in the global semiconductor industry⁵, capturing a 13% share of the global market for chip packaging, assembly and testing⁶. This development further bolsters the prospects of the TWM business division, which the business segment heavily relies on its supply chain supported by the Electronics and Electrical (“**E&E**”) industry participants and semiconductor sector in Malaysia.

Furthermore, forward-thinking governmental policies, coupled with robust support from regional authorities and strategic partners, have cultivated a resilient ecosystem conducive to the thriving semiconductor industry. This favourable environment not only presents ample opportunities for the Group but also positions it to ascend to new heights of growth and success.

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). In the optimistic context of 2024, we anticipate a favorable uptrend in precious metal prices. Leveraging our existing inventory, we are poised to capitalise on this trend and maximise profitability.

⁴ <https://themalaysianreserve.com/2024/02/13/cautious-optimism-for-2024-property-market/>

⁵ <https://theedgemalaysia.com/node/704531used,contain%20at%20least%2060%25%20nickel>

⁶ <https://www.cnn.com/2024/04/04/malaysia-emerges-as-a-hotspot-for-chip-firms-amid-us-china-tech-war.html>

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

On the operations side, we have allocated for expansion and CAPEX to the tune of RM10 million.

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

For JAGS, the process of reformation and turnaround remains in progress. The Company is ambitiously aiming to invest a minimum of three new outlets during the FYE 2024, as part of its overarching objective.

Nevertheless, the Group will continue to emphasise 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



PROFILES OF THE BOARD OF DIRECTORS

DATIN STACEY TAN SIEW CHING

Chairperson and Executive Director

Malaysian, aged 55, Female

Date of appointment as Director

15 March 2011

Length of service as director since appointment (as at LPD)

13 years

Board Committee(s) Membership

Member of Sustainability and 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 2023.

DATO' NG MEOW GIAK

Executive Director

Malaysian, aged 52, Male

Date of appointment as Director

5 December 2013

Length of service as director since appointment (as at LPD)

10 years 3 months

Board Committee(s) Membership

Member of Sustainability and 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 26 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 four (4) out of five (5) Board of Directors' Meetings of the Company held in the FYE 2023.



PROFILES OF THE BOARD OF DIRECTORS cont'd

ROY THEAN CHONG YEW

Non-Independent Non-Executive Director

Malaysian, aged 53, Male

Date of appointment as Director

18 October 2010
Re-designated as the non-Independent Non-Executive Director on 31 May 2023

Length of service as director since appointment (as at LPD)

13 years 5 months

Board Committee(s) Membership

- Chairman of Sustainability and Risk Management Committee
- Member of Audit Committee (*Re-designated on 31 May 2023*)

Academic/Professional Qualification(s)

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

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

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

Working experience

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

With over 29 years of working experience in local and international professional services firms, Mr. Roy Thean has been involved in rendering a wide and diverse range of professional services to public listed companies and multinational and large national enterprises. His work encompasses a wide range of professional services with his core practice being in corporate finance and advisory work for transaction support services including business valuations, financial due diligence, preparation of business plans and financial modeling, internal control and business risk review, corporate governance, risk management, merger/acquisition related services, internal and external auditing.

Time committed

Mr. Roy Thean attended all the five (5) Board of Directors’ Meetings of the Company held in the FYE 2023.

DATUK MD. HASSIM BIN PARDI

Non-Independent Non-Executive Director

Malaysian, aged 72, Male

Date of appointment as Director

26 August 2011
Re-designated as the non-Independent Non-Executive Director on 25 August 2023

Length of service as director since appointment (as at LPD)

12 years 7 months

Board Committee(s) Membership

Member of Nomination and Remuneration Committee

Academic/Professional Qualification(s)

- 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

Sin-Kung Logistics Berhad

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 34 years’ tenure, he had held the position as the State Customs Director in the states of Perlis, Melaka and Sarawak for 11 years.

Time committed

Datuk Md. Hassim attended all the five (5) Board of Directors’ Meetings of the Company held in the FYE 2023.



PROFILES OF THE BOARD OF DIRECTORS cont'd

EWE CHUAN SENG

Senior Independent Non-Executive Director

Malaysian, aged 68, Male

Date of appointment as Director

13 August 2014

Length of service as director since appointment (as at LPD)

10 years and 2 months

Previous Appointment: 7 months

03.11.2010 to 20.06.2011

Current Appointment: 9 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 and Remuneration Committee
- Member of Audit Committee
- Member of Sustainability and 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 2023.



PROFILES OF THE BOARD OF DIRECTORS cont'd

HONG CHEONG LIANG

Independent Non-Executive Director

Malaysian, aged 45, Male

Date of appointment as Director

31 May 2023

Length of service as director since appointment (as at LPD)

10 months

Board Committee(s) Membership

- Chairman of Audit Committee (*Appointed on 31 May 2023*)
- Member of Nomination and Remuneration Committee (*Appointed on 31 May 2023*)
- Member of Sustainability and Risk Management Committee (*Appointed on 31 May 2023*)

Academic/Professional Qualification(s)

- Honours degree in Bachelor of Management, Universiti Tun Abdul Razak
- Masters of Business (Major in Accounting), University of South Australia

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

- A-Rank Berhad
- Kumpulan Jetson Berhad

Working experience

Mr. Hong is a member of Malaysian Institute of Accountants, Certified Practising Accountants of Australia and a chartered member of Institute of Internal Auditors Malaysia. He graduated from the Universiti Tun Abdul Razak with a Bachelor of Management (Hons), major in entrepreneurship in 2002 and University of South Australia, Australia with Masters of Business, major in accounting in 2004.

He started his professional career with Messrs. Russell Bedford LC & Company after graduation. In 2008, he joined a boutique investment advisory firm as an Assistant Vice President where he garnered his corporate finance and management experiences. He is well exposed in corporate advisory and corporate governance across a spectrum of industries of various types of companies. Further, he was involved in the internal audit review and risk management planning and assessment of numerous public listed companies on Bursa Malaysia Securities Berhad.

Time committed

Mr. Hong attended all the two (2) Board of Directors' Meetings during his tenure.



PROFILES OF THE BOARD OF DIRECTORS cont'd

MAZNIDA BINTI MOKHTAR

Independent Non-Executive Director

Malaysian, aged 57, Female

Date of appointment as Director

1 April 2024

Length of service as director since appointment (as at LPD)

N/A

Board Committee(s) Membership

Member of Audit Committee (Appointed on 1 April 2024)

Academic/Professional Qualification(s)

- Bachelor of Science in Economics (Honours), London School of Economics and Political Science, United Kingdom
- Qualified as ACA with The Institute of Chartered Accountant in England and Wales
- Member of the Malaysian Institute of Accountants

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

- DS Sigma Holdings Berhad
- QES Group Berhad

Working experience

Puan Maznida began her career with Ernst & Young at their London office in 1990 as an Audit Assistant where she was mainly responsible for audit planning, resolving audit issues and consolidation and review of statutory accounts. Subsequently in 1994, she returned to Malaysia and joined AmMerchant Bank Berhad. She served in the Privatisation and Project Advisory Unit where she was involved in advising companies on infrastructure projects. In 1996, she left AmMerchant Bank Berhad and co-founded the Skali Group of Companies and served as the Chief Financial Officer where she was responsible for the strategic direction and overall finance function of Skali Group. In December 2019, she resigned as the Chief Financial Officer of Skali Group. She has over 30 years of working experience in the accounting and finance sector.

Time committed

Not applicable

Notes:-

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

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries; and
- 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 55, Female

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

Dato' Ng Meow Giak

Executive Director

Malaysian, aged 52, Male

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

Dato' Ng Aik Kee, Thomas

Managing Director, JMI

Malaysian, aged 54, Male

Date first appointed to the key senior management position

1 January 1998

Academic/Professional Qualification(s)

Upper secondary education, Form 5 in Malaysia.

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

Dato' Thomas Ng does not hold any other directorship in other public companies or public listed companies, but he sits on the Board of several private companies.

Family relationship with any Director and/or major shareholder of the Company

- Dato' Thomas Ng is a major shareholder of the Company effective from 10 December 2013.
- He is the brother to Dato' Ng Meow Giak, who is an Executive Director of the Company.

Working experience

Dato' Thomas Ng joined JMI since 1 January 1998 and has over 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has neither any convictions for offences 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 48, 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 Practicing 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has neither any convictions for offences 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 53, 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has neither any convictions for offences within the past five (5) years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

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



PROFILES OF KEY SENIOR MANAGEMENT cont'd

Kek Beng Soon

Financial Controller, JAG Berhad

Malaysian, aged 36, 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has neither any convictions for offences 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
3.	ESG Committee	Member of ESG Committee <i>[reporting to the Sustainability and Risk Management Committee]</i>



PROFILES OF KEY SENIOR MANAGEMENT cont'd

Ng Seng Teik

Project Director, JAG Land Sdn. Bhd.

Malaysian, aged 48, Male

Date first appointed to the key senior management position

2 November 2015

Academic/Professional Qualification(s)

Mr. ST Ng graduated from University of Hertfordshire, United Kingdom with a Bachelor of Civil Engineering in year 1999.

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

Mr. ST Ng does not hold any other directorship in other public companies or public listed companies.

Family relationship with any Director and/or major shareholder of the Company

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

Working experience

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

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

Disclosure on Conflict of Interest and Convictions for Offences (if any):-

He has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has neither any convictions for offences 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 2023 (“FYE 2023”), which are available for public access on the Company’s corporate website at:-

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

The CG Report 2023 provides the detailed explanations on how JAG has applied each Practice as set out in the MCCG during the FYE 2023 and/or up to 1 April 2024, 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 style="text-align: center;">Practice 1.1</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">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 the newly created “Sustainability and Risk Management Committee (“SRMC”)” with effect from 1 April 2024. 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>Practice 5.8</p> <p>Nomination Committee is chaired by an independent or senior independent director</p>	<ul style="list-style-type: none"> Mr. Ewe Chuan Seng (“Mr. Ewe”), the Senior INED, remained the Chair of the newly merged “Nomination and Remuneration Committee (“NRC”)” with effect from 1 April 2024. Mr. Ewe has been designated and remained as the contact person to whom shareholders may raise their concern.
<p>Practice 6.1</p> <p>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 NRC 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 and Remuneration Committee and be documented by the Company Secretary.

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 and Remuneration Committee (“**NRC**”), and Sustainability and Risk Management Committee (“**SRMC**”).

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.

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



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

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 2023, 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 2023 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 2023 and provided guidance to ensure that the assumptions made were realistic and applicable to the Group.

ii) Service Agreement Entered Into Between Jaring Metal Industries Sdn. Bhd. ("JMI") and Atreon Holdings Sdn. Bhd. (Formerly Known As Sumisaujana Sdn. Bhd.)

JMI, a wholly-owned subsidiary of the Company, has on 13 June 2023, entered into a Service Agreement ("**Agreement**") with Atreon Holdings Sdn Bhd (formerly known as Sumisaujana Sdn. Bhd.) ("**AHSB**"), for the purpose of appointing JMI as a Services Partner of AHSB for the Spent Catalyst processing and treatment at JMI's facilities in Malaysia.

iii) Total Waste Management Services Agreement Entered Into Between JMI and Infineon Technologies (Malaysia) Sdn. Bhd.

JMI has entered into a Total Waste Management Services Agreement ("**Agreement**") with Infineon Technologies (Malaysia) Sdn. Bhd. ("**Infineon**"). Under the Agreement, JMI will be providing total waste management services to Infineon, where JMI will manage all types of waste or by-products generated from Infineon's production activities, including scheduled waste (such as electrical and electronic waste, process-related waste and maintenance-related waste), non-scheduled waste and critical scrap. The Agreement is for a period of three (3) years commencing from 1 August 2023 and is valued at approximately RM50 million per year.

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 Investment and 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 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 2023 Annual Report.



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*

(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.

On 1 April 2024, the Board has formally established its oversight on sustainability (covering ESG matters) by enhancing the oversight function of the Risk Management Committee to “**Sustainability and Risk Management Committee** (“SRMC”)”.

In view that Bursa Securities has rolled out the enhanced sustainability reporting framework which was applicable to listed corporations for the financial year ended 31 December 2023, it would be apt for a dedicated SRMC to assist the Board with the oversight of the sustainability practices, policies and procedures established by Management.

During the FYE 2023, the SRMC 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 NRC, is responsible for the succession planning of the Directors of the Company and the Group.

On 1 April 2024, the Board has approved the merger of the Nomination Committee and Remuneration Committee into NRC in order to improve the efficiency and effectiveness of the Board Committees by ensuring a co-ordinated response to common issue such as the election/ re-election of Directors together with the associated remuneration framework, the training needs of the Directors together with the allocated budget and etc.

As previously disclosed, 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.

Guided by the Sustainability Reporting Guide issued by Bursa Securities for listed companies, the Board is committed to embed sustainability in its business operations, as well as strive to improve the quality of sustainability disclosures.

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.



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

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 MCCG 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.

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 40% 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.

The Company has applied the recommendation of Practice 1.4 of the MCCG whereby the Chairman/ Chairperson of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

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 2023**, which are available for viewing on the Company's corporate website at www.jagb.com.my.

For FYE 2023, the Company Secretaries had attended the relevant continuous professional development programmes as required by MAICSA and Companies Commission of Malaysia ("CCM") for practising company secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by MAICSA and CCM, respectively.

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 2023, the Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions.



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

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 2024.

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

6. Board Charter *cont'd*

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.

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 NRC 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 NRC and the Board had been guided by the said Policy in evaluating and considering the re-election of Mr. Roy Thean, Datuk Md. Hassim Bin Pardi, Mr. Hong Cheong Liang and Puan Maznida Binti Mokhtar as the Directors of the Company (“**Retiring Directors**”) at the forthcoming Twenty-Sixth Annual General Meeting of the Company (“**26th AGM**”).

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

Upon evaluation, the NRC 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 26th AGM.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

8. Code of Ethics and Conduct

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

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

The guiding principles of the Code are as follows:-

- (i) Show respect in the workplace:-
 - Equal Opportunity
 - Anti-Harassment
 - Human Rights
 - Ensuring Workplace Health and Safety
 - Protection of Privacy
 - Use of Company’s Assets with Due Care
 - Leading by Example
 - Continuous Training and Development

- (ii) Act with integrity in the marketplace:-
 - Ensuring Products’ Quality, Safety and Reliability
 - Responsible Sales and Marketing Practices
 - JAG’s Customers
 - JAG’s Suppliers
 - Community Involvement
 - Environmental-Friendly Practices

- (iii) Ensure ethics in business relationships:-
 - Conflict of Interest
 - Anti-Corruption
 - Anti-Money Laundering
 - Insider Trading

- (iv) Ensure effective communication:-
 - Corporate Disclosure
 - Spokesman
 - Whistleblowing

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

I. BOARD RESPONSIBILITIES *cont'd*

8. Code of Ethics and Conduct *cont'd*

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.

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

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

AC Chairman

Mr. Hong Cheong Liang at email address: hcl.cpa@gmail.com

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

(1) ED (JAG Group)

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

(2) ED (TWM Division)

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

(3) Head of Human Resources

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

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

Senior INED

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

For FYE 2023, none of the designated persons received any report or concerns vide the abovementioned communication and feedback channels.



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”)

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

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

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

Name	Designation
Mr. Hong Cheong Liang	Independent Non-Executive Director
Mr. Ng Yaw Long	Operation Director, JMI

11. Trainings attended in relation to Sustainability issues

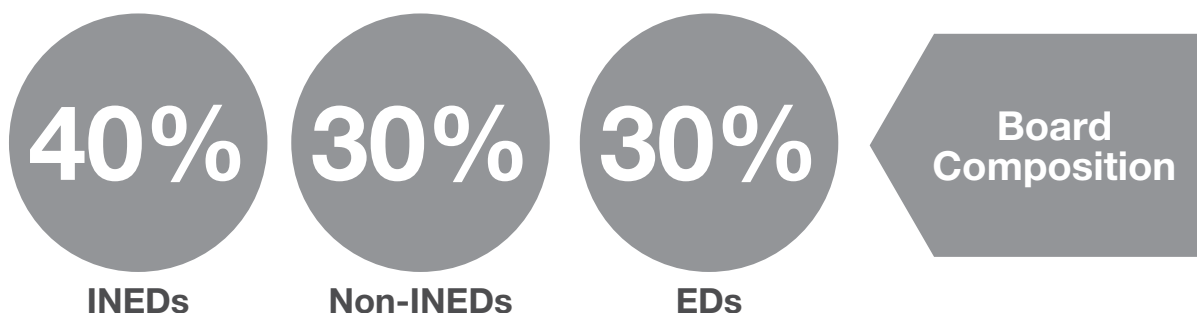
The Board, through the NRC, assesses the training programmes attended by each Director during the FYE 2023 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.

The key sustainability training programme(s) attended by each Director in FYE 2023 are found in this “**Corporate Governance Overview Statement**” section of our 2023 Annual Report.

II. BOARD COMPOSITION

1. Size and Composition of the Board

As at the date of this Statement, the Board comprises seven (7) members, three (3) of whom or 40% are INEDs, two (2) or 30% are Non-INEDs and two (2) or 30% are the EDs which is compliance with the Rule 15.02(1) of the ACE LR whereby at least 2 directors or one third (1/3) of the Board of Directors are independent directors.





CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

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

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

2. Tenure of Independent Directors

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

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

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

Mr. 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. Ewe's professional qualification and experience (*as illustrated in the profile of Director of Mr. Ewe in the 2023 Annual Report*), he has held illustrious career in his field.

Prior to making recommendation to the shareholders at the AGM on the retention of Mr. Ewe as INED of the Company, the Board had vide the NRC, assessed the independence of Mr. Ewe, and regarded him to be independent, based on the following justifications:-

- He has fulfilled the criteria under the definition of an Independent Director pursuant to the ACE LR;
- He is able to exercise independent judgement and act in the best interests of the Company;
- There is no potential conflict of interest that Mr. Ewe could have with the Company as he has 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 his role as INED; and
- Notwithstanding of his more than nine (9) years on the board, he remain impartial and actively voice out their opinions, challenges Management's assumptions and provide sound advices to the Board/ Management where relevant.

With his 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. Ewe remained on Board as INED.

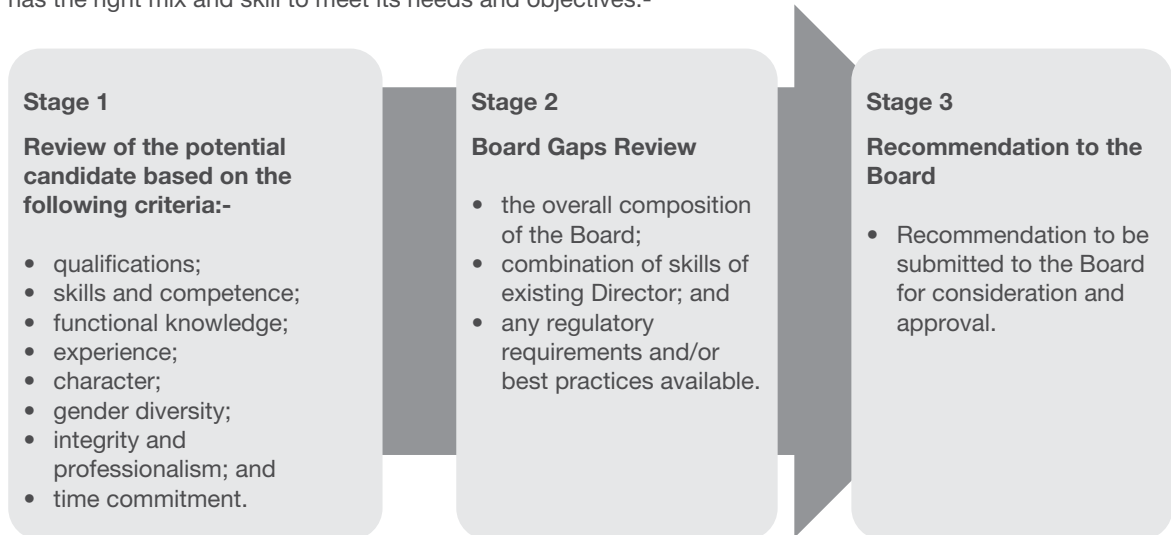
CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

3. Procedures for Appointment of Directors

The NRC 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.

Mr. Hong Cheong Liang and Puan Maznida Binti Mokhtar were appointed as the INEDs on 31 May 2023 and 1 April 2024 respectively. The Board, having reviewed the skillset, expertise and experience of Mr. Hong and Puan Maznida, and approved the appointment of Mr. Hong and Puan Maznida.

There were no new Key Senior Management personnel appointed to the Company and the Group during the financial year under review.

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:-



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

4. Boardroom Diversity *cont'd*

Ethnicity Diversity

Datuk Md. Hassim Bin Pardi and Puan Maznida Binti Mokhtar, the INEDs of Malay ethnicity, serving as a member of the NRC and AC.

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 forties (40) to sixties (60) years of age, which underlies the Board's commitment to age diversity at the Board level appointment.

Gender Diversity

Datin Stacey Tan, a female ED, has been elected as the Chairperson to lead the Board as well as Puan Maznida Binti Mokhtar, a female of INED.

As at the date of this Statement, the Board comprises two (2) female Directors, equivalent to 28.5% 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 NRC 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.

- ***NRC***

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

The Chairman of the NRC led the NRC 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 2023.

The Chairman of the NRC is responsible to lead the NRC 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NRC** *cont'd*

As at the date of this Statement, the NRC comprises majority of INEDs and the composition of the NRC is as follows:-

Name	Designation	Directorate
Ewe Chuan Seng	Chairman	Senior INED
Datuk Md. Hassim Bin Pardi	Member	Non-INED
Hong Cheong Liang <i>(appointed w.e.f. 31 May 2023)</i>	Member	INED
Roy Thean Chong Yew <i>(Ceased w.e.f. 31 May 2023)</i>	Member	Non-INED

The NRC is governed by its Terms of Reference of NRC 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 NRC during FYE 2023:-

- (i) Reviewed and confirmed the Minutes of the preceding NRC 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 2022 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.
- (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 INEDs of the Company whose tenure of an independent Director had attained a cumulative term of more than nine (9) year term limit.
- (xi) Reviewed the training programmes attended by the Directors in year 2022 and identified the training needs of the Directors for FYE 2023.
- (xii) Assessed the suitability of the Director(s) who will be standing for the re-election at the 25th Annual General Meeting of the Company held in 2022 and recommended the same to the Board for approval.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NRC** *cont'd*

b) **Time Commitment by Directors**

The NRC 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 2023 was as follows:-

General Meetings

Name of Directors	Number of Meetings Attended/Held	%
Datin Stacey Tan Siew Ching (<i>Chairperson</i>)	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 (<i>Chairperson</i>)	5/5	100.00
Dato' Ng Meow Giak	4/5	80.00
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
Mr. Hong Cheong Liang (<i>appointed w.e.f. 31 May 2023</i>)	2/2	100.00

NC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Mr. Ewe Chuan Seng (<i>Chairman</i>)	2/2	100.00
Mr. Roy Thean Chong Yew (<i>ceased w.e.f. 31 May 2023</i>)	2/2	100.00
Datuk Md. Hassim Bin Pardi	2/2	100.00
Mr. Hong Cheong Liang (<i>appointed w.e.f. 31 May 2023</i>)	N/A	N/A

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **NRC** *cont'd*

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

The meeting attendance of the Board and Board Committees during FYE 2023 was as follows:-
cont'd

RC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Mr. Ewe Chuan Seng (<i>Chairman</i>) (<i>Re-designated w.e.f. 25 August 2023</i>)	2/2	100.00
Datuk Md. Hassim Bin Pardi (<i>Member</i>) (<i>Re-designated w.e.f. 25 August 2023</i>)	2/2	100.00
Mr. Roy Thean Chong Yew (<i>Ceased w.e.f. 31 May 2023</i>)	2/2	100.00
Mr. Hong Cheong Liang (<i>Appointed w.e.f. 31 May 2023</i>)	N/A	N/A

RMC Meetings

Name of Directors	Number of Meetings Attended/Held	%
Mr. Roy Thean Chong Yew (<i>Chairman</i>)	3/3	100.00
Datuk Md. Hassim Bin Pardi (<i>Ceased w.e.f. 31 May 2023</i>)	2/2	100.00
Mr. Ewe Chuan Seng	3/3	100.00
Datin Tan Siew Ching	3/3	100.00
Dato' Ng Meow Giak	3/3	100.00
Mr. Hong Cheong Liang (<i>appointed w.e.f. 31 May 2023</i>)	1/1	100.00

The attendance of AC Meetings held during FYE 2023 is stated in the **AC Report** in this 2023 Annual Report.

Upon review, the NRC 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 2023.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- *NRC cont'd*

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.

All members of the Board had attended the Mandatory Accreditation Programme (“MAP”) - Part I prescribed by Bursa Securities.

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

Dates	Description of Training Programmes
Datin Tan Siew Ching	
12/03/2023	Modernising Data Governance – What Should Board Focus On Now?
11/09/2023 and 12/09/2023	Introduction to Corporate Directorship In The New Era of ESG
02/11/2023	A Delicate Balance – Board & Management Relationship
05/12/2023	Chairman’s Masterclass: Driving Sustainability From The Chair
Dato’ Ng Meow Giak	
27/02/2023	Implementation of National Study – Low Carbon Mobility Development 2021 (Carbon Footprint)
09/08/2023	Invitation of Focus Group Discussion on the Implementation of National Study – Low Carbon Mobility Development Plan 2021 (Carbon Footprint)
Mr. Roy Thean Chong Yew	
13/03/2023	Bursa Malaysia Immersive Session - The Board “Agender”
30/03/2023	Rise of the Chatbots: Artificial Intelligence and the Future of Accounting
13/06/2023 and 14/06/2023	MIA International Accountants Conference 2023
13/09/2023 and 14/09/2023	Mandatory Accreditation Programme Part II - Leading for Impact
20/11/2023	ESG Brief - Sustainability Reporting Awareness & Development 2023
28/11/2023	Russell Bedford Malaysia’s 2024 Budget Seminar



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- *NRC cont'd*

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

Based on the training needs identified by the NRC for the Directors as at LPD, the Directors had participated in the following training programmes:- *cont'd*

Dates	Description of Training Programmes
Mr. Ewe Chuan Seng	
05/12/2023	Appellate Advocacy
21/12/2023	Role and Duties of Private Liquidators
Datuk Md. Hassim Bin Pardi	
28/08/2023 to 30/08/2023	Mandatory Accreditation Programme (MAP)
Mr. Hong Cheong Liang	
07/02/2023	Effective delegation (110947471) - Online
08/03/2023	2023 Budget Webinar
20/03/2023	Positive Psychology at Work
21/03/2023	Why data automation is essential for business growth
22/03/2023	Will & Inheritance – Protecting your assets and your heirs
13/06/2023 and 14/06/2023	MIA International Accountants Conference 2023
15/06/2023	Managing the Bottom Line - Taking the Pain Out of Expense Management
19/06/2023	Overview and implications of game-changing ChatGPT
09/08/2023	Complimentary Webinar: Unlocking Time for Strategic Focus with Cloud Solutions
25/10/2023 and 26/10/2023	Mandatory Accreditation Programme Part II - Leading for Impact
8/11/2023	2024 Budget Seminar
01/12/2023	Ethics Webinar: The Mucky & Murky Sea of Ethics for Internal Audit Navigators

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 NRC concluded that the directors' trainings during FYE 2023 were adequate.

2024 Training Needs of the Directors

During the Applicable Period, the NRC had conducted a review of the training needs of the Directors for the financial year ending 31 December 2024 ("**FYE 2024**"). Upon review, the NRC would encourage the Directors to attend more than one (1) continuing education programme in year 2024, 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.

The Board also encouraged its members to attend the MAP Part II - Leading for Impact, if time permitted and slot(s) were available.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

5. Board Committees *cont'd*

- **RC**

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2023 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 2023 are stated in the **AC Report** of this Annual Report.

- **SRMC**

The membership of the SRMC 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 2023, 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 2022:-

(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 2023, 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 2023, the NC is satisfied with the performance of the individual Directors for FYE 2022.

(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 2023, 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;



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

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

In FYE 2023, 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 2022:-*cont'd*

(ii) Evaluation on the effectiveness of the Board and Board Committees *cont'd*

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

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 2023, 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 2023.

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. Ewe
- Mr. Hong
- Puan Maznida

Based on the outcome of the abovementioned assessment conducted by the NC, 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.

Clause 21.6 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Clause 21.10 of the Constitution of the Company states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotations at that meeting.

The NC conducted assessment on Mr. Roy Thean, Datuk Md. Hassim Bin Pardi, Mr. Hong Cheong Liang and Puan Maznida Binti Mokhtar (“**Retiring Directors**”) who would retire by rotation at the forthcoming 26th AGM of the Company pursuant to Clause 21.6 and 21.10 of the Constitution of the Company respectively, 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 26th 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
Ewe Chuan Seng <i>(Re-designated w.e.f. 25 August 2023)</i>	Chairman	Senior INED
Datuk Md. Hassim Bin Pardi <i>(Re-designated w.e.f. 25 August 2023)</i>	Member	Non-INED
Hong Cheong Liang <i>(appointed w.e.f. 31 May 2023)</i>	Member	INED
Roy Thean Chong Yew <i>(Ceased w.e.f. 31 May 2023)</i>	Member	INED

The RC is governed by its Terms of Reference of NRC 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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

II. BOARD COMPOSITION *cont'd*

9. Remuneration Committee *cont'd*

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 2022.
- (ii) Deliberated on the remuneration package of the Executive Directors for FYE 2023 and recommended the same to the Board for approval.
- (iii) Reviewed the Directors' fees payable to the Directors of the company for the FYE 2023 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 2023 until the next AGM of the Company to be held in year 2024 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 2023.

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

III. REMUNERATION *cont'd*

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 2023, 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 Md. Hassim Bin Pardi	-	54,000	-	11,200	65,200
Ewe Chuan Seng	-	54,000	-	12,600	66,600
Roy Thean Chong Yew	-	56,700	-	12,600	69,300
Hong Cheong Liang	-	25,500	-	3,500	29,000
Total	-	190,200	-	39,900	230,100

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	742,000	-	31,150	-	773,150
Dato' Ng Meow Giak	882,000	-	28,000	-	910,000
Total	1,624,000	-	59,150	-	1,683,150
Non-Executive Directors					
Datuk Md. Hassim Bin Pardi	-	54,000	-	11,200	65,200
Ewe Chuan Seng	-	54,000	-	12,600	66,600
Roy Thean Chong Yew	-	56,700	-	12,600	69,300
Hong Cheong Liang	-	25,500	-	3,500	29,000
Total	-	190,200	-	39,900	230,100



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

III. REMUNERATION *cont'd*

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
RM250,000 – RM300,000	1
RM300,001 – RM750,000	-
RM750,001 – RM800,000	1
RM800,001 – RM850,000	1
RM850,001 – RM900,000	-
RM900,001 – RM950,000	1
RM950,001 – RM1,000,000	-
RM1,000,001 – RM1,050,000	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 2023, reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2023.

The RC is of the view that the level of remuneration package of the top five (5) senior managements in respect of FYE 2023 was fair and reasonable to retain and reward the talents and is competitive in the relevant market and industry.

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. Hong Cheong Liang, 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 2023 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.



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

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 2023, 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.

For “**independence**” assessment:-

- The engagement partner has not served for a continuous period of more than seven (7) 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 2023, 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 2023. The Board has in turn, recommended the same for shareholders’ approval at the 25th AGM of the Company held in 2023.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

I. AUDIT COMMITTEE *cont'd*

4. Skillsets of AC

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

During FYE 2023, 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 2023 Annual Report.

Risk Management

SRMC

The SRMC 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 SRMC comprises a majority of Independent Directors.

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 2023, 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 2023.

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 2023 Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

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

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

Internal Controls

The internal controls were tested for effectiveness and efficiency two (2) cycles during FYE 2023 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 2023, 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 2023 Annual Report provides an overview of the state and features of risk management framework and internal control processes within the Group.

3. Internal Audit Function

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

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

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

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

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

During FYE 2023, 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 2022 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 2023 Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I. ENGAGEMENT WITH STAKEHOLDERS

1. *Communication with Stakeholders*

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

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

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

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

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

(a) **Announcements to Bursa Securities**

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

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

(b) **Annual Reports**

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

(c) **AGM/General Meetings**

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

(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.



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

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

(d) Corporate Website cont'd

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 26th 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
21 March 2023	Waste Management Event : <i>Building a Resilient Future, Role of Circular Economy in Empowering Sustainability</i>	Awareness Event	Public

II. CONDUCT OF GENERAL MEETINGS

(a) Notice of AGM

The Notice of the 25th AGM held in 2023 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 25th AGM, facilitating full understanding and evaluation of issues involved in the proposed resolutions.

(b) Directors' Commitment

There was one (1) general meeting held in 2023, i.e. 25th AGM held on 29 May 2023.

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 25th 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.



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

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 25th AGM held on 29 May 2023, 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.

Key CG future priorities for FYE 2024

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 2024.

CONCLUSION

The Board is satisfied that, it complies substantially with the Practices of the MCCG throughout FYE 2023.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board of Directors on 19 April 2024.



SUSTAINABILITY REPORT 2023

BOARD STATEMENT AND ASSURANCE

Dear Shareholders,

The Board is pleased to present JAG Berhad (“**JAG**” or “**the Group**”)’s Sustainability Report 2023 (“**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. 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 2023

cont'd

Sustainability Initiatives

As a responsible organisation, the Group 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 in the global initiatives as well as 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, the Group 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 years, the Group has established the environmental sustainability initiatives to mitigate the adverse impacts on the environment. The initiatives include implementing a Solar Energy Plant, conversion of fuel based manufacturing plant to natural gas based, streamlining recycling process with the aim to reduce waste and measures to prevent pollution. In order to proactively address sustainability concerns more effectively, the Group has formed 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.

In JAG Berhad, we recognise that our success is rooted in the dedication of our team. Thus, we prioritise 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 2023, 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 3,067 training hours, averagely, 3 hours per employee amounting approximately RM98,000, 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 2023

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ABOUT THE REPORT

At JAG, we are committed to fostering a sustainable future by capitalising 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 2023 to 31st December 2023 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 prioritises 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 the Group throughout the years 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 Group 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 2023







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DEFINING OUR SUSTAINABILITY STRATEGY *cont'd*

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 organization and oversees the Group's sustainability strategy. Their duties include ensuring that the significant objectives are attained and creating a sound 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 the sustainability initiatives, the Group formed an ESG Committee that focuses on the Group's objectives, policies, practices and monitoring 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.

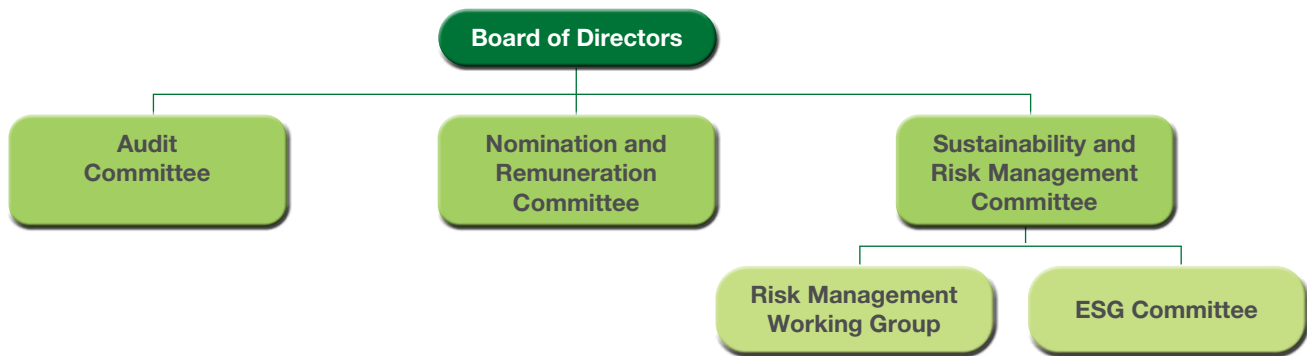


SUSTAINABILITY REPORT 2023

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SUSTAINABILITY GOVERNANCE 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 Group 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 • Customer satisfactory 	<ul style="list-style-type: none"> • Customer Survey • Relationship Management • Customer complaint • Customer services respond
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

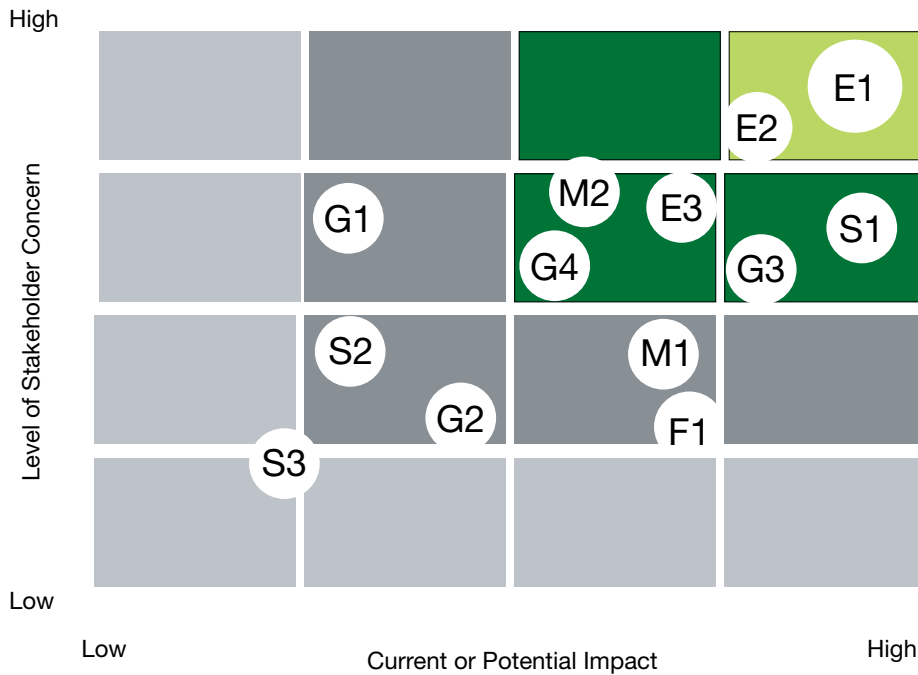
SUSTAINABILITY REPORT 2023

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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 2023:



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 2023

cont'd

FINANCIAL HIGHLIGHT

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

In FYE 2023, the Group has generated revenue of RM203.0 million which is a 20.1% decrease from the previous year's corresponding year (FYE 2022: RM 254.1 million). The decrease in revenue was primarily due to the absence of a substantial one-off procurement contract that the TWM business segment had entered into with the Bank Negara Malaysia in 2022.

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

The Group net profit for FYE 2023 amounted to RM1.2 million, marking a decline of 87.8% compared to FYE 2022, due to the decrease in revenue generated from TWM business segment. The impact of lower commodity prices, particularly tin and nickel, which are the key commodities traded by the business segment, further reduce the profitability of the said business segment. Detail of analysis may refer to the Management Discussion and Analysis of this annual report.

MARKETPLACE

Implementing sustainability through Recycle efficiency quality and compliance

The Group 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 manufacturing 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 Group 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 (scrap 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, the Group 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 organisation, 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 2023

cont'd

MARKETPLACE *cont'd*

Implementing sustainability through Recycle efficiency quality and compliance

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



in the Group, we strongly emphasise 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.



SUSTAINABILITY REPORT 2023

cont'd

GOVERNANCE *cont'd*

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

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

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 2023, the employees received a total of 3,067 hours of training, averagely 3 hours training per employee. 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.



SUSTAINABILITY REPORT 2023

cont'd

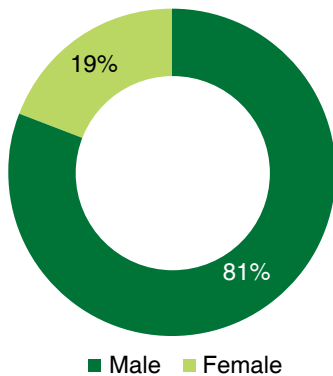
WORKPLACE *cont'd*

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

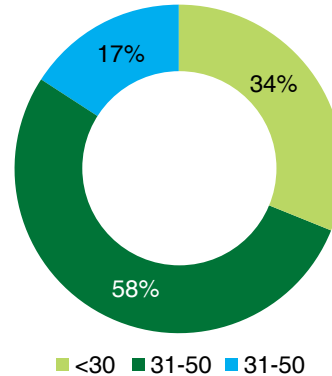
Workplace Diversity *cont'd*

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.

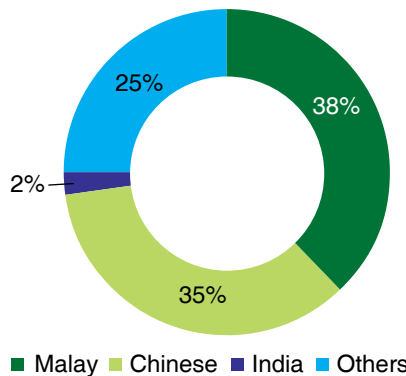
Workforce in terms of Gender in JAG Berhad



Workforce in terms of Ethnicity in JAG Berhad



Workforce in terms of Ethnicity in JAG Berhad



Healthy and Safe Working Environment

In JAG, employees' health and safety are of utmost importance in our workforce. Thus, we are committed to prioritising employees' safety by providing protective gear and implementing safety regulations in the workforce. 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, we are pleased to report zero number of fatalities for the year.



SUSTAINABILITY REPORT 2023

cont'd

WORKPLACE *cont'd*

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

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 child birth)
8. Foreign worker retention scheme

In December 2023, the Group had organised Christmas appreciation dinner for all staffs as appreciation to staff's hardwork and contribution to the Group.



COMMUNITY

Contributing to local community development

The Group 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.

JAG Scoops Sdn Bhd, the wholly owned subsidiary of the Group, made a meaningful contribution to the community by sharing joy and happiness during the Mid-Autumn Festival. This was achieved through the distribution of our new product, Gelato Mooncake, to communities selected by the management.



SUSTAINABILITY REPORT 2023

cont'd

COMMUNITY cont'd

Contributing to local community development



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.

In the most recent activity of 2023, the Company had 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)



SUSTAINABILITY REPORT 2023

cont'd

COMMUNITY *cont'd*

Contributing to local community development

Community Engagement *cont'd*



(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.

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.

The core business operations (mainly in the Total waste management and recycling) 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, natural gas and electricity consumption. The manufacturing and production 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.



SUSTAINABILITY REPORT 2023

cont'd

ENVIRONMENT *cont'd*

Improving our environment by utilising greener alternatives

Energy Efficiency & CO2 Emission *cont'd*

Effort to move forward to greener manufacturing and aiming to reduce the emission of GHG has been executed throughout the years.

In respect the manufacturing process, the Group had throughout the years converted 90% of its major manufacturing equipment from diesel based to natural gas based. The conversion had led to decrease of approximately 49% CO2 emissions as tabled below:

Emission of CO ² (MT) if we use	
Diesel	Natural Gas
2,956MT/year	1,521MT/year

↓ **1,435MT/year**

In addition, the Group has also taken the initiative to convert its forklift from diesel based to electric based. As at LPD, the ratio of diesel based forklift against electric based forklift is 11:7 and the management has acknowledged that in the event of any new purchase of forklift, electric forklift will be prioritise. The table below shows the reduction of CO2 emission in our current composition of diesel forklift against electric forklift in which 36% reduction in CO2 emission has been recorded:

Emission of CO ² (MT) if we use	
Diesel Forklift	Electric Forklift
208MT/year	133MT/year

↓ **75MT/year**

In respect of energy consumption, the Group had on 2021 invested the solar energy system as part of initiative for ESG. The solar energy power system had successfully reduced the emission for CO2 by 33% as below:

Emission of CO ² (MT) if we use	
No solar system	With solar system
884MT/year	594MT/year

↓ **290MT/year**

Environmental Friendly Disposal

In the past, under the Group's TWM business segment, items deemed of no commercial value were disposed of to landfills. However, in this era of heightened focus on ESG principles, management has placed significant emphasis on sustainability. As a result, the TWM business segment has forged partnerships with local construction material companies to transform waste into valuable raw materials for cement production. This innovative approach not only extends the usefulness of waste materials but also contributes to a reduction in landfill usage, reflecting the company's commitment to environmental stewardship and resource efficiency.

During the period under review, the TWM business segment achieved a 74% reduction in landfill disposals. This reduction translates to approximately 1,162 square meters of preserved landfill space, an impressive conservation effort that underscores the segment's commitment to sustainable waste management practices

Last but not least, 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 2023

cont'd

ENVIRONMENT *cont'd*

Improving our environment by utilising greener alternatives

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 Group has engaged and utilised in new initiatives in its metal industry operations to prevent further pollution or environmental harm.

- **Fume Scrubbers**

The utilisation 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 neutralising 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, optimise 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 2023

cont'd

ENVIRONMENT *cont'd*

Improving our environment by utilising greener alternatives

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 2023, 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.

LOOKING FORWARD

As a publicly listed company, we prioritise 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 the 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.

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 organisation than ever before.



SUSTAINABILITY REPORT 2023

cont'd

RELATIONSHIP WITH SDGS




Sustainable Development Goals	Main Activity	Detailed Information
 No Poverty	JAG Provide training and development	<ul style="list-style-type: none"> Workplace
 Zero Hunger	JAG Provide training and development	<ul style="list-style-type: none"> Workplace
 Good Health and Well-being	JAG provides a safe working environment	<ul style="list-style-type: none"> Governance Capital Marketplace Workplace
 Quality Education	Training and development for staff	<ul style="list-style-type: none"> Workplace
 Gender Equality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 Clean Water and Sanitation	Promoting water saving	<ul style="list-style-type: none"> Marketplace
 Affordable and Clean Energy	Using solar power system	<ul style="list-style-type: none"> Environment
 Decent Work and Economic Growth	Quality control and management	<ul style="list-style-type: none"> Marketplace
 Industry, Innovation and Infrastructure	Non-toxic waste management	<ul style="list-style-type: none"> Marketplace
 Reduced Inequality	Employment policy of no discrimination	<ul style="list-style-type: none"> Community
 Sustainable Cities and Communities	Promise to deliver safe and quality products	<ul style="list-style-type: none"> Marketplace Community
 Responsible Consumption and Production	Reduce CO2 emission	<ul style="list-style-type: none"> Marketplace Community
 Climate Action	Reduce CO2 emission	<ul style="list-style-type: none"> Governance Environment
 Life Below Water	Water management	<ul style="list-style-type: none"> Environment



SUSTAINABILITY REPORT 2023

cont'd

RELATIONSHIP WITH SDGS *cont'd*

Sustainable Development Goals		Main Activity	Detailed Information
	Life On Land	Preservation of water resources and the protection of local ecosystems and communities	<ul style="list-style-type: none"> Environment
	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
	Partnerships for the Goals	Sustainability report initiative	<ul style="list-style-type: none"> Governance Environment

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 FY2023 	<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



SUSTAINABILITY REPORT 2023

cont'd

TCFD – ALIGNED DISCLOSURES *cont'd*

TCFD Recommendation	Topmix Disclosure	Reference
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 	- 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) 	- 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) 	- Materiality Matrix - Energy Efficiency & CO2 Emission
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 FY2022 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

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2023.

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 2023, 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 2023	70,000	242,000
Non-audit services rendered		
Tax fees in respect of FYE 2023	6,000	53,000
Review of the Statement on Risk Management and Internal Control for Annual Report 2023	7,000	7,000
Total	83,000	302,000

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 2023, in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities and the MCGG.

AUTHORITY

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

Compliance Dashboard


The AC is pleased to provide below a snapshot of the key CG compliance by the AC for the FYE 2023:-

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 Chairman of the Audit Committee is not Chairman of the Board </td> <td style="width: 20%;"></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. Hong Cheong Liang </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 Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s) </td> <td style="width: 20%;"></td> </tr> </table>		Practice 9.2 Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)		<div style="text-align: center; background-color: #cccccc; padding: 10px;"> Incorporated in the Terms of Reference of AC </div>
	Practice 9.2 Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)			
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"></td> <td style="width: 60%;"> Practice 9.3 Policies & Procedures to assess the suitability, objectivity and independence of external auditors </td> <td style="width: 20%;"></td> </tr> </table>		Practice 9.3 Policies & Procedures to assess the suitability, objectivity and independence of external auditors		<div style="text-align: center; background-color: #cccccc; padding: 10px;"> EA Policy & Procedures established </div>
	Practice 9.3 Policies & Procedures to assess the suitability, objectivity and independence of external auditors			
<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"></td> <td style="width: 60%;"> Practice 9.5 AC Members possess wide range of skills and financially-literate </td> <td style="width: 20%;"></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			

AUDIT COMMITTEE REPORT cont'd

AUTHORITY *cont'd*

Compliance Dashboard *cont'd*

MCCG Practices	Applications by the Company			
<table border="1"> <tr> <td style="width: 20px;"></td> <td style="text-align: center;"> Practice 11.1 Effective and independent internal audit function </td> <td style="width: 20px;"></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			
Enhancement of Functions of AC in relation to Conflict of Interest (“COI”) disclosures pursuant to Rule 15.12(1)(h) of the ACE LR	<div style="background-color: #cccccc; padding: 10px; border: 1px solid #000;"> Incorporated in the Terms of Reference of AC </div>			

COMPOSITION

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

The current composition of the AC is as follows:-

Name	Designation	Directorship
Hong Cheong Liang <i>(appointed w.e.f. 31 May 2023)</i>	Chairman	Independent Non-Executive Director
Ewe Chuan Seng	Member	Senior Independent Non-Executive Director
Roy Thean Chong Yew <i>(re-designated w.e.f. 31 May 2023)</i>	Member	Non-Independent Non-Executive Director
Maznida Binti Mokhtar <i>(appointed w.e.f. 1 April 2024)</i>	Member	Independent Non-Executive Director
Datuk Md. Hassim Bin Pardi <i>(ceased w.e.f. 25 August 2023)</i>	Member	Non-Independent Non-Executive Director

The composition of the AC is in compliance with the Rule 15.09 of the ACE LR, where the AC comprises four (4) members, which consist of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

Mr. Hong Cheong Liang was appointed as the Chairman of the AC with effect from 31 May 2023 and 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, the AC Chairman, Mr. Roy Thean Chong Yew and Puan Maznida Binti Mokhtar are the members of the Malaysian Institute of Accountants that 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 2024, 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 2023.

Upon review, the NC is satisfied with the overall performance of the AC and its individual members for FYE 2023. 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 2024. The Board, thereafter, has recommended the same for shareholders’ approval at the forthcoming 26th AGM of the Company.

MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE 2023 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	%
Hong Cheong Liang <i>(appointed w.e.f. 31 May 2023)</i>	2	2	100.00
Roy Thean Chong Yew	5	5	100.00
Ewe Chuan Seng	5	5	100.00
Maznida Binti Mokhtar <i>(appointed w.e.f. 1 April 2024)</i>	N/A	N/A	N/A
Datuk Md. Hassim Bin Pardi <i>(ceased w.e.f. 25 August 2023)</i>	4	4	100.00



AUDIT COMMITTEE REPORT cont'd

MEETINGS AND ATTENDANCES *cont'd*

The lead audit partner of the external auditors responsible for the Group had attended three (3) AC Meetings held in FYE 2023.

The external auditors were encouraged to raise to the AC, any matters they considered important to bring to the AC's attention. For FYE 2023, three (3) private sessions were held between the AC with the external auditors without the presence of the Executive Board members and management personnel.

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

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 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 2023, 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 2022, 31 March 2023, 30 June 2023 and 30 September 2023 and recommended the same for the Board's approval.
- Reviewed the annual budget of the Group for FYE 2023 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 2022 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

SUMMARY OF WORKS *cont'd*

2. Oversight of External Auditors

- In the AC Meeting held in February 2023, received the Audit Progress Memorandum prepared by the external auditors for the FYE 2022, covering matters to highlights, key audit matters and significant outstanding information/documents from the audit field works.
- In the AC Meeting held in November 2023, reviewed the Audit Planning Memorandum for the FYE2023 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 2023, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for the FYE 2023 and recommended the same for the Board’s approval.

3. Oversight of Internal Audit Function

- Reviewed the Internal Audit Report 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 2022.
- Reviewed the Internal Audit Plan for the Group for FYE 2024 and approved for adoption.

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 2022.

5. Review of Related Party Transactions and COI assessments

- 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.
- Reviewed of COI or potential COI situation (excluding related party transactions), and the measures taken to resolve, eliminate, or mitigate such conflicts.

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 2023, 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 2023

During the FYE 2023, 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 2023, 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
Jaring Metal Industries Sdn. Bhd.	Facilities Management	Second Quarter of 2023 (Cycle 1/2023)
JAG Scoops Sdn. Bhd. and JAG Nasmec Sdn. Bhd.	Financial Management	
JAG Berhad	Corporate Liability - Anti-Bribery Management System	Fourth Quarter of 2023 (Cycle 2/2023)
JAG Scoops Sdn. Bhd. and JAG Nasmec Sdn. Bhd.	Sales and Collection System	



AUDIT COMMITTEE REPORT cont'd

INTERNAL AUDIT FUNCTION *cont'd*

(3) Total costs incurred for the FYE 2023

The total cost incurred for the outsourced internal audit function of the Group for the FYE2023 is amounted to RM45,000 (2022: RM45,000).

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

During the FYE 2023 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">• 2024 Budget Seminar• MIA International Accountants Conference 2023• 2023 Budget Webinar• ESG Brief - Sustainability Reporting Awareness & Development 2023• Russell Bedford Malaysia's 2024 Budget Seminar

This AC Report is made in accordance with the Resolution passed by the Board of Directors on 19 April 2024.

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 guidances 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 2023.

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 2023, 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

Sustainability and Risk Management Committee ("SRMC")

The Board has adopted the Step-Up Practice 10.3 of the MCCG, where the Board establishes a SRMC (*enhancement of sustainability oversight and rename w.e.f. 1 April 2024*), which comprises a majority of Independent Directors, to oversee the company's risk management framework and policies.

The composition of the SRMC is as follows:-

Name	Designation	Directorate/Position
Mr. Roy Thean Chong Yew	Chairman	Non-INED
Datin Tan Siew Ching	Member	Chairperson and Executive Director
Dato' Ng Meow Giak	Member	Executive Director
Mr. Ewe Chuan Seng	Member	Senior INED
Mr. Hong Cheong Liang (<i>appointed w.e.f. 31 May 2023</i>)	Member	INED
Datuk Md. Hassim Bin Pardi (<i>ceased w.e.f. 31 May 2023</i>)	Member	Non-INED

The principal objective of the SRMC 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 Risk Management Committee ("**RMC**") (*prior rename to SRMC*) held two (2) meetings during the FYE 2023.



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 SRMC.

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 SRMC 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 SRMC for review by the Chair of RMWG at the SRMC meetings.

During the FYE 2023, Risk Registers for JMI and JAG Nasmech Sdn. Bhd. ("**JAGN**") are still in the midst of adopting the Responsible Business Alliance (RBA) format, to address the risks.

C. RISK MANAGEMENT ACTIVITIES DURING FYE 2023

During the FYE 2023, the summary of activities carried out by the RMWG and SRMC in respect of Risk Management is as follows:-

- The RMWG held (2) meetings in FYE 2023 and maintained constant communication via emails for discussions on matters concerning risk management of the Group.
- The SRMC 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 SRMC 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 and Remuneration Committee; and
- Sustainability and Risk Management Committee.

On 1 April 2024, the Company have undertaken a revamp of the following Board Committees:-

- (i) Merger of Nomination Committee and Remuneration Committee to become the "**Nomination and Remuneration Committee**"; and
- (ii) Creation of dedicated "**Sustainability**" oversight portfolio and merger of such portfolio with the Risk Management Committee to become "**Sustainability and Risk Management Committee**".



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

KEY COMPONENTS OF THE INTERNAL CONTROLS *cont'd*

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.

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 2023 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

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 19 April 2024.



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 19 April 2024.



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 2023.

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/(loss) for the financial year	1,170,473	(4,105,343)

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 2022:	
- Final dividend by way of dividend-in-specie via a share dividend distribution of 31,303,526 treasury shares on the basis of 1 share dividend for every 19 ordinary shares held equivalent to a dividend of RM0.018 per ordinary share, declared on 28 March 2023 and distributed on 9 May 2023	11,453,960

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.

Treasury shares

During the financial year, the Company:

- (i) repurchased from the open market 13,500,000 of its ordinary shares at an average price of RM0.333 per share. The total repurchased price consideration of RM4,491,461 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
- (ii) declared final dividend for the financial year ended 31 December 2022 by way of dividend-in-specie via a share dividend distribution of 31,303,526 treasury shares on the basis of 1 share dividend for every 19 ordinary shares held in the Company. The treasury shares were repurchased at an average price of RM0.366 per share.

As at 31 December 2023, the Company held a total of 11,941,077 treasury shares of its 626,784,892 issued ordinary shares with a carrying amount of RM3,900,518.



DIRECTORS' REPORT cont'd

Directors

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

Datin Tan Siew Ching	
Datuk Md Hassim bin Pardi	
Dato' Ng Meow Giak	
Roy Thean Chong Yew	
Ewe Chuan Seng	
Hong Cheong Liang	Appointed on 31 May 2023
Puan Maznida Binti Mokhtar	Appointed on 1 April 2024

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 31.12.2023
	Balance as at 1.1.2023	Bought	Sold	
Shareholdings registered in the name of directors:				
Datin Tan Siew Ching	25,976,866	972,466*	(7,500,000)	19,449,332
Datuk Md Hassim bin Pardi	-	-	-	-
Dato' Ng Meow Giak	46,828,902	2,464,679*	-	49,293,581
Roy Thean Chong Yew	-	-	-	-
Ewe Chuan Seng	-	-	-	-
Hong Cheong Liang	-	-	-	-

* Share Dividend distributed

Directors' benefits

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

The details of the directors' remuneration are disclosed in Note 6 to the financial statements.

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

Indemnity and insurance

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



DIRECTORS' REPORT cont'd

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

HONG CHEONG LIANG

Kuala Lumpur

Dated: 19 April 2024



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 2023, 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

HONG CHEONG LIANG

Kuala Lumpur

Dated: 19 April 2024

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 19 April 2024)

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 2023, 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 the material accounting policy information.

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 2023, 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 current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.3.1 Existence and valuation of manufacturing inventories

As described in Note 17 to the financial statements, the Group carries manufacturing and trading inventories at the lower of cost and net realisable value. As at 31 December 2023, the Group held manufacturing and trading inventories of RM71,832,911 representing approximately 23% 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.

1.3.2 Impairment assessment on the carrying amount of investment in subsidiaries and recoverability of amount due from subsidiaries

As disclosed in Note 15 and Note 19 to the financial statements, the carrying amount of investment in subsidiaries and amount due from subsidiaries amounted to RM133,977,727 and RM60,772,297 respectively as at 31 December 2023.

The assessment of recoverable amount of investment in subsidiaries and amount due from subsidiaries which is interrelated requires significant judgements and assumptions used in the calculation.

We focused on this area due to the significant judgements and assumptions made by management in determining the recoverable amount of the investment in subsidiaries and amount due from subsidiaries.

How the matter was addressed in the audit

We tested management's impairment review by performing the following work:

- discussed with management to understand the underlying assumptions used in the impairment review model;
- compared the assumptions used within the impairment review model to approved budgets and business plans;
- benchmarked key assumptions used by management in estimating future cash flows such as sales values, fixed and variable costs, discount rates and inflation against historical performance and our own internal research data;
- performed sensitivity analysis over the key assumptions in the model used in deriving the recoverable amount; and
- checked the appropriateness of management's assessment on the expected credit losses of amount due from subsidiaries.

We are satisfied with the results of our procedures performed.

Additional information on the impairment review of investment in subsidiaries is disclosed in Note 15.1 to the financial statements.



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*)

1.4 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 this regard.

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.

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.



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 (*con'd*)

- 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.

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: 19 April 2024



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	2022 RM	2023 RM	Company 2022 RM
Revenue	4	202,957,795	254,092,710	4,500,000	21,500,000
Other operating income		3,006,756	1,006,490	611,153	465,405
Direct costs		(5,919,222)	(1,428,969)	-	-
Changes in inventories of finished goods and work in progress		(1,766,994)	(6,197,018)	-	-
Raw materials and consumables used		(145,754,867)	(189,490,184)	-	-
Changes in inventories of trading merchandise		(611,241)	(598,033)	-	-
Staff costs	5	(17,171,264)	(16,061,843)	(555,502)	(393,676)
Depreciation and amortisation		(9,350,012)	(8,231,165)	(5,642)	(4,682)
Net allowance for expected credit loss of receivables		212,064	35,110	(6,612,576)	(2,906,261)
Other operating expenses		(19,707,434)	(18,125,087)	(2,055,939)	(1,727,061)
Profit/(Loss) from operations	6	5,895,581	15,002,011	(4,118,506)	16,933,725
Finance income	7	68,714	145,647	13,163	23,289
Finance costs	8	(2,907,011)	(1,604,390)	-	-
Net finance (costs)/income		(2,838,297)	(1,458,743)	13,163	23,289
Profit/(Loss) before tax		3,057,284	13,543,268	(4,105,343)	16,957,014
Income tax expense	9	(1,886,811)	(3,914,044)	-	-
Net profit/(loss) for the year		1,170,473	9,629,224	(4,105,343)	16,957,014
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss					
Gain on fair value changes on equity investments at fair value through other comprehensive income		50,000	-	-	-
Other comprehensive income for the year, net of tax		50,000	-	-	-
Total other comprehensive income/(loss) for the year		1,220,473	9,629,224	(4,105,343)	16,957,014
Basic earnings per share (sen)	10.1	0.19	1.60		

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Non current assets					
Property, plant and equipment	11	97,309,358	93,826,608	11,611	17,253
Right of use assets	12	9,842,050	6,986,637	-	-
Investment properties	13	74,245,053	35,692,755	-	-
Intangible assets	14	98,936	99,760	-	-
Investment in subsidiaries	15	-	-	133,977,727	134,832,574
Other investments	16	2,400,000	2,350,000	-	-
Inventories – Property development	17	10,005,288	10,604,531	-	-
Other receivables	19	-	-	18,300,000	18,300,000
Deferred tax assets	27	-	253,000	-	-
		193,900,685	149,813,291	152,289,338	153,149,827
Current assets					
Inventories	17	71,832,911	62,985,574	-	-
Trade receivables	18	15,721,725	14,967,816	-	-
Other receivables, deposits and prepayments	19	4,450,071	11,359,996	42,480,697	50,248,264
Tax recoverable		1,467,508	49,956	18,600	14,900
Other investments	16	13,655,789	8,917,142	-	-
Fixed deposits with licensed banks	20	1,291,806	1,266,128	403,456	396,001
Cash and bank balances		4,260,899	11,529,915	75,599	170,280
		112,680,709	111,076,527	42,978,352	50,829,445
Total assets		306,581,394	260,889,818	195,267,690	203,979,272
Equity					
Share capital	21	203,171,882	203,171,882	203,171,882	203,171,882
Reserves	22	6,484,493	9,755,481	(8,998,732)	(401,928)
Total equity		209,656,375	212,927,363	194,173,150	202,769,954
Non current liabilities					
Lease liabilities	23	5,910,178	4,269,934	-	-
Deferred income	24	167,915	307,926	-	-
Borrowings	25	33,113,600	10,695,727	-	-
Provision	26	39,738	37,686	-	-
Deferred tax liabilities	27	6,961,821	6,598,821	-	-
		46,193,252	21,910,094	-	-
Current liabilities					
Trade payables	28	19,358,198	6,688,649	-	-
Other payables and accruals	29	2,007,813	10,998,098	1,094,540	1,209,318
Tax payable		662,317	2,033,892	-	-
Borrowings	25	25,607,480	3,886,087	-	-
Lease liabilities	23	3,095,959	2,445,635	-	-
		50,731,767	26,052,361	1,094,540	1,209,318
Total liabilities		96,925,019	47,962,455	1,094,540	1,209,318
Total equity and liabilities		306,581,394	260,889,818	195,267,690	203,979,272

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Share capital RM	Revaluation reserve RM	Fair value adjustment 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 30)	-	-	-	-	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	-	-	-	-	-	9,629,224	9,629,224
At 31 December 2022	203,171,882	28,138,734	-	(72,050,600)	(10,863,017)	64,530,364	212,927,363
Transactions with owners							
Shares repurchased	-	-	-	-	(4,491,461)	-	(4,491,461)
Dividends (Note 30)	-	-	-	-	11,453,960	(11,453,960)	-
	-	-	-	-	6,962,499	(11,453,960)	(4,491,461)
Net profit for the year	-	-	-	-	-	1,170,473	1,170,473
Other comprehensive income for the year							
- Gain in fair value of other investment (net of tax)	-	-	50,000	-	-	-	50,000
At 31 December 2023	203,171,882	28,138,734	50,000	(72,050,600)	(3,900,518)	54,246,877	209,656,375

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

**STATEMENTS OF CHANGES IN EQUITY cont'd
FOR THE YEAR ENDED 31 DECEMBER 2023**

Company	Share capital RM	Treasury shares RM	(Accumulated losses) /Retained profits RM	Total RM
At 1 January 2022	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 30)	-	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
Transactions with owners repurchased	-	(4,491,461)	-	(4,491,461)
Dividends (Note 30)	-	11,453,960	(11,453,960)	-
	-	6,962,499	(11,453,960)	(4,491,461)
Net loss/Total comprehensive loss for the year	-	-	(4,105,343)	(4,105,343)
At 31 December 2023	203,171,882	(3,900,518)	(5,098,214)	194,173,150

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



STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash flows from/(used in) operating activities				
Profit/(Loss) before tax	3,057,284	13,543,268	(4,105,343)	16,957,014
Adjustments for:				
Allowance for expected credit loss of receivables	-	464,890	7,223,729	2,906,261
Allowance for expected credit loss of receivables no longer required	(212,064)	(500,000)	(611,153)	-
Impairment loss no longer required				
- plant and equipment	(86,551)	-	-	-
- right of use assets	(134,162)	-	-	-
Amortisation of club memberships	824	824	-	-
Changes in fair value of				
- derivative financial instruments	-	6,912	-	-
- other investments	(1,126,297)	1,636,567	-	-
Depreciation	9,349,188	8,230,341	5,642	4,682
Dividend income	(59,426)	(58,098)	(4,500,000)	(21,500,000)
Gain on lease modifications	(264,289)	(154,263)	-	-
Gain on disposal of				
- other investments	(53,892)	(127,234)	-	-
- plant and equipment	(405,945)	(46,058)	-	-
- right of use assets	-	(222,144)	-	-
Government grant income	(140,011)	(140,012)	-	-
Impairment loss on				
- inventories	599,243	-	-	-
- investment in subsidiaries	-	-	1,466,000	1,143,757
- plant and equipment	45,243	111,281	-	-
- right of use assets	146,901	103,908	-	-
Impairment loss on investment in subsidiaries no longer required	-	-	(611,153)	(465,405)
Interest expense	2,907,011	1,604,390	-	-
Interest income	(68,714)	(145,647)	(13,163)	(23,289)
Plant and equipment written off	10,752	471,980	-	-
Unrealised loss on foreign exchange	216,340	147,075	-	-
Realised gain on foreign exchange - cash and cash equivalents	(163,946)	(45,438)	-	-
Operating profit/(loss) before working capital changes	13,617,489	24,882,542	(1,145,441)	(976,980)
(Increase)/Decrease in inventories	(8,847,337)	8,683,106	-	-
Increase in other investments	(4,883,892)	(4,453,399)	-	-
(Increase)/Decrease in trade and other receivables	(1,104,783)	(7,645,995)	17,500	(8,400)
Increase/(Decrease) in trade and other payables	3,661,061	7,529,318	43,212	(8,836)
Cash generated from/(used in) operations	2,442,538	28,995,572	(1,084,729)	(994,216)
Income tax paid	(4,081,810)	(5,753,528)	(3,700)	(3,700)
Income tax refunded	21,872	-	-	-
Net cash (used in)/from operating activities	(1,617,400)	23,242,044	(1,088,429)	(997,916)

STATEMENTS OF CASH FLOWS cont'd FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from/(used in) investing activities				
Advances to subsidiaries	-	-	1,137,491	(6,800,825)
Deposits paid for purchase of investment property	-	(7,274,726)	-	-
Dividends received	59,426	58,098	4,500,000	21,500,000
Increase in fixed deposits pledged	(18,223)	(7,881)	-	-
Interest received	68,714	145,647	13,163	23,289
Proceeds from disposal of				
- plant and equipment	461,530	150,000	-	-
- right of use assets	-	517,660	-	-
- other investments	1,325,434	627,085	-	-
Purchase of				
- investment property	(31,840,912)	-	-	-
- property, plant and equipment	(8,911,826)	(9,172,071)	-	(4,799)
- right of use assets	(755,920)	(652,751)	-	-
Net cash (used in)/from investing activities	(39,611,777)	(15,608,939)	5,650,654	14,717,665
Cash flows from/(used in) financing activities				
Interest paid	(2,907,011)	(1,604,390)	-	-
(Repayment to)/Advances from subsidiaries	-	-	(157,990)	849,699
Dividends paid	-	(3,133,911)	-	(3,133,911)
Shares repurchased	(4,491,461)	(13,932,750)	(4,491,461)	(13,932,750)
Proceeds from term loan	33,994,800	-	-	-
Repayments of term loans	(6,997,917)	(6,707,783)	-	-
Repayments of lease liabilities	(2,937,124)	(2,804,446)	-	-
Net cash from/(used in) financing activities	16,661,287	(28,183,280)	(4,649,451)	(16,216,962)
Net decrease in cash and cash equivalents	(24,567,890)	(20,550,175)	(87,226)	(2,497,213)
Cash and cash equivalents at beginning of year	11,925,916	32,430,653	566,281	3,063,494
Effect of exchange differences	163,946	45,438	-	-
Cash and cash equivalents at end of year	(12,478,028)	11,925,916	479,055	566,281
Cash and cash equivalents comprise:				
Cash and bank balances	4,260,899	11,529,915	75,599	170,280
Fixed deposits with licensed banks	1,291,806	1,266,128	403,456	396,001
Bank overdrafts	(17,142,383)	-	-	-
	(11,589,678)	12,796,043	479,055	566,281
Less: Fixed deposits pledged	(888,350)	(870,127)	-	-
	(12,478,028)	11,925,916	479,055	566,281



STATEMENTS OF CASH FLOWS cont'd FOR THE YEAR ENDED 31 DECEMBER 2023

Reconciliation of liabilities arising from financing activities - Group

	2022 RM	Cash flows RM	Non-cash changes RM	2023 RM
Lease liabilities				
- hire purchase	1,815,653	(1,029,686)	4,393,050	5,179,017
- others	4,899,916	(1,907,438)	834,642	3,827,120
Borrowings				
- banker acceptance	-	4,000,000	-	4,000,000
- term loans	14,581,814	22,996,883	-	37,578,697
	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

Reconciliation of liabilities arising from financing activities - Company

	2022 RM	Cash flows RM	Non-cash changes RM	2023 RM
Amount due to subsidiaries	1,082,138	(157,990)	-	924,148
	2021 RM	Cash flows RM	Non-cash changes RM	2022 RM
Amount due to subsidiaries	232,439	849,699	-	1,082,138

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



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 19 April 2024.

2. Basis of preparation of the financial statements

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 accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the notes to the financial statements.

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 the accounting policies of the Group.

The amendments to MFRS 101 Disclosure of Accounting Policies became effective for application during the current reporting period. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments have an impact on the manner in which the Group’s accounting policies are disclosed, but not on the measurement, recognition or presentation of any components in the Group’s financial statements.

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 application.



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

2. Basis of preparation of the financial statements (cont'd)

2.3 Material accounting policy information (cont'd)

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.

Property, plant and equipment

The Group adopted the revaluation method to measure its entire class of land and buildings. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. 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.

Investment properties

The Group adopted the cost model in measuring its investment properties.

Inventories

a) Property development

Property development costs are determined based on a specific identification basis.

b) Manufacturing and trading

Cost of inventories are accounted for on a first in first out basis.

Leases

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.

Financial instruments

Financial assets at fair value through profit or loss

The Group classifies its investments in quoted equity and unquoted mutual funds as financial assets at fair value through profit or loss as these investments are held for trading. 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.

Financial assets at fair value through other comprehensive income

Upon initial recognition, the Group elected to classify irrevocably its quoted equity investments 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.

Dividends are recognised as other income in profit or loss. Other net gains and losses are recognised in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

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 2023

4. Revenue

4.1 Disaggregation of revenue

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Type of goods or services				
Sale of manufactured goods	189,968,545	246,526,098	-	-
Trading of goods	3,341,285	3,737,841	-	-
Trading of shares	5,264,344	-	-	-
Laundry services	3,755,875	3,828,771	-	-
	202,330,049	254,092,710	-	-
Others				
Rental income	627,746	-	-	-
Dividend income	-	-	4,500,000	21,500,000
	202,957,795	254,092,710	4,500,000	21,500,000
Timing of revenue recognition				
At a point in time	202,957,795	254,092,710	-	-

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 2023

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 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, bonus and allowances	15,439,084	14,471,563	509,649	364,312
Defined contribution plan	1,230,261	1,146,502	33,804	22,608
Other employee related expenses	501,919	443,778	12,049	6,756
	17,171,264	16,061,843	555,502	393,676

6. Profit/(Loss) from operations

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) from operations is arrived at after charging/(crediting):				
Auditors' remuneration				
- audit services				
- current year	242,000	203,900	70,000	63,000
- underprovision in prior year	6,000	-	-	-
- other services	7,000	7,000	7,000	7,000
Changes in fair value of				
- derivative financial instruments	-	6,912	-	-
- other investments	(1,126,297)	1,636,567	-	-
Directors' remuneration				
- directors of the Company				
- fees	190,200	154,800	190,200	154,800
- others	1,931,370	1,795,580	39,900	21,500
- directors of a subsidiary				
- other than fees	2,054,080	1,962,240	-	-
Expenses relating to short term leases on premises	255,066	261,441	113,100	92,400
Expenses relating to leases of low value assets on equipment	151,833	175,481	-	-
Gain on hedging activities on commodity price	(153,238)	(149,585)	-	-
Loss on foreign exchange				
- realised	599,512	859,475	-	-
- unrealised	216,340	147,075	-	-
Operating lease income from premises	(70,949)	(71,000)	-	-
Plant and equipment written off	10,752	471,980	-	-



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

6. Profit/(Loss) from operations (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) from operations is arrived at after charging/(crediting) (cont'd)				
Gain on lease modifications	(264,289)	(154,263)	-	-
Gain on disposal of				
- other investments	(53,892)	(127,234)	-	-
- plant and equipment	(405,945)	(46,058)	-	-
- right of use assets	-	(222,144)	-	-
Dividend income from other investments	(59,426)	(58,098)	-	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Executive directors:				
Salaries, bonus and allowances	1,624,000	1,584,000	-	-
Defined contribution plan	196,320	190,080	-	-
Benefits in kind	59,150	49,150	-	-
	<u>1,879,470</u>	<u>1,823,230</u>	<u>-</u>	<u>-</u>
Non executive directors:				
Fees	190,200	154,800	190,200	154,800
Salaries, bonus and allowances	39,900	21,500	39,900	21,500
	<u>230,100</u>	<u>176,300</u>	<u>230,100</u>	<u>176,300</u>
Total directors' remuneration	<u>2,121,570</u>	<u>1,999,530</u>	<u>230,100</u>	<u>176,300</u>

The number of directors of the Company where total remuneration (including benefits in kind) during the reporting period falls within the following bands is analysed as follows:

	2023	2022
Executive directors:		
RM800,001 to RM850,000	1	1
RM900,001 to RM950,000	1	1
Non executive directors:		
RM50,001 to RM100,000	4	3



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

7. Finance income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income from:				
- current account deposits	42,916	122,051	6,413	16,532
- fixed deposits	25,798	23,596	6,750	6,757
	68,714	145,647	13,163	23,289

8. Finance costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- bank overdrafts	615,879	42,331	-	-
- hire purchase	267,582	70,352	-	-
- other lease liabilities	247,704	365,649	-	-
- term loans	1,775,846	1,126,058	-	-
	2,907,011	1,604,390	-	-

9. Income tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Expected income tax payable				
- current year	(1,411,689)	(3,696,050)	-	-
- over/(under) provision in prior years	140,878	(42,994)	-	-
	(1,270,811)	(3,739,044)	-	-
Deferred tax (Note 27)				
- current year	(616,000)	25,000	-	-
- under provision in prior years	-	(200,000)	-	-
	(616,000)	(175,000)	-	-
	(1,886,811)	(3,914,044)	-	-



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

9. Income tax expense (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax	3,057,284	13,543,268	(4,105,343)	16,957,014
Taxation at statutory tax rate of 24% (2022: 24%)	(733,700)	(3,250,400)	985,200	(4,070,000)
Expenses not deductible for tax purposes	(1,928,589)	(992,850)	(2,211,200)	(1,090,000)
Income not subject to tax	91,500	234,900	1,226,000	5,160,000
Utilisation of reinvestment allowance arising during the year	480,000	889,000	-	-
Utilisation of previously unrecognised deferred tax assets	316,100	-	-	-
Deferred tax assets not recognised	(253,000)	(551,700)	-	-
Over/(Under) provision in prior years				
- income tax	140,878	(42,994)	-	-
- deferred tax	-	(200,000)	-	-
Income tax expense for the year	(1,886,811)	(3,914,044)	-	-

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	
	2023 RM	2022 RM
Net profit attributable to owners of the Company	1,170,473	9,629,224
	Group	
	2023	2022
Weighted average number of ordinary shares in issue	626,784,892	599,433,426
Basic earnings per share (sen)	0.19	1.60

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 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2023

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 2022	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
Additions	-	-	2,129,850	1,292,973	4,543,241	176,510	883,252	9,025,826
Disposals	-	-	(430)	(1,099,884)	(374,000)	-	-	(1,474,314)
Write offs	-	-	(373,038)	(639,800)	(11,321)	-	(24,235)	(1,048,394)
Reclassification from right of use assets	-	-	-	915,886	-	-	-	915,886
At 31 December 2023	50,346,585	17,901,424	14,566,915	6,607,040	45,991,360	290,990	12,660,403	148,364,717
Representing:								
At cost	3,700,000	1,342,383	14,566,915	6,607,040	45,991,360	290,990	12,660,403	85,159,091
At valuation	46,646,585	16,559,041	-	-	-	-	-	63,205,626
At 31 December 2023	50,346,585	17,901,424	14,566,915	6,607,040	45,991,360	290,990	12,660,403	148,364,717
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



NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2023

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 2022	-	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
Charge for the year	-	479,554	1,026,410	320,576	2,565,491	-	1,311,715	5,703,746
Disposals	-	-	(430)	(1,074,874)	(343,425)	-	-	(1,418,729)
Write offs	-	-	(269,290)	(639,799)	(436)	-	(16,836)	(926,361)
Reclassification from right of use assets	-	-	-	730,187	-	-	-	730,187
At 31 December 2023	-	1,300,978	8,187,976	5,128,663	25,214,511	-	9,230,566	49,062,694
Accumulated impairment losses								
At 1 January 2022	-	-	-	-	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
Impairment loss for the year	-	-	45,243	-	-	-	-	45,243
Impairment loss no longer required	-	-	-	-	(61,734)	-	(24,817)	(86,551)
Write offs	-	-	(93,123)	-	-	-	(18,158)	(111,281)
At 31 December 2023	-	-	45,243	-	1,947,422	-	-	1,992,665

NOTES TO THE FINANCIAL STATEMENTS cont'd
31 DECEMBER 2023

11. Property, plant and equipment (cont'd)

Group	Freehold land		Furniture, fittings, office and factory equipment		Motor vehicles	Plant and machinery	Plant and machinery under construction	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount									
At cost	3,700,000	1,215,393	6,333,696	1,478,377	18,829,427	290,990	3,429,837	35,277,720	
At valuation	46,646,585	15,385,053	-	-	-	-	-	62,031,638	
At 31 December 2023	50,346,585	16,600,446	6,333,696	1,478,377	18,829,427	290,990	3,429,837	97,309,358	
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	



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

11. Property, plant and equipment (cont'd)

Company	Office equipment and computers RM	Total RM
Cost		
At 1 January 2022	23,411	23,411
Additions	4,799	4,799
At 31 December 2022/2023	28,210	28,210
Accumulated depreciation		
At 1 January 2022	6,275	6,275
Charge for the year	4,682	4,682
At 31 December 2022	10,957	10,957
Charge for the year	5,642	5,642
At 31 December 2023	16,599	16,599
Carrying amount		
At 31 December 2023	11,611	11,611
At 31 December 2022	17,253	17,253

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 25 are as follows:

	2023 RM	Group 2022 RM
At carrying amount		
Freehold land	48,136,585	48,136,585
Freehold buildings	15,165,862	16,751,607
	63,302,447	64,888,192

11.2 During the reporting period, cash payments made to purchase property, plant and equipment are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total additions	9,025,826	9,172,071	-	4,799
Additions through:				
- hire purchase	(114,000)	-	-	-
Cash payments	8,911,826	9,172,071	-	4,799



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

11. Property, plant and equipment (cont'd)

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 35.

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:

	2023 RM	Group 2022 RM
Freehold land	18,166,036	18,166,036
Freehold buildings	12,342,922	12,599,574
	<u>30,508,958</u>	<u>30,765,610</u>

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 in the lifestyle and services segment.

The recoverable amount of plant and equipment and right of use assets of JAGN is higher than its carrying amount and an impairment loss no longer required of RM220,713 (RM86,551 for plant and equipment and RM134,162 for right of use assets) was recognised.

An impairment loss of RM192,144 (RM45,243 for plant and equipment and RM146,901 for right of use assets) was recognised in JAGS to write down the plant and equipment and right of use assets to their recoverable amounts.

The impairment loss no longer required has been included in the Group's profit or loss under "Other operating income" line item while the impairment loss has been included in the Group's profit or loss under "Other operating expenses" line item

In the previous reporting period

The Group performed an impairment test on plant and equipment and right of use assets of its subsidiaries, JAGN and JAGS with indication of impairment in view of losses incurred in the lifestyle and services segment.

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 2023

11. Property, plant and equipment (cont'd)

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 8.38% (2022: 8.64%) and to the business of JAGS at a rate of 7.28% (2022: 8.08%); and
- (ii) The value assigned to the key assumptions such as sales values, fixed and variable costs are based on management's assessment of future business trends and its historical data.

11.6 Depreciation

No depreciation is provided on freehold land. No depreciation is also provided on plant and machinery under construction. Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual values 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% - 16.67%

12. Right of use assets

Group	Motor vehicles RM	Outlets RM	Restoration costs RM	Total RM
Cost				
At 1 January 2022	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
Additions	5,034,970	836,694	-	5,871,664
Write offs	-	(868,700)	-	(868,700)
Lease modifications	-	264,289	-	264,289
Reclassification to property, plant and equipment	(915,886)	-	-	(915,886)
At 31 December 2023	8,440,648	9,160,283	37,686	17,638,617

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

12. Right of use assets (cont'd)

Group	Motor vehicles RM	Outlets RM	Restoration costs RM	Total RM
Accumulated depreciation				
At 1 January 2022	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
Charge for the year	1,160,775	1,915,048	6,279	3,082,102
Write offs	-	(764,792)	-	(764,792)
Reclassification to property, plant and equipment	(730,187)	-	-	(730,187)
At 31 December 2023	1,962,807	5,659,291	27,568	7,649,666
Accumulated impairment losses				
At 1 January 2022	-	134,162	-	134,162
Impairment loss for the year	-	103,908	-	103,908
At 31 December 2022	-	238,070	-	238,070
Impairment loss for the year	-	146,901	-	146,901
Impairment loss no longer required	-	(134,162)	-	(134,162)
Write offs	-	(103,908)	-	(103,908)
At 31 December 2023	-	146,901	-	146,901
Carrying amount				
At 31 December 2023	6,477,841	3,354,091	10,118	9,842,050
At 31 December 2022	2,789,345	4,180,895	16,397	6,986,637

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

	Group	
	2023 RM	2022 RM
Total additions	5,871,664	2,940,055
Additions through lease arrangements	(5,115,744)	(2,287,304)
Cash payments	755,920	652,751

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.



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

12. Right of use assets (cont'd)

12.2 Depreciation

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
Outlets	2 - 8 years
Restoration costs	2 - 6 years

13. Investment properties

Group	Freehold land RM	Freehold Building RM	Renovations and electrical fitting RM	Renovation under construction RM	Total RM
Cost					
At 1 January 2022/ 31 December 2022	40,329,241	-	-	-	40,329,241
Additions	24,260,500	13,009,026	1,316,993	529,119	39,115,638
At 31 December 2023	64,589,741	13,009,026	1,316,993	529,119	79,444,879
Accumulated depreciation					
At 1 January 2022/ 31 December 2022	-	-	-	-	-
Charge for the year	-	500,388	62,952	-	563,340
At 31 December 2023	-	500,388	62,952	-	563,340
Accumulated impairment losses					
At 1 January 2022/ 31 December 2022/ 31 December 2023	4,636,486	-	-	-	4,636,486
Carrying amount					
At 31 December 2023	59,953,255	12,508,638	1,254,041	529,119	74,245,053
At 31 December 2022	35,692,755	-	-	-	35,692,755

13.1 The investment properties of the Group with carrying amount of RM55,633,879 (2022: RM17,081,581) have been pledged as collaterals to secure the banking facilities referred to in Note 25.

13.2 The fair value of investment properties is determined as RM73,440,000. Details of valuation techniques and inputs are disclosed in Note 35.2.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

13. Investment properties (cont'd)

13.3 During the reporting period, cash payments made to acquire investment property are as follows:

	2023 RM	Group 2022 RM
Total additions	39,115,638	-
Additions through:		
- deposit paid in previous year	(7,274,726)	-
Cash payments	31,840,912	-

13.4 The following are recognised in profit or loss in respect of investment property:

	2023 RM	Group 2022 RM
Rental income	627,746	-
Direct operating expenses	(1,266,699)	-

13.5 Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Freehold land and renovations under construction are not depreciated. Depreciation on other investment properties is calculated to write off the cost to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

Freehold building	4.5%
Renovations and electrical fitting	10% - 20%

14. Intangible assets

	2023 RM	Group 2022 RM
Golf club membership		
At cost		
At beginning/end of year	108,000	108,000
Accumulated amortisation		
At beginning of year	8,240	7,416
Charge for the year	824	824
At end of year	9,064	8,240
Carrying amount	98,936	99,760

Golf club memberships acquired which are determined to have an indefinite life are not amortised as management believes there is no foreseeable limit to the period over which their benefits can be utilised.

Other golf club memberships with finite useful life are amortised on a straight line basis over the finite useful life of 85 years.



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

15. Investment in subsidiaries

	Company	
	2023 RM	2022 RM
Unquoted shares at cost		
At beginning/end of year	146,596,954	146,596,954
Accumulated impairment losses		
At beginning of year	11,764,380	11,086,028
Impairment loss during the year	1,466,000	1,143,757
Impairment loss no longer required	(611,153)	(465,405)
At end of year	12,619,227	11,764,380
Carrying amount	133,977,727	134,832,574

The details of the subsidiaries are as follows:

Subsidiaries of the Company	Country of incorporation	Group's effective and voting interest		Principal activities
		2023 %	2022 %	
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	Property investment
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

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

15. Investment in subsidiaries (cont'd)

15.1 Impairment review of investment in subsidiaries

The directors have performed an impairment test on the following subsidiaries and impairment losses have been recognised or reversed to write down or to write back the investments to their respective recoverable amounts:

	Company	
	2023 RM	2022 RM
<u>Impairment loss recognised</u>		
JAG Land Sdn Bhd	505,000	532,604
JAG Scoops Sdn Bhd	961,000	-
JAG Capital Equity Sdn Bhd	-	611,153
<u>Impairment loss no longer required</u>		
JAG Capital Equity Sdn Bhd	(611,153)	-
JAG Renewable Energy Sdn Bhd	-	(465,405)

The recoverable amounts of JAG Land Sdn Bhd and JAG Capital Equity Sdn Bhd is determined based on the value in use (arrived at based on the net assets) of the respective subsidiaries.

The recoverable amount of JAG Scoops Sdn Bhd is determined based on its value in use calculations using cashflows projections from financial budgets approved by management covering a five year period and following are the key assumptions used:

- (i) The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the business at a rate of 7.28% (2022: 8.08%); and
- (ii) The value assigned to the key assumptions such as sales values, fixed and variable costs are based on management's assessment of future business trends and its historical data.

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.

16. Other investments

	Group	
	2023 RM	2022 RM
Non current assets:		
Financial assets at fair value through other comprehensive income:		
- quoted equity instruments in Malaysia	2,400,000	2,350,000
Current assets:		
Financial assets at fair value through profit or loss:		
- quoted equity instruments in Malaysia	13,333,093	8,917,142
- unquoted mutual funds in Malaysia	322,696	-
	13,655,789	8,917,142



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

16. Other investments (cont'd)

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	
	2023 RM	2022 RM
Manufacturing and trading		
At cost:		
Trading merchandise	337,713	500,901
Raw materials	28,338,804	17,194,504
Work in progress	11,629,386	13,640,615
Finished goods	31,527,008	30,867,419
	71,832,911	62,203,439
At fair value less costs to sell:		
Raw materials	-	366,781
Work in progress	-	160,309
Finished goods	-	255,045
	-	782,135
Property development		
At cost:		
Leasehold land held for development	10,604,531	10,604,531
Less: Allowance for impairment loss	(599,243)	-
	10,005,288	10,604,531
	81,838,199	73,590,105
Less:		
Leasehold land held for development – non current portion	(10,005,288)	(10,604,531)
	71,832,911	62,985,574
Amount of inventories recognised as an expense	170,402,039	214,867,923

Land held for property development with carrying amount of RM10,005,288 (2022: RM10,604,531) has been pledged as collaterals to secure the banking facilities referred to in Note 25.

During the reporting period, the Group entered into a sale and purchase agreement to dispose of its leasehold land held for development for a total consideration of RM10,005,288. As of the reporting date, the transaction has yet to be completed.



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

18. Trade receivables

	2023 RM	Group 2022 RM
Third parties	17,407,322	17,089,610
Less: Allowance for expected credit loss	(1,685,597)	(2,121,794)
	<u>15,721,725</u>	<u>14,967,816</u>

The Group's normal trade credit terms range from 3 days to 90 days (2022: 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:

	2023 RM	Group 2022 RM
At beginning of year	2,121,794	1,656,904
Allowance during the year	-	464,890
Allowance no longer required	(212,064)	-
Write off during the year	(224,133)	-
At end of year	<u>1,685,597</u>	<u>2,121,794</u>

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.

2023 Group	Trade receivables – days past due				Total RM
	Not past due RM	<30 days RM	31-60 days RM	>60 days RM	
Impairment assessed individually					
Gross carrying amount	13,737,321	156,067	-	1,205,998	15,099,386
Less: Allowance for expected credit loss	-	-	-	(1,205,998)	(1,205,998)
	13,737,321	156,067	-	-	13,893,388
Impairment assessed through provision matrix					
Gross carrying amount	1,490,607	293,475	-	523,854	2,307,936
Less: Allowance for expected credit loss	(59,769)	(77,033)	-	(342,797)	(479,599)
	1,430,838	216,442	-	181,057	1,828,337
	<u>15,168,159</u>	<u>372,509</u>	<u>-</u>	<u>181,057</u>	<u>15,721,725</u>



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

18. Trade receivables (cont'd)

2022 Group	Trade receivables – days past due				Total RM
	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

19. Other receivables, deposits and prepayments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Advance payments to suppliers	1,906,121	1,547,078	-	-
Amount due from subsidiaries	-	-	70,991,134	72,128,625
Deposits paid for:				
- purchase of investment property	-	7,274,726	-	-
Other receivables, deposits and prepayments	3,373,319	3,367,561	8,400	25,900
	5,279,440	12,189,365	70,999,534	72,154,525
Less: Allowance for expected credit loss (Note 19.2)	(829,369)	(829,369)	(10,218,837)	(3,606,261)
	4,450,071	11,359,996	60,780,697	68,548,264
Less: Non current portion (Note 19.1)	-	-	(18,300,000)	(18,300,000)
	4,450,071	11,359,996	42,480,697	50,248,264

19.1 Amount due from subsidiaries

The amount totalling RM18,300,000 (2022: RM18,300,000) due from subsidiaries have been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date.

19. Other receivables, deposits and prepayments (cont'd)



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

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	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of year	829,369	1,329,369	3,606,261	700,000
Allowance during the year	-	-	7,223,729	2,906,261
Allowance no longer required	-	(500,000)	(611,153)	-
At end of year	829,369	829,369	10,218,837	3,606,261

20. Fixed deposits with licensed banks

Fixed deposits of the Group amounting to RM888,350 (2022: RM870,127) have been pledged with a licensed bank to secure the banking facilities referred to in Note 25.

21. Share capital

	Group and Company			
	2023 No. of ordinary shares	2022 No. of ordinary shares	2023 RM	2022 RM
Issued and fully paid:				
At beginning of year	626,784,892	634,109,892	203,171,882	204,468,382
Shares cancelled	-	(7,325,000)	-	(1,296,500)
At end of year	626,784,892	626,784,892	203,171,882	203,171,882

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 2023

22. Reserves

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Retained profits/(Accumulated losses)	54,246,877	64,530,364	(5,098,214)	10,461,089
Non-distributable				
Revaluation reserve (Note 22.1)	28,138,734	28,138,734	-	-
Fair value adjustment reserve (Note 22.2)	50,000	-	-	-
Reverse acquisition reserve (Note 22.3)	(72,050,600)	(72,050,600)	-	-
Treasury shares (Note 22.4)	(3,900,518)	(10,863,017)	(3,900,518)	(10,863,017)
	(47,762,384)	(54,774,883)	(3,900,518)	(10,863,017)
	6,484,493	9,755,481	(8,998,732)	(401,928)

22.1 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.

22.2 Fair value adjustments reserve

The fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity investments at fair value through other comprehensive income until they are disposed of.

22.3 Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by Jaring Metal Industries Sdn Bhd in 2013.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

22. Reserves (cont'd)

22.4 Treasury shares

	2023 No. of treasury shares	Group and Company		2022 RM
		2022 No. of treasury shares	2023 RM	
At beginning of year	29,744,603	7,325,000	10,863,017	1,296,500
Shares cancelled	-	(7,325,000)	-	(1,296,500)
Shares repurchased	13,500,000	38,150,000	4,491,461	13,932,750
Shares dividend distributed	(31,303,526)	(8,405,397)	(11,453,960)	(3,069,733)
At end of year	11,941,077	29,744,603	3,900,518	10,863,017

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 (2022: 626,784,892) issued and fully paid ordinary shares as at 31 December 2023, 11,941,077 (2022: 29,744,603) are held as treasury shares by the Company.

23. Lease liabilities

	Group	
	2023 RM	2022 RM
Hire purchase liabilities	5,179,017	1,815,653
Other lease liabilities	3,827,120	4,899,916
	9,006,137	6,715,569
Less: Portion due within one year	(3,095,959)	(2,445,635)
Non current portion	5,910,178	4,269,934
The non current portion of the lease liabilities is payable as follows:		
Later than 1 year and not later than 2 years	2,686,405	2,032,431
Later than 2 years and not later than 5 years	3,212,351	2,237,503
Later than 5 years	11,422	-
	5,910,178	4,269,934



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

23. Lease liabilities (cont'd)

The weighted average effective interest rates are as follows:

	Group 2023 %	2022 %
Hire purchase liabilities	5.28	5.39
Other lease liabilities	5.83	5.83

The Group and the Company had total cash outflows for leases of RM3,859,309 (2022: RM3,677,369) and RM113,100 (2022: RM92,400) respectively.

24. Deferred income

	Group 2023 RM	2022 RM
At beginning of year	307,926	447,938
Grant income recognised	(140,011)	(140,012)
At end of year	167,915	307,926

This represents government grants for the acquisition of plant and machinery for the production of high grade non-ferrous metals from industrial waste.

25. Borrowings

	Group 2023 RM	2022 RM
Non current portion:		
Term loans	33,113,600	10,695,727
Current portion:		
Banker acceptance	4,000,000	-
Bank overdrafts	17,142,383	-
Term loans	4,465,097	3,886,087
	25,607,480	3,886,087
	58,721,080	14,581,814

NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

25. Borrowings (cont'd)

	Group 2023 RM	2022 RM
The non current portion of term loans is payable as follows:		
Later than 1 year and not later than 2 years	5,228,220	3,387,374
Later than 2 years and not later than 5 years	5,520,828	4,782,983
Later than 5 years	22,364,552	2,525,370
	<u>33,113,600</u>	<u>10,695,727</u>

The weighted average effective interest rates are as follows:

	Group 2023 %	2022 %
Banker acceptance	5.65	-
Bank overdrafts	7.66	7.05
Term loans	6.44	6.55

The borrowings are secured by way of:

- (i) property, plant and equipment as disclosed in Note 11;
- (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 20; and
- (v) joint and several guarantees by certain directors of a subsidiary and a corporate guarantee by the Company.

26. Provision

	Group 2023 RM	2022 RM
At beginning of year	37,686	37,686
Additions	2,052	-
At end of year	<u>39,738</u>	<u>37,686</u>

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 2023

27. Deferred tax assets/(liabilities)

	Group	
	2023 RM	2022 RM
At beginning of year	(6,345,821)	(6,170,821)
Recognised in profit or loss (Note 9)		
- current year	(616,000)	25,000
- under provision in prior years	-	(200,000)
	(616,000)	(175,000)
At end of year	(6,961,821)	(6,345,821)

	Group	
	2023 RM	2022 RM
Deferred tax assets	703,085	1,251,420
Deferred tax liabilities	(7,664,906)	(7,597,241)
	(6,961,821)	(6,345,821)
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	(253,000)
Deferred tax liabilities	(6,961,821)	(6,598,821)

Deferred tax liabilities are in respect at the following:

	Group	
	2023 RM	2022 RM
Differences between accounting depreciation and tax capital allowances	(4,147,666)	(4,064,172)
Revaluation reserve	(3,517,240)	(3,533,069)
	(7,664,906)	(7,597,241)

Deferred tax assets are in respect of the following:

	Group	
	2023 RM	2022 RM
Allowance for impairment of trade receivables	404,688	509,375
Differences between accounting depreciation and finance lease payments	176,000	276,100
Unrealised loss on trade related foreign exchange	51,397	81,545
Unabsorbed capital allowances	71,000	358,000
Unutilised business losses	-	26,400
	703,085	1,251,420

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

27. Deferred tax assets/(liabilities) (cont'd)

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

	Group			
	2023 RM	Gross 2022 RM	2023 RM	Tax effects 2022 RM
Differences between accounting depreciation and finance lease payments	110,000	-	26,400	-
Unabsorbed capital allowances	3,331,300	1,720,500	799,700	413,000
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	5,142,700	1,234,200	1,234,200
- 31 December 2030	82,000	82,000	19,000	19,000
- 31 December 2031	1,287,000	1,177,200	308,900	282,500
- 31 December 2032	2,287,000	2,287,000	548,900	548,900
	15,898,200	15,605,500	3,814,400	3,744,000

	Company			
	2023 RM	Gross 2022 RM	2023 RM	Tax effects 2022 RM
Unabsorbed capital allowances	1,567,000	1,567,000	376,000	376,000
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	742,000

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.

28. Trade payables

The normal trade credits granted to the Group, range from 15 days to 60 days (2022: 15 days to 60 days).



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

29. Other payables and accruals

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Advance payments from customers	-	8,796,047	-	-
Amount due to subsidiaries	-	-	924,148	1,082,138
Deposit received for disposal of freehold land	403,520	-	-	-
Rental and other utilities deposits	218,324	-	-	-
Other payables and accruals	1,385,969	2,202,051	170,392	127,180
	2,007,813	10,998,098	1,094,540	1,209,318

30. Dividends

	Dividend per share		Amount of dividend recognised	
	2023 RM	2022 RM	2023 RM	2022 RM
For the financial year ended 31 December 2021:				
- Single tier interim dividend	-	-	-	3,133,911
For the financial year ended 31 December 2022:				
- Interim dividend by way distribution of treasury shares	-	0.005	-	3,069,733
- Final dividend by way distribution of treasury shares	-	0.018	11,453,960	-
	-	0.023	11,453,960	6,203,644

31. Significant related party disclosures

31.1 Related party transactions

Significant transactions with related parties are as follows:

	Type of transactions	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
With a company in which certain directors of a subsidiary have an interest					
Barrel & Drum (M) Sdn Bhd	Purchases	80,460	10,924	-	-
With a subsidiary					
Jaring Metal Industries Sdn Bhd	Dividend income	-	-	4,500,000	21,500,000

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

31. Significant related party disclosures (cont'd)

31.2 Related party balances

Individually significant outstanding balances arising from transactions (other than normal trade transactions) are as follows:

Type of transactions	Group		Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
Financial assets					
With subsidiaries					
Jaring Metal Industries Sdn Bhd	Advances	-	-	22,586,000	32,150,000
JAG Land Sdn Bhd	Advances	-	-	11,932,166	11,467,166
JAG Development Sdn Bhd	Advances	-	-	19,429,900	17,569,400
	Allowance for expected credit loss	-	-	(2,446,717)	(1,124,717)
		-	-	16,983,183	16,444,683
JAG Capital Equity Sdn Bhd	Advances	-	-	5,505,939	5,425,939
	Allowance for expected credit loss	-	-	-	(611,153)
JAG Eco Sdn Bhd	Advances	-	-	5,505,939	4,814,786
		-	-	100,000	-
JAG Prop Sdn Bhd	Advances	-	-	3,665,009	-
JAG Scoops Sdn Bhd	Advances	-	-	7,772,120	5,516,120
	Allowance for expected credit loss	-	-	(7,772,120)	(1,870,391)
		-	-	-	3,645,729
Financial liabilities					
With subsidiaries					
JAG Prop Sdn Bhd	Advances	-	-	-	157,991
JAG Renewable Energy Sdn Bhd	Advances	-	-	924,148	924,147

The advances are unsecured, interest free and receivable/repayable on demand.

31.3 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 2023

32. Capital commitments

	2023 RM	Group 2022 RM
Capital expenditure not provided for in the financial statements are as follows:		
Authorised and contracted for	259,079	28,163,074
Analysed as follows:		
Plant and equipment	159,000	159,000
Investment property	100,079	28,004,074
	259,079	28,163,074

33. 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

31 DECEMBER 2023

33. Segment information (cont'd)

33.1 Business segment

The following table provides an analysis of Group's revenue, results, assets, liabilities and other information by business segment.

2023	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	189,968,545	842,313	6,254,847	5,264,344	627,746	202,957,795	-	202,957,795
Inter-segment revenue	-	-	-	4,500,000	-	4,500,000	(4,500,000)	-
Total revenue	189,968,545	842,313	6,254,847	9,764,344	627,746	207,457,795	(4,500,000)	202,957,795
Results								
Profit/(Loss) from operations	9,480,043	42,034	(1,209,841)	(2,783,003)	(2,206,201)	3,323,032	2,572,549	5,895,581
Finance income	120,376	534	8,909	28,963	18,932	177,714	(109,000)	68,714
Finance costs	(1,404,296)	(6,227)	(355,663)	-	(1,240,950)	(3,007,136)	100,125	(2,907,011)
Profit/(Loss) before tax	8,196,123	36,341	(1,556,595)	(2,754,040)	(3,428,219)	493,610	2,563,674	3,057,284
Income tax expense	(1,611,155)	(7,144)	(257,345)	(3,800)	(7,367)	(1,886,811)	-	(1,886,811)
Net profit/(loss) for the year	6,584,968	29,197	(1,813,940)	(2,757,840)	(3,435,586)	(1,393,201)	2,563,674	1,170,473



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

33. Segment information (cont'd)

33.1 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
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 2023

33. Segment information (cont'd)

33.1 Business segment (cont'd)

2023	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	208,045,148	8,379,338	9,925,989	205,330,157	90,065,440	521,746,072	(215,164,678)	306,581,394
Segment liabilities	81,957,528	-	16,608,505	7,455,252	82,578,834	188,600,119	(91,675,100)	96,925,019
Other information								
Capital expenditure on property, plant and equipment, investment properties and right of use assets	6,991,589	5,323,253	2,505,948	-	39,192,338	54,013,128	-	54,013,128
Depreciation and amortisation	4,122,263	1,428,317	3,215,344	5,642	578,446	9,350,012	-	9,350,012



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

33. Segment information (cont'd)

33.1 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 2023

33. Segment information (cont'd)
33.1 Business segment (cont'd)

2023	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 loss of receivables	-	-	-	7,223,729	-	7,223,729	(7,223,729)	-
Changes in fair value of other investments	(276,000)	-	-	(850,297)	-	(1,126,297)	-	(1,126,297)
Gain on lease modification	-	-	(264,289)	-	-	(264,289)	-	(264,289)
Government grant income	(140,011)	-	-	-	-	(140,011)	-	(140,011)
Impairment loss on investment in subsidiaries	-	-	-	1,466,000	-	1,466,000	(1,466,000)	-
- plant and equipment	-	-	45,243	-	-	45,243	-	45,243
- right of use assets	-	-	146,901	-	-	146,901	-	146,901
Impairment loss no longer required	-	-	-	-	-	-	-	-
- investment in subsidiaries	-	-	-	(611,153)	-	(611,153)	611,153	-
- plant and equipment	-	-	(86,551)	-	-	(86,551)	-	(86,551)
- right of use assets	-	-	(134,162)	-	-	(134,162)	-	(134,162)
Allowance for expected credit loss of receivables no longer required	(212,064)	-	-	(611,153)	-	(823,217)	611,153	(212,064)
Plant and equipment written off	10,752	-	-	-	-	10,752	-	10,752
Unrealised loss on foreign exchange	216,340	-	-	-	-	216,340	-	216,340



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

33. Segment information (cont'd)

33.1 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 loss of receivables	464,890	-	-	2,906,261	-	3,371,151	(2,906,261)	464,890
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 2023

33. Segment information (cont'd)

33.2 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 2023	Revenue RM	Group Non-current assets RM
Malaysia	30,627,775	193,900,685
China	98,807,058	-
Japan	54,398,202	-
Others	19,124,760	-
	202,957,795	193,900,685

Geographical information 2022	Revenue RM	Group Non-current assets RM
Malaysia	22,916,565	149,813,291
China	128,475,441	-
Japan	73,684,089	-
Others	29,016,615	-
	254,092,710	149,813,291

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.

33.3 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:

	2023 RM	Group 2022 RM
Customer A	79,962,584	99,753,198
Customer B	43,370,911	51,953,621
Customer C	-	29,985,565
	123,333,495	181,692,384



NOTES TO THE FINANCIAL STATEMENTS cont'd 31 DECEMBER 2023

34. Financial instruments, financial risks and capital risk management

34.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets				
Fair value through other comprehensive income				
- other investments	2,400,000	2,350,000	-	-
Fair value through profit or loss				
- other investments	13,655,789	8,917,142	-	-
Amortised cost				
- trade and other receivables	18,265,675	26,327,812	60,780,697	68,548,264
- cash and bank balances including fixed deposits	5,552,705	12,796,043	479,055	566,281
	23,818,380	39,123,855	61,259,752	69,114,545
	39,874,169	50,390,997	61,259,752	69,114,545
Financial liabilities				
Amortised cost				
- borrowings (floating rate)	58,721,080	14,581,814	-	-
- lease liabilities (fixed rate)	9,006,137	6,715,569	-	-
- trade and other payables (non interest bearing)	21,366,011	17,686,747	1,094,540	1,209,318
	89,093,228	38,984,130	1,094,540	1,209,318

34.2 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 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 Financial risk management policies and objectives (cont'd)

Foreign exchange risk management

The Group transacts business in various currencies, and therefore is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The net financial assets and financial liabilities of the Group that are not denominated in the functional currency are as follows:

Functional currency of the Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currency			Net RM
	Euro RM	Singapore Dollar RM	United States Dollar RM	
2023				
Ringgit Malaysia	917,976	-	11,667,028	12,585,004
2022				
Ringgit Malaysia	2,434,072	23,892	3,375,889	5,833,853

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	
	2023 RM	2022 RM
Euro	91,700	243,400
Singapore Dollar	-	2,400
United States Dollar	1,166,700	337,600

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 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 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 RM293,605 (2022: RM72,910).

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Bank balances with one financial institution	-	9,312,734	-	-
Amount due from three subsidiaries (2022: three)	-	-	51,501,349	60,061,849

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.	Amount is written off



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 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 RM70,991,134 (2022: RM72,128,625) 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 above 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 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.

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:

	2023 RM	2022 RM
Secured:		
Corporate guarantees in respect of banking facilities of subsidiaries	58,721,080	11,251,000



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 Financial risk management policies and objectives (cont'd)

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 of the Group as follows:

	2023	Group	2022
	RM		RM
<hr/>			
Entities listed on:			
Bursa Malaysia Securities Berhad	1,573,000		1,127,000
			<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 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 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 2023	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	21,366,011	21,366,011	21,366,011	-	-	-	-
Interest bearing debts	58,721,080	72,699,144	27,556,604	7,891,773	7,992,549	29,258,218	
Lease liabilities	9,006,137	10,099,363	3,604,711	2,988,023	3,494,997	11,632	
	89,093,228	104,164,518	52,527,326	10,879,796	11,487,546	29,269,850	
2022							
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	25,275,540	6,262,106	8,037,329	2,303,404	



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.2 Financial risk management policies and objectives (cont'd)

Liquidity risk management (cont'd)

Company	Carrying amount RM	Contractual cash flows (including interest payments)	
		Total RM	On demand or within 1 year RM
2023			
Non interest bearing debts	1,094,540	1,094,540	1,094,540
Corporate guarantees	-	73,739,316	73,739,316
2022			
Non interest bearing debts	1,209,318	1,209,318	1,209,318
Corporate guarantees	-	12,985,589	12,985,589

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.

34.3 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 2023

34. Financial instruments, financial risks and capital risk management (cont'd)

34.3 Capital structure and equity (cont'd)

During the reporting date, the Group's and the Company's strategy was unchanged from 31 December 2022 which is to be financed by debt and equity. The debt-to-adjusted capital ratios at 31 December 2023 and 31 December 2022 were as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total debts	63,900,097	21,297,383	-	-
Less: Cash and bank balances and fixed deposits	(5,552,705)	(12,796,043)	(479,055)	(566,281)
Net debt/(cash)	58,347,392	8,501,340	(479,055)	(566,281)
Total equity/Adjusted capital	209,656,375	212,927,363	194,173,150	202,769,954
Debt-to-adjusted capital ratio (times)	0.28	0.04	N/A	N/A

35. Fair value of assets and liabilities

35.1 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).



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

35. Fair value of assets and liabilities (cont'd)

35.2 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 2023			Total RM
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	
Non financial assets:				
<u>Investment properties</u>				
Freehold land and building	-	73,440,000	-	73,440,000

	Group 2022			Total RM
	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	
Non financial assets:				
<u>Investment properties</u>				
Freehold land	-	36,611,174	-	36,611,174

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 and freehold building 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.

NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

35. Fair value of assets and liabilities (cont'd)

35.3 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 2023			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 equity instruments	15,733,093	-	-	15,733,093
Unquoted mutual funds	-	-	322,696	322,696
<hr/>				
Non recurring fair value measurements				
Non financial assets:				
<u>Property, plant and equipment</u>				
Freehold land and buildings	-	62,031,638	-	62,031,638

	Group 2022			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 equity instruments	11,267,142	-	-	11,267,142
<hr/>				
Non recurring fair value measurements				
Non financial assets:				
<u>Property, plant and equipment</u>				
Freehold land and buildings	-	62,402,344	-	62,402,344

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.



NOTES TO THE FINANCIAL STATEMENTS cont'd

31 DECEMBER 2023

35. Fair value of assets and liabilities (cont'd)

35.3 Assets carried at fair value (cont'd)

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.

35.4 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.

36. Event subsequent to the reporting date

Subsequent to reporting date, the Company proposed to undertake the following:

- (i) proposed bonus issue of 125,356,978 new ordinary shares in the Company on the basis of 1 bonus share for every 5 existing shares held on an entitlement date to be determined; and
- (ii) proposed bonus issue of up to 376,070,935 free warrants in the Company on the basis of 3 warrants for every 5 existing shares held on the entitlement date to be determined.

The above proposed exercise has been approved by the Bursa Malaysia Securities Berhad and pending for approval by shareholder.

LIST OF PROPERTIES AS AT 31 DECEMBER 2023

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	17	<u>Land area</u> 130 square meters <u>Built-up</u> 173.9 square meters	<u>Land</u> 360,000 <u>Building</u> 155,701	31 December 2020 (Date of Revaluation)
2	Selangor	H.S.(D) 57925 PT57329, Mukim and Daerah Klang, Negeri Selangor Lot 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor	Industry. JMI's headquarters comprising a two storey administrative office, 3 units of detached factories, a guard house and a Tenaga Nasional Berhad ("TNB") substation	Freehold	21	<u>Land area</u> 19,426 square meters <u>Built-up</u> 8,321 square meters	<u>Land</u> 25,800,000 <u>Building</u> 7,660,232	31 December 2020 (Date of Revaluation)
3	Johor	GRN 234632, Lot 45043, Mukim Senai, Daerah Kulaijaya, Negeri Johor	Industrial/ Enterprise. A vacant land intended to be used as a collection centre.	Freehold	Note: The land is vacant	<u>Land area</u> 4,045 square meters	1,500,000	31 December 2020 (Date of Revaluation)
4	Selangor	H.S.(D) 58834, No. PT58259, Daerah dan Mukim Klang, Negeri Selangor, No. 21, Jalan Sungai Rasau 32/29, Berjaya Park, Seksyen 32, 40460 Shah Alam, Selangor	Residential. A double storey terrace house used as accommodation for JMI's employees.	Freehold	12	<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 (Date of 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	9	<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 (Date of Revaluation)



LIST OF PROPERTIES cont'd AS AT 31 DECEMBER 2023

No.	Location	Address	Description/ Existing Use	Tenure	Approximate Age of Building (Years)	Land & Build-up Area (square meter)	Carrying Amount (RM)	Date of Acquisition/ Revaluation
6	Johor	H.S (D) 546511 No. PTD7741 Mukim Jelutong, Daerah Johor Bahru, Negeri Johor, No. 13, 13-01, 13-02, Jalan SILC 2/12, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor	An intermediate three storey shop/office	Freehold	Note: The shop/office is vacant In operation since July 2019	Land area 143.079 square meters Built-up 429.22 square meters	1,108,690	6 September 2017
7	Selangor	HS(M) 61058 to HS(M) 61108, Lot No. PT158379 to PT158429, Persiaran Kemuning Prima, Seksyen 32, 40460 Shah Alam, Selangor	Investment property	Freehold	Vacant land	Master land area 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	Land area 7,582 square meters	9,140,000	22 February 2024
9	Selangor	PT 151631, Jalan Sungai Jati, Taman Sentosa Perdana, 41000 Klang, Selangor	Investment property	Freehold	Vacant land	Land area 4,478 square meters	6,300,000	22 February 2024
10	Selangor	Lot No. 10428, Jalan Sungai Jati, Batu 5, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan	Investment property	Freehold	Vacant land	Land area 6,744.75 square meters	3,050,000	28 August 2020

LIST OF PROPERTIES cont'd AS AT 31 DECEMBER 2023

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
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 97 years	Land held for development	Land area 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	Land area 980 square meters Built up 790.51 square meters	Land 3,400,000 Building 4,888,182	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	38,552,298	11 November 2022



ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

STATISTICS OF SHAREHOLDINGS

AS AT 1 April 2024

Total Issued Share Capital (Inclusive of Treasury Shares and after cancellation of 7,325,000 ordinary shares)	:	RM203,171,882 comprising 626,784,892 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Treasury Shares held by the Company	:	11,941,077 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	3,296	37.64	105,184	0.02
100 - 1,000	804	9.18	286,249	0.05
1,001 - 10,000	2,038	23.27	9,537,706	1.55
10,001 - 100,000	2,274	25.97	64,660,188	10.51
100,001 - 30,742,189 *	340	3.88	305,447,961	49.68
30,742,190 and above **	5	0.06	234,806,527	38.19
Total:	8,757	100.00	614,843,815	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 Aik Kee	107,148,549	17.427	81,330,574 ⁽¹⁾	13.228
2.	Dato' Ng Meow Giak	49,293,581	8.017	-	-
3.	NKK Capital Sdn. Bhd.	40,854,785	6.645	-	-
4.	Libra Valen Sdn. Bhd.	40,475,789	6.583	-	-
5.	Ng Yaw Long	36,472,161	5.932	-	-

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	19,449,332	3.163	-	-
Dato' Ng Meow Giak	49,293,581	8.017	-	-
Roy Thean Chong Yew	-	-	-	-
Datuk Md. Hassim Bin Pardi	-	-	-	-
Ewe Chuan Seng	-	-	-	-
Hong Cheong Liang	-	-	-	-
Maznida Binti Mokhtar	-	-	-	-



ANALYSIS OF SHAREHOLDINGS cont'd AS AT 1 APRIL 2024

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	89,292,564	14.52
2.	NKK CAPITAL SDN. BHD.	40,854,785	6.64
3.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIBRA VALEN SDN. BHD.	40,475,789	6.58
4.	DATO' NG MEOW GIAK	33,026,000	5.37
5.	NG YAW LONG	31,157,389	5.07
6.	M&A NOMINEE (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LEE SENG THYE (M&A)	24,876,107	4.05
7.	TEH CHIN CHING	20,313,195	3.30
8.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR DATO' NG MEOW GIAK	16,267,581	2.65
9.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TEO YEK MING (MY4629)	13,977,443	2.27
10.	TAN SIEW CHING	10,893,403	1.77
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHAN YEE KUAN	10,439,849	1.70
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG AIK KEE (SMART)	10,041,700	1.63
13.	LEONG YEE KEONG	9,496,442	1.54
14.	CHAN AN KIEN	8,612,304	1.40
15.	TAN SIEW CHING	8,555,929	1.39
16.	FOO WEN POK	8,541,352	1.39
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TEO YEK MING (0129944)	8,000,000	1.30
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR NG AIK KEE (MF00451)	7,000,000	1.14
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	5,973,684	0.97
20.	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TEH CHIN CHING (JAG)	5,831,114	0.95
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG YAW LONG (JAG)	5,314,772	0.86
22.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - LIM WILLIE	4,955,834	0.81
23.	KELRIX SDN BHD	4,377,443	0.71
24.	LIM CHIN SEAN	4,377,443	0.71
25.	LEE FU-CHIEN	3,856,328	0.63
26.	YAYASAN EKONOMI KEWANGAN ANTARABANGSA	3,368,421	0.55
27.	WOO YEW TIM	3,309,773	0.54
28.	CHOW PUI LING	3,021,052	0.49
29.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LIM WILLIE	2,989,473	0.49
30.	CHENG YOKE MEI	2,791,352	0.45



NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (“**26th**”) Annual General Meeting (“**AGM**”) of JAG Berhad (the “**Company**”) will be held on a **fully virtual** basis vide the live streaming and online voting using the remote participation and voting facilities hosted on Online Meeting Platform of Securities Services e-Portal at the following date, time and venue to transact the following business:-

Day and date : **Wednesday, 29 May 2024**
 Time : **10:00 a.m.**
 Online Meeting Platform : Securities Services e-Portal at <https://sshsb.net.my/>

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 2)**
2. To approve the Directors’ fees payable to the Directors of the Company of up to RM265,000/- for the financial year ending 31 December 2024. **Ordinary Resolution 1**
3. To re-elect Mr. Roy Thean Chong Yew, a Director who retires in accordance with Clause 21.6 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 2**
4. To re-elect Datuk Md. Hassim Bin Pardi, a Director who retires in accordance with Clause 21.6 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 3**
5. To re-elect Mr. Hong Cheong Liang, a Director who retires in accordance with Clause 21.10 of the Company’s Constitution, and being eligible, has offered himself for re-election. **Ordinary Resolution 4**
6. To re-elect Puan Maznida Binti Mokhtar, a Director who retires in accordance with Clause 21.10 of the Company’s Constitution, and being eligible, has offered herself for re-election. **Ordinary Resolution 5**
7. 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 6**

Special Business

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

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

“**THAT** the benefits payable to the Directors of the Company up to an amount of RM76,000/- for the period from 30 May 2024 until the next AGM of the Company to be held in year 2025 pursuant to Section 230(1)(b) of the Act, be and is hereby approved for payment.”
9. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT AND WAIVER OF PRE-EMPTIVE RIGHTS** **Ordinary Resolution 8**

“**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;

NOTICE OF 26TH ANNUAL GENERAL MEETING cont'd

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;

THAT the Directors and/or the Company Secretary be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the waiver of pre-emptive rights for and on behalf of the Company;

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.”

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

*Ordinary
Resolution 9*

“**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 Share Buy-Back Authority**”), 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 Proposed 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.”



NOTICE OF 26TH ANNUAL GENERAL MEETING cont'd

11. PROPOSED RETENTION OF MR. EWE CHUAN SENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR *Ordinary Resolution 10*

“THAT 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.”

12. 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.

BY ORDER OF THE BOARD

(duly signed)

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC No. 201908002648)

CHENG CHIA PING (MAICSA 1032514) (SSM PC No. 202008000730)

Company Secretaries

Kuala Lumpur

30 April 2024

Notes:-**(1) Information for Shareholders/Proxies**

- a. For the purpose of determining a member who shall be entitled to attend this 26th 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 21 May 2024. Only a depositor whose name appears on the Record of Depositors as at 21 May 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE LR 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.

NOTICE OF 26TH ANNUAL GENERAL MEETING cont'd

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 26th 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 Monday, 27 May 2024 at 10:00 a.m.):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshsb.com.my
Electronic appointment	<i>Securities Services e-Portal</i> <i>Weblink: https://www.sshsb.net.my/</i> <i>Contact number for enquiry: +603-2084 9000</i> <i>Fax: +603-2094 9940 and/or +603-2095 0292</i> <i>Email: eservices@sshsb.com.my</i>

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be submitted vide either one of the abovementioned modes to the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd.

Explanatory Notes to Ordinary Business:-

(2) Audited Financial Statements for the financial year ended 31 December 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(3) Ordinary Resolution 1 - Payment of Directors' Fees

The proposed Directors' fees payable to the Directors of the Company for the financial year ending 31 December 2024 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 2024
Non-Executive Directors	RM43,200 per person per annum
Audit Committee Chair	Additional RM18,000 per annum
Nomination and Remuneration Committee Chair	Additional RM14,400 per annum
Sustainability and Risk Management Committee Chair	Additional RM14,400 per annum

The Ordinary Resolution 2, if approved, will authorise the Directors' fees payable to the Directors for the financial year ending 31 December 2024 pursuant to Clause 21.4 of the Constitution of the Company.



NOTICE OF 26TH ANNUAL GENERAL MEETING cont'd

(4) **Ordinary Resolutions 2, 3, 4 and 5 - Re-election of Directors**

Clause 21.6 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 21.10 of the Constitution of the Company states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 26th AGM of the Company, the Nomination and Remuneration Committee ("**NRC**") considered the requirements under Rule 2.20A of the ACE LR and declaration of Directors' Fit and Proper made by Mr. Roy Thean Chong Yew, Datuk Md. Hassim Bin Pardi, Mr. Hong Cheong Liang and Puan Maznida Binti Mokhtar for the re-election as Directors pursuant to Clause 21.6 and Clause 21.10 of the Constitution of the Company ("Retiring Directors") respectively. The Board, through the NRC, had conducted separate assessments on Mr. Hong Cheong Liang and Puan Maznida Binti Mokhtar, both are the Independent Non-Executive Directors, therefore, the Board had recommended the same be tabled to the shareholders for approval at the forthcoming 26th AGM of the Company under Ordinary Resolutions 2, 3, 4 and 5 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 NRC Meeting, where applicable and the Board of Directors' Meeting, respectively.

(5) **Ordinary Resolution 6 - 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 2024. 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 26th AGM of the Company under Ordinary Resolution 6.

Explanatory Notes to Special Business:

(6) **Ordinary Resolution 7 - Benefits Payable to the Directors**

Under Ordinary Resolution 7, the benefits payable to the Directors of the Company pursuant to Section 230(1)(b) of the Act had been reviewed by the NRC 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 2024 until the next AGM of the Company to be held in year 2025 ("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/-

NOTICE OF 26TH ANNUAL GENERAL MEETING cont'd

(7) **Ordinary Resolution 8 – Authority to Issue Shares pursuant to the Act and Waiver of Pre-Emptive Rights**

The Company wishes to renew the mandate on the authority to issue shares of not more than 10% of the total issued share capital for the time being pursuant to the Act at the 26th 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 29 May 2023 (hereinafter referred to as the “**Previous Mandate**”). As at the date of this Notice of 26th 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 9 - Proposed Renewal of Share Buy-Back Authority**

The proposed adoption of the Ordinary Resolution 9 is to renew the authority granted by the shareholders of the Company at the 25th Annual General Meeting held on 29 May 2023. 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.

(9) **Ordinary Resolution 10 - Proposed Retention of Mr. Ewe Chuan Seng as Independent Non-Executive Director**

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 Independent Non-Executive Director (“**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. Ewe as INED of the Company.

The Board vide the NRC after having assessed of the independence of Mr. Ewe regarded him to be independent, recommends that the approval of the shareholders be sought through a two-tier voting process, to retain Mr. Ewe to continue in office as INED based on the following justifications:-

- He has fulfilled the criteria under the definition of an Independent Director (“**ID**”) pursuant to the ACE LR;
- He is able to exercise independent judgement and act in the best interests of the Company;
- There is no potential conflict of interest, including interest in any competing business that Mr. Ewe has with the Company or its subsidiaries;
- 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; and
- Therefore, in line with the Sustainability Development Goals adopted by the Company as well as for the continuous 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 his roles as INED.

FORM OF PROXY

for 26TH ANNUAL GENERAL MEETING

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

Number of shares held

CDS account no.

I/We _____ *NRIC/Passport/Registration No. _____
(FULL NAME IN BLOCK CAPITAL)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-Sixth Annual General Meeting (“**26th AGM**”) of the Company which will be held on a **fully virtual basis** vide the live streaming and online voting using the remote participation and voting facilities hosted on Online Meeting Platform of Securities Services e-Portal at <https://sshsb.net.my/> on Wednesday, 29 May 2024 at 10:00 a.m., or any adjournment thereof:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the Directors’ fees payable for the financial year ending 31 December 2024		
2	To re-elect Mr. Roy Thean Chong Yew as Director (<i>Clause 21.6</i>)		
3	To re-elect Datuk Md. Hassim Bin Pardi as Director (<i>Clause 21.6</i>)		
4	To re-elect Mr. Hong Cheong Liang as Director (<i>Clause 21.10</i>)		
5	To re-elect Puan Maznida Binti Mokhtar as Director (<i>Clause 21.10</i>)		
6	To re-appoint Messrs. Russell Bedford LC PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration		
7	To approve the benefits payable to the Directors for the period from 30 May 2024 until the next AGM to be held in year 2025		
8	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		
9	Proposed Renewal of Share Buy-Back Authority		
10	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**

- a. For the purpose of determining a member who shall be entitled to attend this 26th 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 21 May 2024. Only a depositor whose name appears on the Record of Depositors as at 21 May 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, SICDA, ACE LR 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 appointor 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 26th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities.

Fold this flap for sealing

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

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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 **Monday, 27 May 2024 at 10:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshb.com.my
Electronic appointment	<i>Securities Services e-Portal</i> Weblink: https://www.sshb.net.my/ Contact number for enquiry: +603-2084 9000 Fax: +603-2094 9940 and/or +603-2095 0292 Email: eservices@sshb.com.my

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