



ANNUAL REPORT

2022

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CORPORATE INFORMATION



Sitting from left to right:

Susie Chung Kim Lan, Tan Kok Chor and Georgia Suzanne Lingam @ Georgianne.

Standing from left to right:

Chin Siew Kim, Michael Moo Kai Wah, Sri Ganesh A/L Balasubramaniam, Datuk Joseph Lee Yok Min @ Ambrose, Seroop Singh Ramday and Andrea Huang Jia Mei.

BOARD OF DIRECTORS

Tan Kok Chor

Chairman
(Independent Non-Executive
Director)

**Datuk Joseph Lee Yok Min @
Ambrose**

(Managing Director)

**Sri Ganesh A/L K
Balasubramaniam**

(Executive Director)

**Georgia Suzanne Lingam @
Georgianne**

(Executive Director)

Susie Chung Kim Lan

(Independent Non-Executive
Director)

Seroop Singh Ramday

(Senior Independent Non-
Executive Director)

Michael Moo Kai Wah

(Independent Non-Executive
Director)



Corporate Information (cont'd)

AUDIT COMMITTEE

Susie Chung Kim Lan
(Independent Non-Executive Director) - **Chairperson**

Seroop Singh Ramday
(Senior Independent Non-Executive Director) - **Member**

Tan Kok Chor
(Independent Non-Executive Director) - **Member**

Michael Moo Kai Wah
(Independent Non-Executive Director) - **Member**

NOMINATION COMMITTEE

Seroop Singh Ramday
(Senior Independent Non-Executive Director)-**Chairman**

Tan Kok Chor
(Independent Non-Executive Director) - **Member**

Michael Moo Kai Wah
(Independent Non-Executive Director)- **Member**

REMUNERATION COMMITTEE

Seroop Singh Ramday
(Senior Independent Non-Executive Director)-**Chairman**

Tan Kok Chor
(Independent Non-Executive Director)- **Member**

Michael Moo Kai Wah
(Independent Non-Executive Director)-**Member**

COMPANY SECRETARIES

Chin Siew Kim (L.S.0000982)
Practising Cert No. 202008004110

Andrea Huong Jia Mei (MIA 36347)
Practising Cert No. 202008003125

REGISTERED OFFICE

1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007, W.P. Labuan
Tel : 087-410509
Fax : 087-410515

SHARE REGISTRAR

Labuan Corporate Services Sdn Bhd
1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007, W.P. Labuan
Tel : 087-410748
Fax : 087-410515

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa
Malaysia Securities Berhad on
28 Nov 1997.

Stock Name : BORNOIL
Stock Code : 7036

AUDITORS

STYL Associates PLT
(LLP0019500-LCA & AF001929)
Chartered Accountants
902, 9th Floor, Block A,
Damansara Intan, No. 1,
Jalan SS 20/27
47400 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03-77242128

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
(88103-W)
Hong Leong Bank Berhad
(97141-X)
Public Bank Berhad (6463-H)
Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)
HSBC Bank Malaysia Berhad (127776-V)
Standard Chartered Bank Malaysia
Berhad (115793-P)
Ambank(M) Berhad (8515-D)
United Overseas Bank (Malaysia)
Berhad (271809-K)

SOLICITORS

Satem, Chai & Dominic Lai Advocates
Chung & Associates
H.C. Lee & Partners Advocates
Lai & Co.

WEBSITE

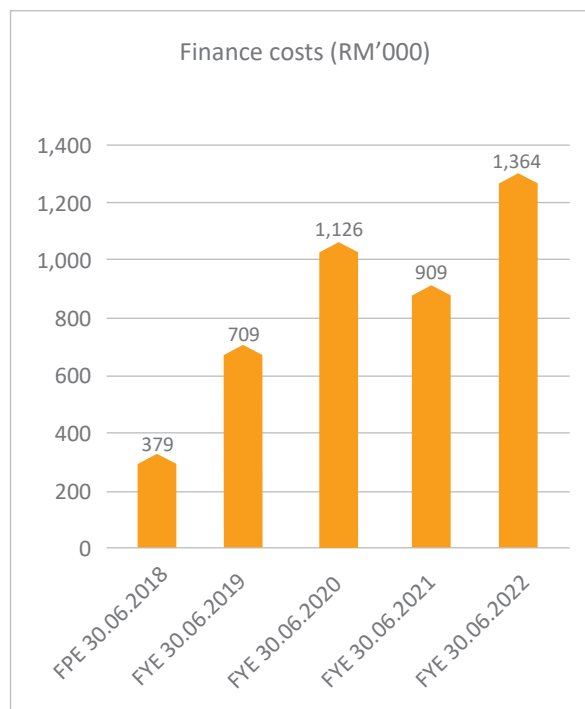
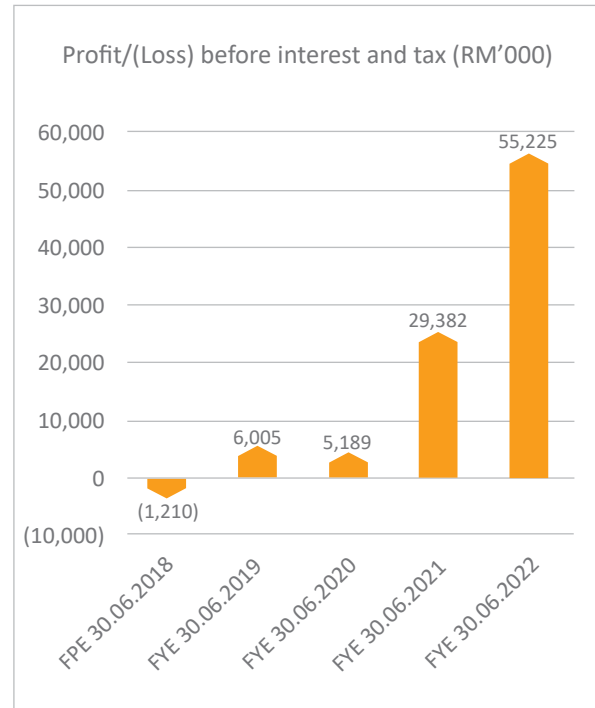
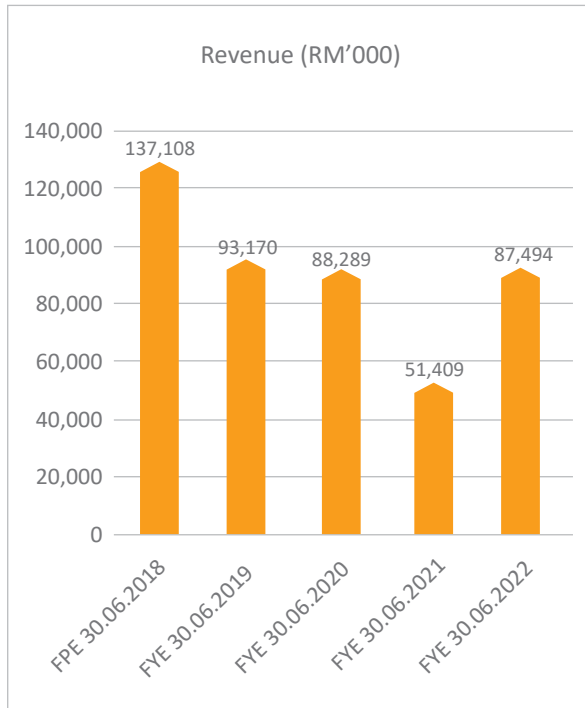
www.borneo-oil.com.my

GROUP FINANCIAL HIGHLIGHTS

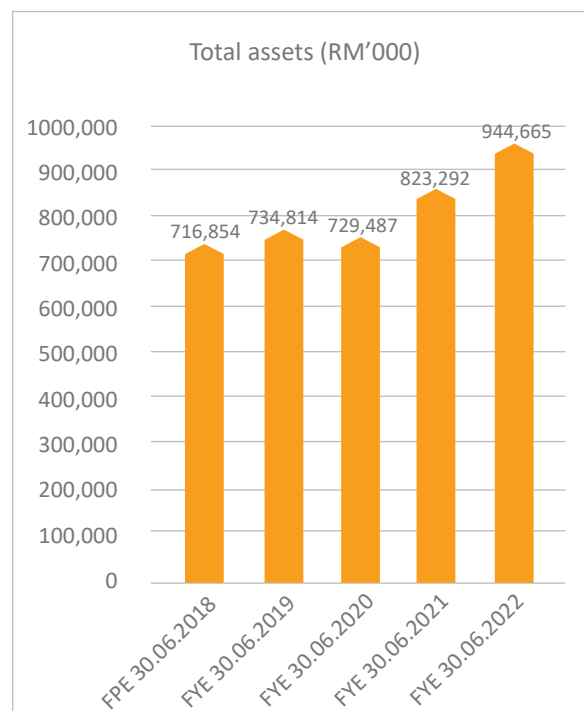
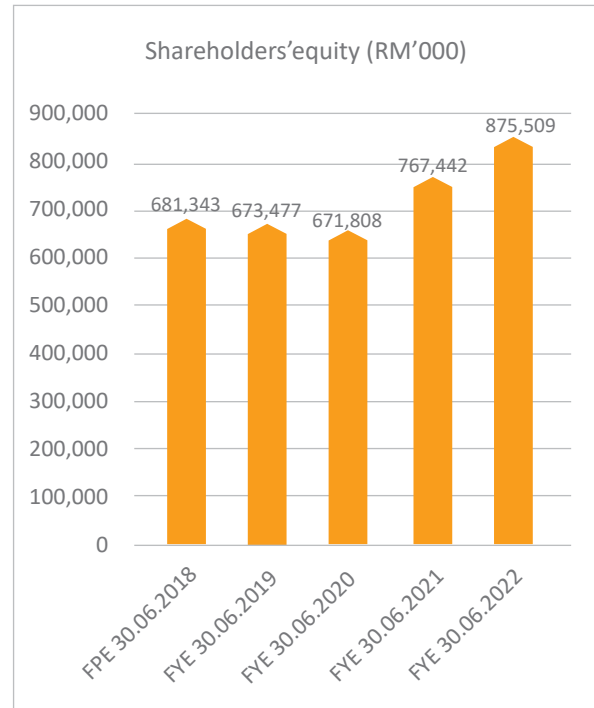
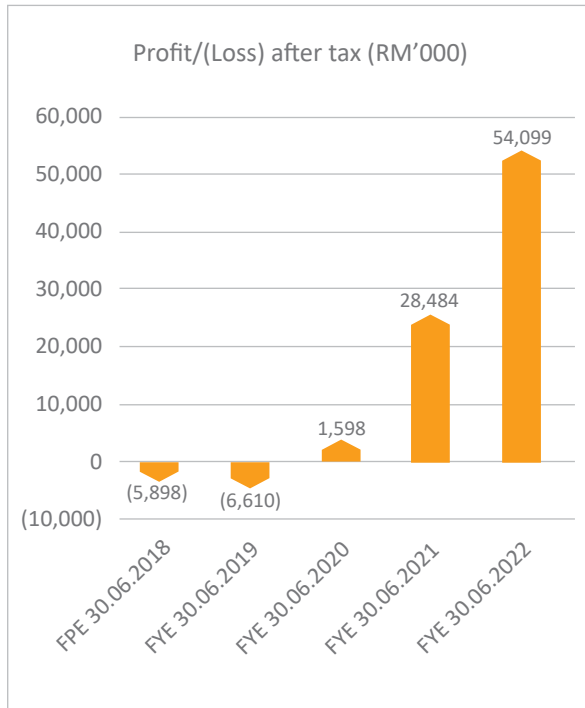
GROUP FINANCIAL SUMMARY

	FPE 30.06.2018 RM'000	FYE 30.06.2019 RM'000	FYE 30.06.2020 RM'000	FYE 30.06.2021 RM'000	FYE 30.06.2022 RM'000
For the Year					
Revenue	137,108	93,170	88,289	51,409	87,494
Profit/(Loss) before interest and tax	(1,210)	6,005	5,189	29,382	55,225
Finance costs	379	709	1,126	909	1,364
Profit/(Loss) after tax	(5,898)	(6,610)	1,598	28,484	54,099
At Year End					
Shareholders' equity	681,343	673,477	671,808	767,442	875,509
Total assets	716,854	734,814	729,487	823,292	944,665
Total liabilities	35,511	61,336	57,679	55,850	69,156
Net asset per share	RM 0.13	RM 0.13	RM 0.13	RM 0.11	RM 0.11
Earnings/(Loss) per share	sen (0.13)	sen (0.13)	sen 0.03	sen 0.46	sen 0.67

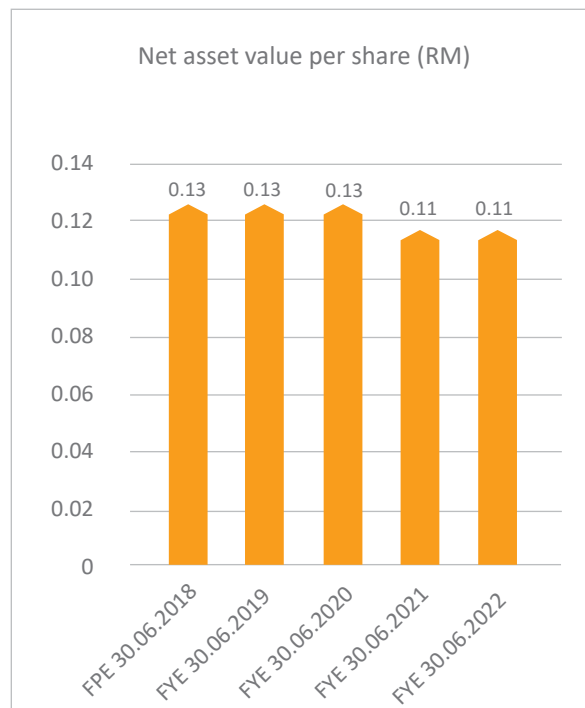
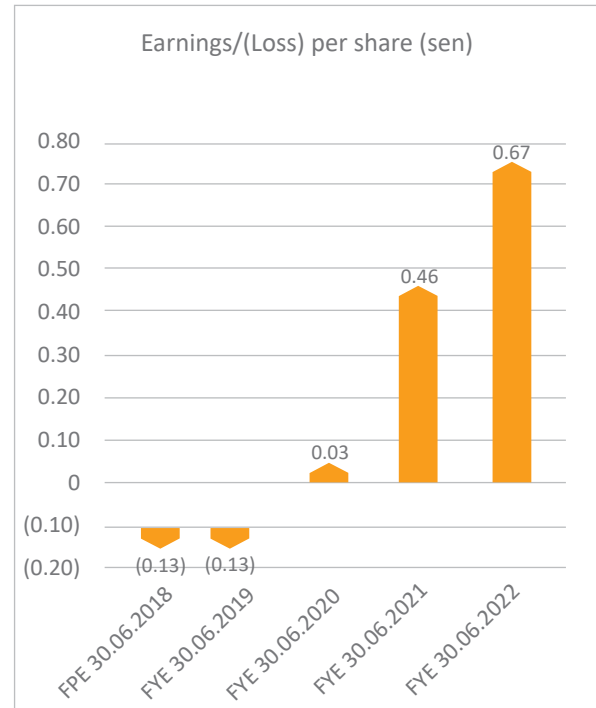
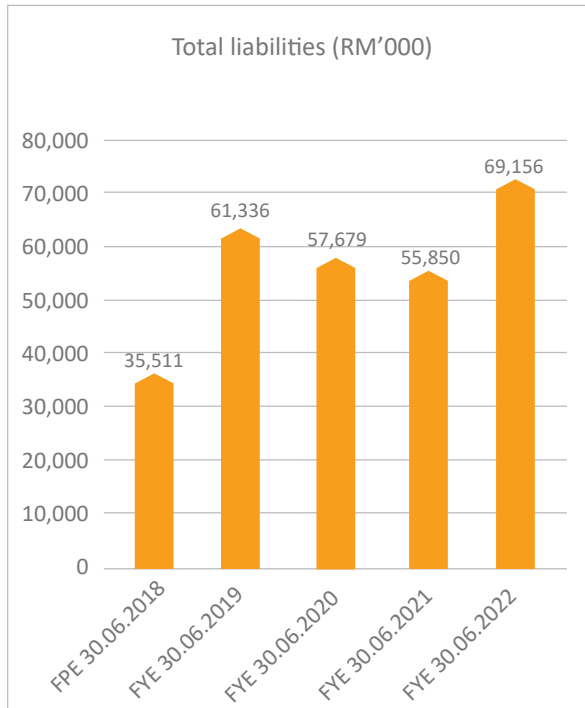
Group Financial Highlights (cont'd)



Group Financial Highlights (cont'd)



Group Financial Highlights (cont'd)



CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited financial statements of Borneo Oil Berhad (“BOB” or “the Group”) for the financial year ended 30 June 2022 (“FYE2022”).

Economic Landscape

We started the financial year with a nationwide Full Movement Control Order (“FMCO”) which commenced on 1 June 2021. The revival in the global economy was hobbled by emergent strains of COVID-19, supply chain-related disruptions, heightened inflationary pressures and volatility in the financial markets as interest rates rose at a rapid pace in some advanced economies.

These were further exacerbated by the outbreak of Russian-Ukraine war that threatened food and energy security and consequently, the cost of raw materials was further inflated.

The Malaysian economy registered a growth of 8.9% in 2nd Quarter of 2022 (1st Quarter of 2022: 5.0%). The growth was higher to some extent because of the low base from the FMCO in June 2021 coupled with growth in April and May 2022 which were reflective of the normalisation of economic activity as the country moved towards endemicity and reopened international borders. In terms of economic activity, the services and manufacturing sectors continued to drive growth whilst the construction sector grew by 2.4% (1st Quarter of 2022: a contraction of 6.2%), its first positive growth since 2nd Quarter of 2021.

[Source: Bank Negara Malaysia Quarterly Bulletin – Second Quarter 2022].

Chairman's Statement (cont'd)

Financial Performance Review

The Group recorded total revenue of RM87.49 million and a profit before tax of RM53.86 million for the financial year ended 30 June 2022 as compared to the total revenue of RM51.41 million and a profit before tax of RM28.47 million for the preceding financial year, representing an increase of 70.2% and 89.2% year-on-year, respectively.

Food and Franchise Operations ("FFO") recorded revenue of RM47.62 million, representing an increase of RM10.18 million against the preceding financial year. The increase in revenue was mainly due to the gradual lifting of dine-in restrictions under the National Recovery Plan, in which the FFO posted a corresponding profit of RM1.65 million during the financial year.

The Property Investment & Management ("PIM") registered revenue of RM22.09 million and profit before tax of RM0.92 million for the current year against revenue of RM6.25 million and loss before tax of RM9.83 million for the preceding year. The increase in revenue was due to the full resumption of on-site installation activities for the project management of an Integrated Limestone Processing Plant ("ILPP") which a kiln firing up ceremony was held on 19 September 2022 on-site at the ILPP.

The Resources & Sustainable Energy ("RSE") reported revenue of RM17.74 million and loss before tax of RM1.21 million for the current financial year against revenue of RM7.56 million and profit before tax of RM24.62 million for the preceding financial year. The increase in revenue for the current year was mainly due to the sale of limestones/stones of RM15.27 million. The profit before tax of RM24.62 million for the preceding year was mainly attributable to the disposal of Biofraction Technology Assets and Intellectual Property Rights for a total consideration of USD5 million fully settled by allotment of shares in Verde Resources, Inc. The disposal registered a reversal of impairment of RM18.29 million on Biofraction related assets and a fair value gain on investment in Verde Resources, Inc. of RM26.40 million.

Economic Outlook

Several shocks have hit the world's economy already weakened by the pandemic i.e. higher-than-expected inflation worldwide, especially in the United States and major European economies, triggering tighter financial conditions, a worse-than-anticipated slowdown in China, reflecting Covid-19 outbreaks and lockdowns and further negative spillovers from the war in Ukraine.

We expect macroeconomic conditions to remain challenging and markets to remain volatile in FYE2023 with global interest rates likely to trend higher and unlikely near-term resolution to the Russia-Ukraine conflict. While the Malaysian economy is expected to stay on a growth trajectory, we remain cautious about the business environment as we foresee the growth momentum moderating by the second half of FYE2023 amid rising external headwinds.

The Way Forward

As we move into the endemic phase, the Group is confident that there is some hope for an end to the pandemic conundrum. Further growth in the economy would present an opportunity for the Group to be at the forefront of the recovery phase, especially in Borneo.

In this connection, the Group is currently undergoing a "Borneo Centric" rebranding exercise, which will focus on Borneo, its relevance and importance to the world at large. The Group is expected to officially launch its "Borneo Centric" branding in 2023.

Appreciation

On behalf of the Board of Directors, I would like to extend our gratitude and appreciation to my fellow Board members, the management and staff for their continuous commitment and valuable contributions to the Group.

My sincere appreciation also goes to our regulators, shareholders, clients, business partners and all other stakeholders. Finally, thank you to all our valued shareholders for your unwavering support.

We appreciate all your continuous support as we look forward to a year of growth for the Group.

Tan Kok Chor

Chairman

21st October 2022

PROFILE OF DIRECTORS



TAN KOK CHOR

Chairman

Malaysian

Aged 72

Tan Kok Chor is an Independent Non-Executive Director of our Group and was appointed to the Board of Borneo Oil Berhad on 21st August 2001. He has vast experiences in the commercial, legal and administrative fields. He holds various directorships in several other private limited companies, incorporated in Malaysia.

Profile of Directors (cont'd)



DATUK JOSEPH LEE YOK MIN @ AMBROSE

Managing Director

Malaysian

Aged 64

Datuk Joseph Lee Yok Min @ Ambrose was appointed as an Executive Director of Borneo Oil Berhad on 27th March 2019. He graduated with a Bachelor of Law (Honours) Degree from Central Lancashire University, United Kingdom (1980) and qualified as a Barrister At Law (Lincoln's Inn) London in 1981. He was called to the Sabah Bar in 1982 and is an Advocate and Solicitor of the High Court of Sabah and Sarawak.

He is a Practicing legal consultant and an established businessman with more than 35 years of experience in various industries. He currently spearheads the strategic and sustainable growth of Borneo Oil Berhad.

Profile of Directors (cont'd)



GEORGIA SUZANNE LINGAM @ GEORGIANNE

Executive Director

Malaysian

Aged 51

Georgia Suzanne Lingam @ Georgianne was appointed as an Executive Director of Borneo Oil Berhad on 1st April 2022. She joined the Borneo Oil Berhad Group in 2001 as part of the team that was involved in the planning and opening of the SugarBun Destination Centres, the 3-in-one concept and other evolutions of the SugarBun F & B division as well as the property division. She has served in various positions in the Company as project manager and thereafter as Group General manager involved in all aspects of the overall activities of the Group since 2007. She is well versed with the operational, corporate and legal aspects within the Group.

Profile of Directors (cont'd)



SRI GANESH A/L K BALASUBRAMANIAM

Executive Director

Malaysian

Aged 55

Sri Ganesh A/L K Balasubramaniam was appointed as an Executive Director of Borneo Oil Berhad on 1st April 2022. He is a confident, creative and strong-willed operational background professional with 31 years of distinguished performance in the Operations of Catering, Retail and QSR industry. Broad-based background encompasses exceptional work ethics and commitment to organisational objectives within a highly competitive and rapidly changing market place domestically and abroad in F & B franchising.

He has vast experience in managing regional and multiple F&B outlets organisational during his stint with KFC Holdings and numerous consultancy projects overseas. He has been elected as the Main Council by Malaysia Franchise Association and Vice Chairman for Franchise International Malaysia 2018.

Profile of Directors (cont'd)



SEROOP SINGH RAMDAY

Senior Independent Non-Executive Director

Malaysian

Aged 65

Seroop Singh Ramday has been appointed to the Board of Borneo Oil Berhad since 1st August 2014. He is a business graduate with post graduate qualifications in management (Warwick) and an MBA from the University of Aston in the UK. He has over 35 years of international experience based both in the UK and Malaysia.

He is a United Kingdom and United Nations accredited independent expert on International Joint Ventures and development projects and have delivered assignments across Europe, United States of America, Asia and Africa.



MICHAEL MOO KAI WAH

Independent Non-Executive Director

Malaysian

Aged 70

Michael Moo Kai Wah is an Independent Non-Executive Director who has been appointed to the Board of Borneo Oil Berhad since 15th January 2008. He obtained his college education at the University of Huddersfield, United Kingdom in 1977 in Business Studies.

He has over 20 years experience both in the United Kingdom and in Malaysia on matters and positions involving accounting, tax, audit and secretarial services.

Profile of Directors (cont'd)



SUSIE CHUNG KIM LAN

Independent Non-Executive Director

Malaysian

Aged 47

Susie Chung Kim Lan is an Independent Non-Executive Director who has been appointed to the Board of Borneo Oil Berhad on 1st April 2022. She is also the Chairman of the Audit Committee.

She graduated from Charles Sturt University, Australia in April 2003 with Bachelor of Business in Accounting/Finance. She is a member of CPA Australia since July 2006 as well as a member of the Malaysian Institute of Accountants (MIA) since November 2006. She has over 22 years of experience in Malaysia on matters involving accounting, audit, tax and finance. She was involved in the growth of several companies including supervising and managing their listings on Bursa Malaysia Securities Berhad.

Notes to Director's Profile

- 1 There are no family relationship amongst the Directors and/or major shareholders of the Company.
- 2 None of the Directors have any business arrangement with the Company in which he has personal interest or have any conflict of interest with the Company.
- 3 None of the Directors have any conviction for any offence within the past five(5) years, other than traffic offences, if any and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.
- 4 The details of attendance of each Director at Board Meetings are set out in Page 32 of the 2022 Annual Report.
- 5 The details of the Directors' interest in the shares of the Company are set out in Page 69 of the 2022 Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Borneo Oil Berhad and its Group of Companies (“the Group”) is principally engaged in various business segments and broadly categorised under the following segments:

- Food and Franchise Operations (“FFO”)
- Property Investment and Management (“PIM”)
- Resources and Sustainable Energy (“RSE”)

The Group’s businesses are based wholly in Malaysia, which accounts for 100% (FYE2021: 100%) of the Group’s total revenue for the financial year ended 30 June 2022.

GROUP’S FINANCIAL PERFORMANCE

The Group recorded a revenue of RM87.49 million and a profit before tax of RM53.86 million compared with the preceding financial year’s revenue of RM51.41 million and profit before tax of RM28.47 million.



The higher reported revenue of RM36.08 million was mainly due to the increase in revenue across the three reporting business segments with the improvement in market sentiments with the easing of the Movement Control Order and the transition to endemic phase following the effectiveness of public health prevention and control measures, including the COVID-19 vaccination program in managing the transmission of COVID-19 infection in the country.

The profit before tax for FYE2022 was RM53.86 million, an increase of RM25.39 million against the preceding financial year. This was mainly due to the higher reported gain of RM26.63 million on the fair value gain on investment in quoted shares compared to the preceding financial year.

FOOD AND FRANCHISE OPERATIONS (“FFO”)

FFO segment registered revenue of RM47.62 million for the current financial year against revenue of RM37.44 million for the preceding financial year. This was mainly due to the gradual lifting of dine-in restrictions under the National Recovery Plan and coupled with the launch of our new product, Sabasco, a homegrown range of Sabah’s chilli with the exclusively small but fiery Mompoporok Chilli from Kunak, Sabah which created great interest and the response has been overwhelming.

The current financial year posted a profit before tax of RM1.65 million compared to a loss before tax of RM6.48 million for the preceding year. The reported profit for the current year was mainly contributed from the increase in franchise goods sales, wherefore the loss for the prior year was attributable to the share-based payment expense on the Employees’ Share Option Scheme (“ESOS”) of RM6.22 million.

As at 30 June 2022, the total number of SugarBun and Pezzo outlets was 118 as compared to 121 for the preceding financial year.

Management Discussion and Analysis (cont'd)

SABASCO®
BORNEO'S ORIGINAL CHILLI SAUCE

INILAH, SOS CILI YANG ASLI THE REAL- REAL THING

SABASCO KUNAK SABAH BORNEO
SABASCO KUNAK SABAH BORNEO
SABASCO KUNAK SABAH BORNEO HIJAU GREEN

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 Instagram sabascosabah
 WhatsApp sabasco.com

QR code: Scan here for Product Showcase

Logos: Malaysia, MeSTI, Halal, and Sabasco.

SABASCO®
PRODUCT OF BORNEO CILI MOMPOROK

Dari generasi ke generasi, warga Sabah mewarisi Cili "Mompok" yang istimewa. Cili ini yang biasa dijumpai di pasar Tamu merupakan rahsia ramuan pedas Sabah.

Cili "Mompok" Sabasco yang diperolehi dari Kunak, Pantai Timur Sabah; tumbuh liar di tanah gunung berapi yang berdekatan dengan pinggir laut melalui benih yang disebarkan oleh burung Bulbul.

Rasa dan aroma Cili yang terhasil adalah unik dan tiada tandingan. Sos Cili Pedas Sabasco merupakan perasa ruji yang paling sedap ditambah dengan jus limau kasturi dan kacang soya untuk dinikmati bersama sajian harian anda.

Follow our social media:
 Facebook Sabasco Sabah
 Instagram sabascosabah
 WhatsApp sabasco.com

Logos: Malaysia, MeSTI, Halal, and Sabasco.

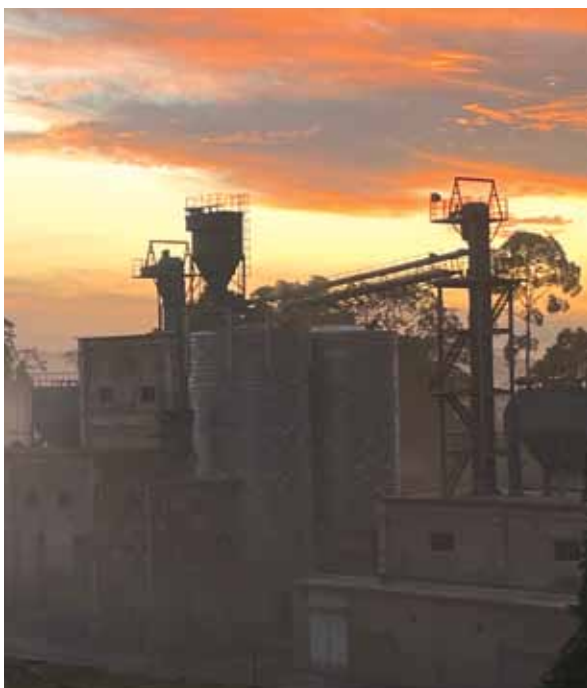


Management Discussion and Analysis (cont'd)

PROPERTY INVESTMENT AND MANAGEMENT (“PIM”)

PIM posted revenue of RM22.10 million and RM6.25 million for FYE2022 and FYE2021, respectively. The higher reported revenue was due to the full resumption of on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”) with the easing of the Movement Control Order.

The PIM’s profit before tax of RM0.92 million is in line with the reported revenue for the current year, whereas the disproportionate loss of RM9.83 million for the preceding year was mainly due to the impairment of receivables of RM3.43 million, bad debts written off of RM1.02 million, fair value adjustment on investment properties of RM1.95 million and share-based payment expense on Employees’ Share Option Scheme (“ESOS”) of RM2.46 million.



Management Discussion and Analysis (cont'd)

RESOURCES AND SUSTAINABLE ENERGY (“RSE”)

RSE posted revenue of RM17.74 million for the current financial year against RM7.56 million for the preceding financial year. The increase in revenue of RM10.18 million for the current year was mainly due to the demand for stones and limestone resources required for the construction and building materials with the resumption of the construction sector.



Management Discussion and Analysis (cont'd)



However, RSE posted a loss before tax of RM1.11 million for the current financial year compared to a profit before tax of RM24.62 million for the preceding year. The profit from the prior year was mainly attributable to the disposal of Biofraction Technology Assets and Intellectual Property Rights for a total consideration of USD5 million fully settled by allotment of shares in Verde Resources, Inc.

Management Discussion and Analysis (cont'd)

OUTLOOK AND PROSPECT

Malaysia's economy has been on a solid recovery path since the transition to endemic phase in April 2022. It is projected that the recovery will extend into the second half of 2022, though at a slower pace tempered by uncertainty in global political and economic situations.



The Group will diligently focus on improving the overall sales of all its products, especially the newly launched "A1 Tok Sai" chilli sauce, continuous efforts will be put to optimise its operations while intensifying research and development into new innovative products to cater to the markets emerging needs. In this connection, the Group is currently undergoing a "Borneo Centric" rebranding exercise, which will focus on Borneo on its relevance and its importance to the world at large. We are optimistic that we are well-positioned to deliver positive results and are expected to officially launch its "Borneo Centric" branding exercise in 2023.

STATEMENT ON SUSTAINABILITY

We are pleased to present our report on the sustainability performance of our Group. Unless specified otherwise, the scope of this Statement covers Borneo Oil Berhad (“BOB”) Group’s business operations in Malaysia.

SCOPE OF DISCLOSURE

This Statement of Sustainability provides an overview of the measures we have implemented from 1 July 2021 to 30 June 2022, covering our initiatives on economic, environmental, and social relating to sustainability matters. As part of this drive, we have considered critical sustainability matters affecting direct and indirect stakeholders, including employees, shareholders and investors, government authorities, the surrounding community, and the general public.

ECONOMIC

The principles of sustainability are integral in our pursuit of economic growth. Through the establishment of our Business Code of Conduct and Ethics, we build long-term commitment with our stakeholders by maintaining strong financial results and providing benefits to the local communities.

Customer Management

The Group believes that maintaining the quality of products and services contributes to business success. We make great efforts to deliver a positive customer experience, which is always high on our priority list. We work closely with our customers to understand their needs by conducting an annual customer satisfaction survey which includes aspects such as responsive enquiry and order handling, product quality, delivery performance, service performance and overall satisfaction. We carried out corrective and preventive actions and will do our best to ensure the products we produce meet our customers’ requirements to prevent the recurrence of complaints.

Supply Chain Management

Supply chain management is essential in facilitating business operations, and the Group aims to build mutually beneficial relationships with the supplies in the long run. The Group engages with suppliers fairly, transparently, and ethically. We have an all-encompassing approach to maximising value creation by reducing supply chain costs, improving transactional processes, complying with laws and regulations, and enhancing efficiency while providing sustainable solutions for purposes. We source from different suppliers of respective segments and trade globally. We believe in contributing to the economy, which has given us many economic benefits.

ENVIRONMENTAL

We recognise the potential impact our business activities can have on the environment. As such, we are committed to enhancing our environmental practices to minimise adverse environmental impacts from our business activities. Our Group manages this through compliance with the relevant laws and regulations.

Energy Management

The Group recognises that its operations have a carbon footprint and is committed to minimising its emission. Regular and scheduled maintenance is performed on the Group’s fleet of vehicles and all its plants to ensure optimal performance and efficiency. The Group’s drivers are trained not to leave engines running when vehicles are idle to minimise emissions. Additionally, energy-saving light bulbs are used whenever possible throughout our operations to minimise energy usage. We also encourage our employees to switch off the lights and air conditioners when the office is not in use. The Group is continuously looking for ways to ensure the business operations are energy efficient by minimising energy consumption so that we can lower our operational costs and reduce our carbon footprint.

Statement on Sustainability (cont'd)

Compliance with Laws and Regulations

Our priority is always to ensure compliance and strict adherence to environmental requirements and regulations in all our operations. This is achieved through our internal system of continuous self-regulation and monitoring on a day-to-day basis. We are proud to report that there was no incident of non-compliance with environmental laws and regulations. Thus no costs were incurred on fines and non-monetary sanctions for non-compliance with laws or regulations for FYE2022.

SOCIAL

We know the value of engaging and connecting with people through cultivating healthy relationships with our employees and the surrounding communities. This includes developing our human capital, promoting a safe and dynamic workplace, and contributing to society and the community.

Local Hiring

We view the employment of locals as necessary due to the economic benefits such engagement would bring to the local community while improving our ability to understand their needs. As such, we prioritise the hiring and development of locals as we strive to elevate the economic conditions of the local community.

Diversity and Equal Opportunity

Significant benefits can be generated for the organisation and workers when an organisation actively promotes diversity and equality at work. These benefits flow through society as greater equality promotes social stability and further supports economic development. Therefore, our employees are one of our most important assets, and we strive to provide the best working conditions for all our competitive success in the marketplace, which is vital for the sustainability of our business. We believe in the benefits of different perspectives and positively embrace diversity as a critical component of our human development agenda. Therefore, we do not discriminate against any nationality, race, or gender.

Occupational Health and Safety

We are committed to providing our employees with a safe and healthy working environment. The occupational safety and health of our employees are our main priority. We continuously improve the safe working environment and promote safety awareness in all activities. There was zero fatality incident at our factory in FYE2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Borneo Oil Berhad (“BOB” or “the Company”) recognises that the exercise of good corporate governance in conducting the affairs of the Company and its subsidiaries (“the Group”) is the key component for the Group’s continuing progress and success as these would not only safeguard and enhance shareholders’ value but also provide some assurance that the interests of the other stakeholders are preserved. The Group will continue to endeavor to comply with all the key Principles and Practices of the Malaysian Code on Corporate Governance 2021 (“the Code”) in its effort to observe high standards of transparency, accountability and integrity.

During the financial year ended 30 June 2022 (“financial year 2022”), the Board considers that it has fundamentally applied the three (3) main principles and practices of the Code and is pleased to report the actions taken by the Company to conform to the Code.

- (A) Board Leadership and Effectiveness
- (B) Effective Audit and Risk Management
- (C) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Code does provide that if the Board finds that it is unable to implement any of the Code’s practices, the Board should apply a suitable alternative practice to meet the intended outcome. In this respect, the Company has provided forthcoming and appreciable explanations for the departures from the said practices.

The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the intended outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practice as well as the timeframe for adoption of the departed Practices.

Further details on the application of each individual Practice as set out in the MCCG 2021(CG) Report is available on the Company’s website at www.borneo-oil.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied, through compliance with the relevant rules and regulations, directives and guidelines in addition to adopting the Practices in the Code and act in the best interest of the Group and shareholders. The Board has adopted a Board Charter that clearly identifies the respective roles and responsibilities of the Board, board committees, individual directors and management; and issues and decisions reserved for the Board.

1.1 Strategic direction and objectives.

The Board plays a critical role in setting out its strategic direction, development and control of the Group including setting and reviewing of goals and strategic directions, overseeing the process and effectiveness of risk management and control environment.

The responsibilities of the Board are inclusive of but not limited to:

- Reviewing and adopting a strategic business plan for the Group;
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Reviewing the responsibilities of each Board Committee as and when required;
- Ensuring the integrity of the Company’s financial and non-financial reporting, and
- Develops and implements an investor relation program or shareholders’ communication policy for the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

1.1 Strategic direction and objectives. (Cont'd)

The Board has a formal schedule of matters specifically reserved to itself for decisions to ensure that the direction and control of the Group is firmly in its hands. The schedule involves the approval of significant capital expenditure projects and consideration of assets acquisition and divestment policies, significant financial matters including the financial and operating performance of the Group.

The delegation of authority for Board Committee is stipulated in their respective Terms of Reference which are reviewed periodically to ensure effective and efficient decision making in the Group.

1.2 Separation of Roles of Chairman and Executive Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Executive Director are separately held and each has a clear division and responsibilities between them to ensure the balance of control, power and authority.

The Chairman has been acting as facilitator at meetings of Directors and to ensure smooth functioning of the Board in the interest of good Corporate Governance practice. The Chairman is also responsible to provide leadership for the Board so that the Board can perform its responsibilities effectively.

The Non-Executive Directors are independent of Management and free from any business relationship and decision-making that could interfere with the exercise of their independent judgement to the Company and Group.

1.3 Qualified and competent Company Secretaries

The Company complies with Practice 1.5 of the MCGG 2021 where the Board is supported by the Company Secretaries who are qualified, competent and capable of carrying out the duties required. The Board has direct access to the advice and services of the Company Secretaries especially relating to procedural and regulatory requirements. Such advisory roles by the Company Secretaries include:

- (i) Managing all Board and Committees' meeting logistics. Attending all Board meetings and ensuring that the minutes of all Board and Committees' meetings are properly documented, and subsequently communicated to the relevant party for further appropriate actions.
- (ii) Advising the Board on fulfilling the fiduciary roles and responsibilities in shaping the corporate direction of the Company.
- (iii) Assisting the Company to ensure that the processes and proceedings of the Annual General Meeting are properly managed.
- (iv) Monitoring the development in corporate governance and assisting the Board to apply governance practices to meet the Board's needs and stakeholders' expectations.
- (v) Advising the Board on issues relating to compliance with provisions of MMLR of Bursa, the Companies Act 2016 and other relevant laws, rules, procedures and regulations affecting the Board and the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

1.4 Access to Information and Advice

The Board members have full and unrestricted access to information on the Group's business and affairs to enable them to discharge their duties and responsibilities.

The Board meets at least four (4) times a year to facilitate the discharge of its responsibilities. Additional or special Board meetings are convened as and when necessary to consider and deliberate on any urgent proposals or matters arising under their purview and requires the Board's review or consideration.

The agenda for each Board meeting and its relevant papers relating to the agenda items are forwarded to all Directors for their perusal before the Board meeting. Adequate notice is provided to allow the Directors to review the Board papers so that matters arising could be deliberated adequately at the Board meetings, and the Board could make appropriate decisions. Senior Management and appointed advisers of the Company may be required to attend the Board meetings as and when necessary to provide the Board with explanation and clarifications to facilitate informed decision making on any matters.

GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

2.1 Code of Conduct and Ethics

The Board recognises the importance to promote and reinforce ethical standards throughout the Group. Therefore, the Code of Conduct and Ethics, serves as a road map to guide the Board in carrying out its duties and responsibilities to the highest standards of personal and corporate integrity and comprises all aspects of its day-to-day business operations.

The Code of Conduct and Ethics will not only apply to every employee of the Group, but also to every Director (Executive and Non-Executive). Furthermore, the Group will strive to ensure that our consultants, agents, partners, representatives and others performing works or services for or on behalf of the Company comply with the Code of Conduct and Ethics.

2.2 Conflict of Interest

Members of the Board are required to make a declaration to that effect at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through family members, in line with various statutory requirements on disclosure.

Any Director with an interest in a proposed subject shall abstain themselves from deliberations and decision of the Board.

2.3 Insider Trading

In line with the MMLR and the relevant provisions of the Capital Markets and Services Act 2007, all Directors, Key Management Personnel and principal officers of the Company are prohibited from trading in securities on any kind of price-sensitive information and knowledge, which have not been publicly announced.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

GOOD BUSINESS CONDUCT AND CORPORATE CULTURE (CONT'D)

2.4 Anti-Bribery and Anti-Corruption Policies

The Group is committed to operating its business in an ethical and responsible manner, accompanied by the highest standards of integrity. The Board shall be incorporating such policies and procedures on anti-corruption to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption.

BOARD COMPOSITION

3.1 Composition of the Board

During the financial year 2022, the Board consists of a total of seven (7) members, comprising:

- 1 Independent Non-Executive Chairman
- 1 Managing Director,
- 2 Executive Directors, and
- 3 Independent Non-Executive Directors.

The Board's composition complies with Paragraph 15.02 of the MMLR that requires at least two(2) Directors or one third(1/3) of the Board to comprise of Independent Directors.

The Board deems that its composition is appropriate in terms of its membership and size as there is a good mix of skills and experience in the Board membership and no imbalance in power and authority. The Directors, with their differing backgrounds and specialisations, collectively bring with them a wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation with regional presence.

3.2 Tenure of Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process. The Board is committed in ensuring that the Independent Directors are able to exercise independent judgement and act in the best interest of the Group.

The Board takes cognisance to the recommendation of Practice 5.3 of the MCCG 2021 that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process at the annual general meeting of the Company.

The Board believes that valuable contributions can be obtained from directors who have, over a period of time, developed valuable insight of the Company and its business. Their experience enables them to discharge their duties and responsibilities independently and effectively in the decision making processes of the Board, notwithstanding their tenure on the Board.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

3.3 Board Diversity and Senior Management Team

The Company has adopted a policy on diversity of gender, ethnicity and age in FY 2022. In seeking potential candidate for new appointments, the Board shall take into account the various diversity factors including ethnicity, gender and age distribution of the Directors to maintain a balanced Board composition. The Board shall also review the participation of women in Senior Management to ensure there is a healthy talent pipeline.

During the financial year 2022, women directors form approximately 28% of the Board members. The age of the Directors ranges from 47 to 72 years old as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The Board through its Nomination Committee conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The Nomination Committee is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

3.4 New Appointment to the Board

The principal function of making recommendations for new appointments or re-election of retiring Directors has been delegated to the Nomination Committee.

The evaluation of suitable candidate is not only based on academic but also through experience in this industry to ensure that valuable contribution which will be beneficial to the Company can be given to encourage growth of the Company. In making a recommendation to the Board on the candidates for directorship, the NC will consider and nominate the candidates based on the objective criteria, including:- (a) skills, knowledge, expertise and experience; (b) professionalism; (c) integrity; (d) time commitment to the Company based on the number of directorships held; and (e) in the case of candidates for the position of Independent Non-Executive Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the MMLR of Bursa Securities .

As at the latest practicable date of this Annual Report, there were three (3) new appointment of Directors as recommended by NC, which are:-

Name of Director	Date of Appointment	Designation
Georgia Suzanne Lingam@ Georgianne	1/4/2022	Executive Director
Sri Ganesh A/L K Balasubramaniam	1/4/2022	Executive Director
Susie Chung Kim Lan	1/4/2022	Independent Non-Executive Director

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

3.5 Audit Committee

In the assessment of the performance of the Audit Committee, the Nomination Committee checks if the Audit Committee has reviewed the Internal Control policies, procedures & process and reporting of business risk, ensured internal audit function is in place, assessed the communication with external auditors and the scope of audit plan and reviewed related party transactions and any conflict of interest.

3.6 Nomination Committee

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year was properly documented and minuted by the Company Secretary.

The present NC comprises of entirely all three (3) Independent Non-Executive Directors, of which the Chairman is the Senior Independent Non-Executive Director of the Company.

During the financial year under review, the NC has undertaken the following activities in discharging its duties:

- (i) Conducted an annual assessment of the performance of the Board as a whole and made its recommendation to the Board; and
- (ii) Conducted an annual assessment of the Independent Directors and made its recommendation to the Board.

3.7 Remuneration Committee

The performance of the Remuneration Committee is assessed by the Nomination Committee to ensure that the Remuneration Committee has considered the financial performance of the Company before making recommendation of any increase of remuneration of the Executive Directors and Senior management and ensure fees payable to Non-Executive Directors reflect experience, contribution and level of responsibility.

The present RC consists of all three(3) Independent Non-Executive Directors.

During the financial year under review, the RC has undertaken the following activities in discharging its duties:

- (i) Reviewed the performance of the Executive Directors and submitted recommendations to the Board on specific adjustments in remuneration and/or reward payments; and
- (ii) Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for Board's approval.

3.8 Board Appointment and Re-appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Directors, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

3.8 Board Appointment and Re-appointment Process (cont'd)

In accordance with the MMLR of Bursa Securities and the Company's Constitution, one-third of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

OVERALL BOARD EFFECTIVENESS

4.1 Annual Evaluation

The NC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretaries via questionnaires.

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility, as well as the effectiveness of the Chairman of the respective Board Committees.

Based on the annual assessment conducted for the financial year, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC while in the stage of discharging their functions have been properly documented.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

OVERALL BOARD EFFECTIVENESS (CONT'D)

4.2 Board Meetings

Due to the uplifting of most of the restrictions due to Covid 19 , meetings are held on a hybrid mode via zoom/ webinar. At times, Board Resolutions were circulated via email and other electronically means.

There were seven(7) Board of Directors' Meetings held during the financial year ended 30 June 2022. Details of the attendance of the Directors at the Board of Directors' Meetings are as follows :-

Names of Directors	Attendance
Tan Kok Chor	5/7
Datuk Joseph Lee Yok Min@Ambrose	7/7
Michael Moo Kai Wah	5/7
Seroop Singh Ramday	5/7
Teo Kiew Leong (Resigned on 1/4/2022)	1/7
Chan Keng Leng (Resigned on 1/7/2022)	4/7
Susie Chung Kim Lan (Appointed on 1/4/2022)	3/7
Georgia Suzanne Lingam @ Georgianne (Appointed on 1/4/2022)	3/7
Sri Ganesh A/L K Balasubramaniam (Appointed on 1/4/2022)	3/7

4.2 Board Meetings

The Board meets at least four (4) times in a year and as and when it is necessary. Due notice of matters to be discussed are provided to the Board a week before the meetings are held. The proceedings, deliberations and conclusions made by the Board are properly recorded in the minutes of meetings kept by the Company and circulated to the Board and Board Committees for confirmation before the meeting of the Board and Board Committees and signed by the Chairman of the meeting.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

OVERALL BOARD EFFECTIVENESS (CONT'D)

4.2 Board Meetings (cont'd)

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. The Board has unrestricted access to timely and accurate information in the furtherance of its duties. Board Committee meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meeting.

4.3 Directors' Training

All the Directors who were appointed have attended the Mandatory Accreditation Programme as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and they have also attended external training courses and programmes during the financial year 2022.

The Directors are encouraged to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to sustain their active participation in board deliberations.

The Board is also updated by the Company Secretaries on the latest update/amendments on MMLR, MCCG 2021 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities periodically.

During the financial year under review, the Directors have attended the following training, webinars, and online conferences:

Name of Director	Webinars / Online Conference / Training Programmes attended	Date
Teo Kiew Leong (Resigned on 1/4/2022)	The Updated Malaysian Code On Corporate Governance (MCCG)	8 Dec 2021
Susie Chung Kim Lan (Appointed on 1/4/2022)	Mandatory Accreditation Programme (MAP) - ICDM Virtual Classroom	21 - 23 June 2022
Georgia Suzanne Lingam @ Georgianne (Appointed on 1/4/2022)	Mandatory Accreditation Programme (MAP) - ICDM Virtual Classroom	21 - 23 June 2022
Sri Ganesh A/L K Balasubramaniam (Appointed on 1/4/2022)	Mandatory Accreditation Programme (MAP) - ICDM Virtual Classroom	21 - 23 June 2022

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION

The Remuneration Committee shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors, by linking their rewards to corporate and individual performance with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole.

Therefore, the Board has established RC and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and Senior Management.

5.1 Directors' Remuneration

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the financial year ended 30 June 2022 are as follows:

Category	EDs RM	Non-EDs RM	Total RM
Fees	1,299,000	386,960	1,685,960
Salaries	371,867	–	371,867
Total	1,670,867	386,960	2,057,827

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION (CONT'D)

5.1 Directors' Remuneration (Cont'd)

COMPANY

Company Directors	Salaries RM	Fees RM	Benefits in Kind RM	Statutory Contributions RM	TOTAL RM
Executive Directors					
1. Datuk Joseph Lee Yok Min @ Ambrose	–	900,000	–	–	900,000
2. Chan Keng Leong (Resigned 1/7/22)	–	288,000	–	–	288,000
3. Teo Kiew Leong (Resigned 1/4/22)	–	45,000	–	–	45,000
4. Georgia Suzanne Lingam @ Georgianne	–	15,000	–	–	15,000
5. Sri Ganesh A/L K Balasubramaniam	–	6,000	–	–	6,000
Non-Executive Directors					
1. Michael Moo Kai Wah	–	99,960	–	–	99,960
2. Seroop Singh Ramday	–	80,000	–	–	80,000
3. Tan Kok Chor	–	192,000	–	–	192,000
4. Susie Chung Kim Lan	–	15,000	–	–	15,000
	–	1,640,960	–	–	1,640,960

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION (CONT'D)

5.1 Directors' Remuneration (Cont'd)

GROUP

Company Directors	Salaries RM	Fees RM	Benefits in Kind RM	Statutory Contributions RM	TOTAL RM
Executive Directors					
1. Datuk Joseph Lee Yok Min @ Ambrose	–	900,000	–	–	900,000
2. Chan Keng Leong (Resigned 1/7/22)	–	324,000	–	–	324,000
3. Teo Kiew Leong (Resigned 1/4/22)	131,373	45,000	–	–	176,373
4. Georgia Suzanne Lingam @ Georgianne	37,719	15,000	–	–	52,719
5. Sri Ganesh A/L K Balasubramaniam	38,847	6,000	–	–	44,847
Non-Executive Directors					
1. Michael Moo Kai Wah	–	99,960	–	–	99,960
2. Seroop Singh Ramday	–	80,000	–	–	80,000
3. Tan Kok Chor	–	192,000	–	–	192,000
4. Susie Chung Kim Lan	–	15,000	–	–	15,000
	207,939	1,676,960	–	–	1,884,899

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION (CONT'D)

5.2 Remuneration of Senior Management

The remuneration paid to the top 5 Senior Management including salaries, benefits in-kind and other emoluments in bands of RM50,000 during the financial year under review are as follows:

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	–
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1
RM200,001 and above	2

5.3 Remuneration Procedure

The Board recognises that the level and composition of remuneration of Directors and Senior Management should take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. Therefore, the Board has adopted a Remuneration Policy to assist the RC in carrying out its duties within its terms of reference.

The remuneration of each Director reflects the responsibility and commitment, which goes with the Board membership. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to individual and corporate performances while ensuring that the level of remuneration commensurate with the market, the experience and the level of responsibilities undertaken. For Non-Executive Directors, the level of fees are linked to the contribution and level of responsibilities undertaken by the individual director, including the time spent on the group's matters, as well as the size of the Group's business.

The RC recommends to the Board the remuneration packages for the Executive Directors. None of the Executive Directors participated in any way in determining their own individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration. The Directors' fees are approved by the shareholders during the AGM of the Company.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

6.1 Audit Committee

The Audit Committee (“AC”) of the Company comprises Four (4) Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board. The AC is fully informed about significant matters related to the Company’s audit and its financial statements. The AC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the AC to appropriately communicate its insights, views and concerns about relevant transactions and events to the Internal and External Auditors.

The Board took note on Practice 9.2 of the MCCG 2021 on the policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC. Thus, the AC shall observe the said application in the event that a former key audit partner is appointed to the Board of the Company.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 45 to 50 of this 2022 Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

7.1 Establishment of Risk Management and Internal Control Framework

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. Management assists the Board in the implementation of the Board’s policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board performs review on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out. The AC has been entrusted by the Board to ensure the effectiveness of the Group’s internal control.

The internal audit function currently conducts independent audits within the Group to identify, evaluate and monitor significant risks affecting the business of the Group and ensure that adequate and effective controls are in place.

The Statement on Risk Management and Internal Control as set out on pages 55 to 58 of this 2022 Annual Report, provides an overview of the Group’s approach to ensure the effectiveness of the risk management and internal processes within the Group.

Corporate Governance Overview Statement (cont'd)

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

COMMUNICATION WITH STAKEHOLDERS

8.1 Effective, Transparent and Regular Communication

The Board is committed to ensure that the shareholders and other stakeholders are well informed of the Group's strategy performance and major developments of the Company and the information is communicated to them through the following:

- (i) the Annual Report;
- (ii) the various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly results and annual results;
- (iii) the website at www.borneo-oil.com.my which shareholders as well as members of the public are invited to access for the latest information on the Group; and
- (iv) the meetings with fund managers and analysts and interviews by the press.

The Minutes of the Annual General Meeting of the Company are made available to the shareholders within 30 business days from the conclusion of the AGM at the Company's corporate website at www.borneo-oil.com.my.

CONDUCT OF GENERAL MEETINGS

9.1 Annual General Meeting

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Extraordinary General Meetings is held as and when required. The Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the Code.

The notice of the Annual General Meeting together with a copy of the Company's Annual Report to be downloaded/requested are sent out to the shareholders at least 28 days before the meeting. Shareholders are given ample time and opportunity to raise questions pertaining to the business activities of the Group, without limiting of the type of queries asked. During the meeting, the Group Managing Director, Executive Directors and Group Financial Consultant are prepared to provide responses to queries and to receive feedback from the shareholders during the meeting.

The Chairman highlights to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group is also presented during the AGM.

To ensure effective participation of and engagement with shareholders at the AGM in 2022, all Directors, including members of the AC, NC and RC, attended and participated in the AGM. Shareholders who are unable to attend the AGM are advised that they can appoint proxies in accordance with their Company's Constitution to attend and vote on their behalf.

Pursuant to Paragraph 8.29A(1) of the MMLR, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, is not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

Corporate Governance Overview Statement (cont'd)

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG 2021 has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG 2021, MMLR and all applicable laws and regulations throughout the financial year under review.

This Statement was approved by the Board of Directors of the Company on 21st October 2022.

ADDITIONAL COMPLIANCE INFORMATION

OTHER DIRECTORSHIP OF PUBLIC COMPANIES

None of the directors and key senior management of the Company have any directorship in other public companies.

SHARE BUY-BACK

The Company had obtained its shareholders' approval at the Annual General Meeting to buy back shares of the Company.

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of proceeds received on their subsequent sale or issuance.

As at 30 June 2022, the Company has no ordinary shares held as treasury shares.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were certain options, warrants or convertible securities still existing at the FYE 30 June 2022.

The exercise period for the warrants C 2015/2025 is ten years commencing from 9 November 2015 and expiring 8 November 2025.

The exercise period for the warrants D 2017/2027 is ten years commencing from 30 May 2017 and expiring 29 May 2027.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Group did not sponsor any ADR or GDR programme.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the Company's External Auditors, STYL Associates PLT for the services rendered for the financial year ended 30 June 2022 are as follows:

Type of fees	Company RM	Group RM
Audit Fees	84,000	307,000
Non-Audit Fees	23,000	23,000

Additional Compliance Information (cont'd)

PROFIT GUARANTEES

There were no profit guarantees given by the Group during FYE 30 June 2022.

VARIANCE IN RESULTS

There were no material variances of 10% or more in the profit after tax and minority interest between the audited and unaudited results announced for the FYE 30 June 2022.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 June 2022.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving Director's and major shareholders' interests for the financial year ended 30 June 2022 under review .

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS

A General mandate of not more than 10% of the total number of issued shares as approved by the shareholders in the previous AGM dated 17 Dec 2021 has been carried out in the financial year ended 30 June 2022.

The Company proposed to undertake private placement of up to 10% of the total number of issued shares of the Company to independent third party investors ("Private Placement up to 10%"). The Private Placement up to 10% was completed on 13 January 2021 following the listing and quotation of 633,405,775 placement shares on the Main Market of Bursa Securities, raising RM23.98 million for the Company. As at 30 June 2022, the summary of the utilisation of proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilisation	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
1. Upgrading of general infrastructure at limestone quarry operations side.	Within 24 months	5,000	2,115	2,885
2. Working capital expenses	Within 24 months	18,865	18,865	–
3. Estimated expenses in relation to the placement	Upon completion	110	110	–
Total		23,975	21,090	2,885

Additional Compliance Information (cont'd)

UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS (CONT'D)

On 25 January 2021, the company proposed to undertake a Proposed subscription of up to 1,205,827,550 new ordinary shares, representing approximately 20% of its existing total number of issued shares. As at 30 June 2022, a total of 70 tranches comprising 1,205,827,550 Bornoil shares had been issued pursuant to the Proposed Subscription. The total proceeds raised as at 30 June 2022 is approximately RM43.41 million.

The status of the utilisation of the Proposed subscription proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilisation	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
1. Business expansion and/or new investments	Within 36 months	20,000	7,113	12,887
2. Gold exploration works at Hutan Simpan Bukit Ibam, Pahang	Within 36 months	10,000	8,989	1,011
3. Working capital expenses	Within 36 months	12,410	12,410	–
4. Estimated expenses in relation to the Proposed subscription	Upon completion	1,000	867	133
Total		43,410	29,379	14,031

Additional Compliance Information (cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

There have been an establishment of a new Employees' Share Option Scheme of Bornoil ("ESOS") of up to 15% of the total number of issued shares in Bornoil (excluding treasury shares) at any point in time over the duration of the ESOS ("New ESOS").

The effective date for implementing the New ESOS is 22 June 2020, being the date on which the Company is in full compliance with Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2022, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

AUDIT COMMITTEE REPORT



- *Sitting: Susie Chung Kim Lan (Independent Non-Executive Director).*
- *Standing from left to right: Seroop Singh Ramday (Senior Independent and Non-Executive Director), Tan Kok Chor (Independent and Non-Executive Director), and Michael Moo Kai Wah (Independent and Non-Executive Director).*

Audit Committee Report (cont'd)

COMPOSITION

The Audit Committee ("AC") currently comprises of the following members:-

	Name of Director	Designation	Date of appointment
Chairperson	Ms. Susie Chung Kim Lan	(Independent Non-Executive Director)	Appointed on 1 April 2022
Members	Mr. Michael Moo Kai Wah	(Independent Non-Executive Director)	Redesignated from Chairman of AC to Member of AC on 1 April 2022
	Mr. Tan Kok Chor	(Independent Non-Executive Director)	No Changes
	Mr. Seroop Singh Ramday	(Senior Independent and Non-Executive Director)	No Changes

The present AC comprised exclusively of four (4) Non-Executive Directors, all being Independent Directors who are in compliance with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance.

The AC is chaired by Ms Susie Chung Kim Lan, a Chartered Accountant with the Malaysian Institute of Accountants membership. The Company is also in compliance with the requirement of Paragraph 15.09(1)(a)(i) under the Main Market Listing Requirement ("MMLR"), which requires at least one (1) member of the Committee to be a qualified accountant.

Audit Committee Report (cont'd)

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2022, six (6) Audit Committee meetings were held and the details of attendance of each member are as follows:-

Audit Committee	Director's Name	Status of Directorship	Meetings Attended
Chairman	Susie Chung Kim Lan	Independent and Non-Executive (Was appointed on 01.04.2022)	2/6
Member	Michael Moo Kai Wah	Independent and Non-Executive	6/6
Member	Tan Kok Chor	Independent and Non-Executive	6/6
Member	Seroop Singh Ramday	Senior Independent and Non-Executive	6/6

FUNCTIONS OF AUDIT COMMITTEE

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities and report the same to the Board for approval:

Financial Reporting and Compliance

1. To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:
 - (a) Changes in or implementation of major accounting policies and practices;
 - (b) Significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - (c) Compliance with accounting standards and other legal requirements; and
 - (d) The going concern assumption.
2. To review any related party transaction and conflict of interest situation that may arise within the Company or Group, including any transaction, procedures or course of conduct that raises question of management's integrity.

Audit Committee Report (cont'd)

FUNCTIONS OF AUDIT COMMITTEE (CONT'D)

Risk Management and Internal Audit

3. To consider and approve Annual Risk management Plan and be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular manner that will allow the Company to minimize losses and maximise opportunities;
4. To consider and approve the Annual Internal Audit Plan and programme and be satisfied as to the adequacy of coverage and audit methodologies employed;
5. To ensure that the system of Internal Control is soundly in place, effectively administered and regularly monitored and to review the extent of compliance with established internal policies, standards, plans and procedures;
6. To review and approve the reports on internal audit and risk management and to ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;
7. To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal Auditors and External Auditors and from the consultations from the Audit Committee itself;
8. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
9. To review the scope of internal audit function to ensure it is sufficient enough to be able to provide relevant assurance on the adequacy and operating effectiveness of the Company's governance risk and control processes as promulgated by the Statement of Risk management and Internal Control;
10. To review any appraisal or assessment of the performance and to approve any appointment, resignation or termination of the outsourced internal auditor service provider;

Statutory and Non-Statutory Audit

11. To review and discuss with the External Auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;
12. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;
13. To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;
14. To discuss on findings, problems and reservations arising from the interim and final statutory audits, External Auditors' Audit Committee Report and any matters the External Auditors may wish to discuss as well as to review the extent of cooperation and assistance given by the employees of the Company to the External Auditors;

Audit Committee Report (cont'd)

FUNCTIONS OF AUDIT COMMITTEE (CONT'D)

Other Matters

15. To review the Statement on Risk Management and Internal Control and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the 2022 Annual Report; and
16. To carry out such other functions as may be directed by the Board.

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2022, the Audit Committee, in discharging its functions and duties, carried out the following activities:-

- Reviewed the quarterly reports of the Group prior to submission to the Board of Directors for consideration and approval;
- Reviewed the audited financial statements of the Company and of the Group for the financial year ended 30 June 2022 prior to submission to the Board of Directors for consideration and approval;
- Reviewed the Statement on Risk Management and Internal Control ("SORMIC") in respect of the financial year ended 30 June 2022 and the external auditors' report on the SORMIC prior to submission to the Board of Directors for consideration and approval;

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2022, the Audit Committee, in discharging its functions and duties, carried out the following activities:-

- Reviewed the Audit Committee's Report in respect of the financial year ended 30 June 2022 prior to submission to the Board of Directors for consideration and approval;
- Reviewed and approved the Audit Planning Memorandum and Internal Audit Plan;
- Reviewed and discussed the Internal Audit Reports and the Follow-up Internal Audit Report;
- Reviewed the competency and effectiveness of the Internal Auditors and External Auditors;
- Recommended the re-appointment of External Auditors and the payment of audit fees;
- Reviewed the performance of the Group;
- Reviewed the Terms of Reference of the Audit Committee.

Internal Audit Function

The internal audit function is outsourced to an independent professional firm, Valens Consult Services Sdn Bhd ("Valens") to perform the independent risk-based internal audit review on the key operational areas of the Group. Their main role is to undertake independent and systematic review of the system of internal control so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Group.

Valens does not have any other business engagements with Borneo Oil Berhad other than the provision of Internal Audit services. None of its directors and shareholders are common directors of Borneo Oil Berhad or its significant shareholders.

Audit Committee Report (cont'd)

ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

Internal Audit Function (Cont'd)

The internal audit report is prepared in accordance to the Institute of Internal Auditors (“IIA”) International Standard for the Professional Practice of Internal Auditing (“IPPF”), a copy of which had been shared with the Management prior to the audit engagement. Preparation of the report had been sighted by Professional Member of the IIA.

The overall purpose of the audit is to identify and highlight for improvements to Management on the adequacy and integrity of internal controls and governance process with regards to the fixed assets (“FA”) and investment properties (“INVP”) of SB Resorts Sdn Bhd, being one of the wholly owned subsidiary of Borneo Oil Berhad.

For the FA review, assets were randomly selected for asset sighting, and documentations were reviewed for completeness of ownership including source documents, as well as accuracy of accounting records. Policies and procedures were then reviewed for comparison to practices. These reviews include reviewing policies related to FA, including identification, tracking, depreciation, and maintenance procedures. Assets were then selected randomly for the review of documentation and if they were complying to policies and procedures.

For the INVP review, the audit work includes selected review of ownership documents including titles/grants, correspondences with solicitors, and payment to authorities for completeness. Selected valuation reports were reviewed and evaluated for potential adverse impact on value. Site visits were conducted for selected properties and asset sightings were conducted to reconcile with accounting records. For selected occupied premises, insurance coverage was requested for review, Discussions were conducted with management to understand the commercial agreements related to the INVP. Journal entries related to the selected INVP were also reviewed on a random basis.

The Audit Committee noted on some of the recommendations by Valens as follows:

1. As an area of concern

Lack of fire insurance coverage for the staff quarters in view that it is completed and occupied. In the event that fire insurance is not available, an alternative would be to increase the availability of fire alarms, smoke sensors and fire extinguishers. The frequency of fire drills would also need to be increased as an added measure to ensure that fires can be detected and put out early.

2. As an area of Improvement

It is recommended that a vehicle log book be implemented as additional control documents on the usage of motor vehicles, which should primarily be used for the Company’s purposes. Alternatively, to consider implementing a GPS tracking system for the company’s fleet of motor vehicles which would help in better monitoring the use of the vehicle and as a deterrent for extensive use of company’s vehicle for private purposes.

The professional fees incurred for the internal audit function in respect of the financial year ended 30 June 2022 for the Group amounted to RM18,500.00

NOMINATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The Company has established a Nomination Committee (“NC”) comprising exclusively of Independent Non-Executive Directors and the respective members’ attendance at meetings for FYE 30 June 2022 are as follows:

Nominating Committee	Director's Name	Status of Directorship	Meetings Attended
Chairman	Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Tan Kok Chor	Independent Non-Executive	1/1
Member	Michael Moo Kai Wah	Independent Non-Executive	1/1

The Nomination Committee has a written terms of reference dealing with its authority and duties which includes the selection and assessment of directors.

FUNCTIONS

The key functions of the Nomination Committee include the following:

- Review annually its required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual report.
- Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness.
- Formalise a transparent procedure for the proposing new nominees and recommending on the suitability of candidates nominated for the appointment to the Board and to fill the seats of the Audit, Nomination, Remuneration and other Committees.
- Recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board taking into consideration the skills, knowledge, expertise and experience, professionalism, integrity of the candidate, and in the case of candidates for position of Independent Non-Executive Directors, the Committee should also evaluate the candidates’ ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- Assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the financial year ended 30 June 2022, the Nomination Committee, in discharging its functions and duties, carried out the following activities :-

- Reviewed the composition of the Board and Board Committees;

Nomination Committee Report (cont'd)

ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

- b. Assessed the effectiveness of the Board as a whole, the Board committees and the individual Directors;
- c. Reviewed the mix of skills, experience and other qualities of the Board;
- d. Discussed and recommended the re-election of the retiring Directors;
- e. Assessed the independence of the Independent Non-Executive Directors and long serving Independent Directors; and
- f. Reviewed the Nomination Committee Report.

The Nomination Committee upon its annual assessment carried out for the financial year 2022, was satisfied that :

- a. The Board has been able to discharge its duties professionally and effectively;
- b. All the Directors continue to uphold the highest governance standards in discharging their duties and responsibilities;
- c. The size and composition of the Board is optimum with appropriate mix of knowledge, skills, attribute and core competencies;
- d. All the members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective work experience, academic, and professional qualifications, and depth of knowledge, skills and experience and their personal qualities;
- e. The Independent Non-Executive Directors bring independent and objective judgement to the Board and mitigates risks arising from conflict of interest or undue influence from interested parties; and
- f. The Directors are able to devote sufficient time commitment to their roles and responsibilities.

The assessment was carried out internally by the Nomination Committee and the Board as a whole facilitated by the Company Secretaries. The NC agreed that the assessment done indicated a high level of compliance and integrity and in view of the new changes to the Main Market Listing Requirements, certain compliances have been proposed by the NC to the Board and Board Committees on the necessary measures to be carried pertaining to the appropriate Board composition required.

The NC has assessed the independence of the long-serving Independent Non- Executive Directors, namely Mr Tan Kok Chor and Mr Michael Moo Kai wah, who have served the Board for a cumulative term of more than nine (9) years and recommended to the Board for approval with the following justifications:

- a. They fulfill the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”);
- b. They are able to bring independent and objective judgement to the Board as they do not have any business dealing with the Company;
- c. With their years of experience in the Company, they are familiar with the Company’s business operations, thus enabling them to continue actively and effectively during deliberations or discussions at Board meetings;
- d. Their length of service on the Board do not in any way interfere with their exercise of independent judgement. They have remained objective and independent in expressing their views and participating in deliberation and decision-making of the Board and Board Committees;
- e. They have devoted sufficient time and commitment to discharge their responsibilities as Independent Non-Executive Directors; and
- f. They have continued to exercise their independence and due care during their tenure as Independent Non-executive Directors of the Company and carried out their duties in the interest of the Company and shareholders.

The NC has evaluated the performance of the Board through its annual assessment conducted during the financial year ended 30 June 2022 and was generally satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interest of the Company.

REMUNERATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The members of the Remuneration Committee(RC) and their respective members' attendance at meetings for FYE 30 June 2022 are as follows:-

Remuneration Committee	Director's Name	Status of Directorship	Meetings Attended
Chairman	Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Tan Kok Chor	Independent Non-Executive	1/1
Member	Michael Moo Kai Wah	Independent Non-Executive	1/1

The present Remuneration Committee ("RC") consists of three(3) members, all of whom are Independent Non-Executive Directors. Their respective roles , duties and responsibilities were laid out under its written Terms of Reference which is available on the Company's website, www.borneo-oil.com.my.

Terms of Reference

The RC with clearly defined Terms of Reference as approved by the Board are as follows ;

- Reviews and assess and recommends to the Board the remuneration packages of the Executive Directors.
- The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interest of shareholders, are designed to attract, retain and motivate the Executive Directors , and are reflective of their experience and level of responsibilities.
- The remuneration of the Executive Directors(ED) are reviewed annually and the ED play no part in the decisions of their own remunerations.
- The RC review and administer any share incentive scheme adopted by the Group and to decide on the allocations to eligible participants under the said scheme; and
- The RC also review the Company's obligations arising in the event of any resignation, retirement or termination of the Executive Directors' and key management personnel's contracts of service by ensuring such contracts of services contain fair and reasonable termination clauses.

The Board as a whole determines the remuneration of the Non-Executive Directors and will recommend the Directors' fees for shareholders' approval. Only the Non-Executive Directors are entitled to the Director's fees for Board or Board Committee Meetings they attended.

If required, the Remuneration Committee will seek expert advice inside and/or outside the Company on the remuneration of all Directors and key management personnel, and any such engagement of remuneration consultants would be disclosed, including a statement on whether they have any relationship with the Company.

Remuneration Committee Report (cont'd)

COMPOSITION AND ATTENDANCE (CONT'D)

Terms of Reference (cont'd)

The RC has reviewed the Non-Executive Directors and Board Committees fees based on market and industry benchmark and recommended to the Board, the proposed increase in fees to commensurate with the time commitment required, responsibilities, duties and commitment for the financial year ended 30 June 2022 which is subject to the approval by shareholders at the forthcoming AGM. Non-Executive Directors are not overly compensated to the extent that their independence may be compromised. The Company does not have a retirement remuneration plan for Non-Executive Directors. No individual Director fixes his own remuneration.

SUMMARY OF THE WORK OF THE RC

During the financial year under review, the RC has undertaken the following activities in discharging its duties:-

- Reviewed the performance of the Executive Director and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments ; and
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for the Board's approval.

The level and mix of each individual Director's remuneration for the FYE 30 June 2022 is disclosed in page 34 to 36 of the 2022 Annual Report on Corporate Governance Overview Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“MCCG”) 2021 requires listed companies to maintain a sound internal control system and risk management to safeguard the shareholders’ investments and the Group’s assets.

The Board of Directors of Borneo Oil Berhad (“BOB”) (“the Board”) is committed to maintain a sound system of risk management and internal control in the Group. The Board of Directors’ “Statement on Risk Management and Internal Control” which has been prepared in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Guidelines for Directors of Listed issuer.

BOARD’S RESPONSIBILITY

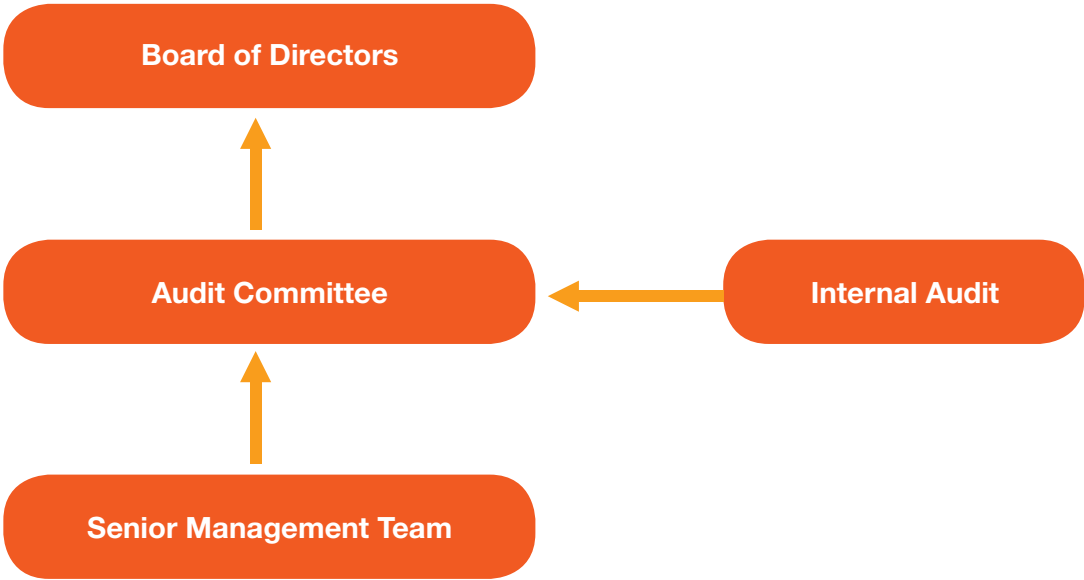
The Board acknowledges its overall responsibility for the adequacy, integrity and effectiveness of BOB’s Group’s (“the Group”) risk management and internal control system. The Board ensures that the system manages the Group’s key areas of risk within an acceptable risk profile to increase the likelihood that the Group’s and business objectives will be achieved. The Board regularly reviews the internal control system to ensure it provides a reasonable but not absolute assurance against any material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. Management assists the Board in the implementation of the Board’s framework, policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board has received assurance from the Group’s Managing Director that to the best of their knowledge, the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Statement On Risk Management And Internal Control (cont'd)

RISK REPORTING STRUCTURE



RISK MANAGEMENT

The Board is aware that a risk management framework and sound system of internal control should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It should include procedures for reporting immediately to appropriate levels of management any significant control failings or weaknesses that are identified together with details of corrective action being taken.

The Group has in place an on-going process for identifying, monitoring and managing significant risks that may affect the achievement of business objectives.

Management is continuously reviewing potential risk areas through on-going process for identifying emerging risks, including maturity and effectiveness of controls or treatments being applied to mitigate existing risks, and reported to Audit Committee on quarterly basis. Where a particular risk is identified, it will be monitored with counter measures taken to mitigate the risk, if possible.

Statement On Risk Management And Internal Control (cont'd)

INTERNAL REVIEW AND AUDIT

The Board acknowledges the importance of the internal audit function and has outsourced to an independent advisory firm, Valens Consult Services Sdn Bhd. As part of its efforts in ensuring the internal controls are adequate and effective, the internal auditor will report directly to the Audit Committee. In addition, the internal audit function is responsible to conduct consistent and systematic review on the adequacy and integrity of internal control to provide reasonable but not absolute assurance to ensure risks are appropriately identified and mitigated.

An internal audit review report is submitted to the Audit Committee on a quarterly basis. Criteria to be addressed in the report include risk identification and mitigation, corrective action plans and implementation of the plans by the Management.

The Senior Management Team is responsible for ensuring that the necessary corrective actions on reported weaknesses are made within the required time frame. Follow-up visits were carried out to ensure weaknesses identified have been or are being addressed. Periodic internal audit reports and status on follow up actions were tabled to the Audit Committee and Board during its quarterly meetings.

MANAGEMENT ACCOUNTABILITY AND BOARD ASSURANCE

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for the FYE 2022 and up to the date of this Statement and is of the view that the risk management process and system of internal control are in place for the period.

The Managing Director and its Executive Directors are accountable to the Board for identifying risks relevant to the business of the Group, implementing and maintaining sound risk management practices and internal controls and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could affect the Group's objectives and performance.

The management have provided assurance to the Board that the Group's risk management process and internal control system were operating adequately and effectively in all material aspects, and that there were no material losses incurred as a result of any weaknesses in internal controls that would require disclosure in this Annual Report.

The Board together with key management will continuously review and evaluate risks to ensure shareholder's interests and the Group's assets are preserved.

Statement On Risk Management And Internal Control (cont'd)

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report for the year ended 30 June 2022, Based on their review , nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed issuers to be set out, nor is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control cover all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and management thereon.

CONCLUSION

The Board is of the view that the risk management and internal control system is in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group’s internal control system that will require disclosure in the Annual Report.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders’ investment and the Group’s assets are consistently safeguarded.

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT

At Borneo Oil Berhad (“BOB”), we define business success as more than just profits, but also in terms of our ability to use our influence and presence to create a better society based on “shared prosperity” principles. The Idiom “Prosper Thy Neighbour” is always close to our heart in defining our corporate goals and aspirations which encompass the following:

- Conducting Business in a socially responsible and ethical manner
- Protecting the environment and the safety of people
- Supporting human rights
- Engaging, respecting, supporting and empowering local communities
- Helping the under-privileged and giving back to the community.

These aspirations are achieved through continuous year round programmes organized by the group or in partnership with others whereby BOB has contributed in terms of expertise, funds and employee participation. These programmes also include support to various community projects and the group’s unwavering commitment to empowering local communities by engaging local farmers and small scale agropreneurs in business and creating new opportunities for all.

Following the gradual reopening of the economy after the Covid Pandemic global shutdowns, BOB has learnt the importance of creating a sustainable business model that is not over reliant on external sources. By supporting local communities and empowering local entrepreneurs, BOB is able to leverage on its global franchise platform and long experience in the food processing, supply and logistics business to bring Borneo indigenous products onto the global market and create opportunities for small farming communities to benefit from this.

In the coming years, BOB is committed to a Borneo Centric business model where the group will highlight Borneo community based products for the global market and through this uplift the living standards of local and native communities.



CSR project by SugarBun and Pezzo Sabah for Mother of Divine Grace Girls Hostel at Kota Belud, Sabah, a home for needy rural children.

Corporate Social Responsibility (CSR) Statement (cont'd)



CSR project by Sugarbun and Pezzo Sabah at San Damiano Convent, kiulu, Tamparuli



CSR Project by SugarBun and Pezzo Sabah, for needy children at Calvary Love Foundation, Tawau, Sabah.

Corporate Social Responsibility (CSR) Statement (cont'd)



Collaboration with logistics provider and co-operatives to engage local communities and small holders in farming grain maize to be used as animal feed.

Corporate Social Responsibility (CSR) Statement (cont'd)



Engagement of local community farmers in regenerative agriculture initiatives for the farming of chili in Sabah.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of the Company are required by the Act to ensure that the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards, the provisions of the Companies Act, 2016 ("CA 2016") in Malaysia and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad which give a true and fair view of the state of affairs and results of the Company and the Group.

The Directors are responsible for ensuring that the Company and the Group keep proper accounting records to enable the Company and the Group to disclose with reasonable accuracy and without any material misstatement, the financial position of the Company and the Group as at 30 June 2022 and the financial performance and cash flows of the Company and the Group for the financial year ended on that date.

In preparing the financial statements for the financial year ended 30 June 2022, the Directors have:

- a) adopted the relevant and appropriate accounting policies consistently;
- b) made judgements and estimates that are reasonable and prudent;
- c) adopted applicable accounting standards, subjects to any material departures, if any, which will be disclosed and explained in the financial statements;
- d) prepared the financial statements on the assumption that the Company and the Group will operate on a going concern basis as the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operations for the foreseeable future; and
- e) taken the necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board its activities, significant results, findings and the necessary recommendations or changes.

Financial Statements

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, provision of corporate and management services to the Group.

The principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit for the financial year	54,098,545	90,657,145
Other comprehensive income, net of tax	60,115	–
Total comprehensive income for the financial year	54,158,660	90,657,145
Attributable to:-		
Owners of the parent	54,158,660	90,657,145

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2022.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

Directors' Report (cont'd)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

Directors' Report (cont'd)

ISSUES OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased by RM21,269,918/- from RM618,967,800/- to RM640,237,718/- by way of issuance of:-

- (i) 745,827,550 new ordinary shares via private placement at an average exercise price of RM0.0268; and
- (ii) 37,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0342.

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

Further details are disclosed in Note 19 to the financial statements.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company:-

- (i) repurchased 203,710,000 of its issued ordinary shares from the open market for a total consideration of RM6,827,174/- including transaction costs. The average price paid for the share repurchased was RM0.0335 per share; and
- (ii) transferred 745,236,000 treasury shares at RM0.0514 per share for the acquisition of 13.8% equity interest in Makin Teguh Sdn. Bhd., for the partial consideration of RM38,320,261/-.

As of 30 June 2022, the Company held no issued and paid-up ordinary shares as treasury shares. Further details are disclosed in Note 20(b) to the financial statements.

WARRANTS C 2015/2025

The Company's issuance of new warrants via a Renounceable Rights Issue of 2,315,152,386 of new ordinary shares on the basis of one (1) new warrant for every two (2) right issues subscribed were listed on the Bursa Malaysia Securities Berhad on 17 November 2015.

The salient features and details of the Warrants C were disclosed in Note 21 to the financial statements.

The movement of the Warrants C 2015/2025 during the financial year is as follows:-

	< ----- Number of Warrants C ----- >			
	At 01.07.2021	Issued	Exercised	At 30.06.2022
Warrants C (2015/2025)	1,734,679,850	-	-	1,734,679,850

Directors' Report (cont'd)

WARRANTS D 2017/2027

The Company's issuance of new warrants via a Bonus Issue of 528,085,453 new warrants 2017/2027 on the basis of one (1) free warrant for every eight (8) existing ordinary shares held on 26 May 2017 were granted listing and quotation on the Bursa Malaysia Securities Berhad on 7 June 2017.

The salient features and details of the Warrants D were disclosed in Note 21 to the financial statements.

The movement of the Warrants D 2017/2027 during the financial year is as follows:-

	< ----- Number of Warrants D ----- >			
	At 01.07.2021	Issued	Exercised	At 30.06.2022
Warrants D (2017/2027)	378,683,984	-	-	378,683,984

DIRECTORS

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

TAN KOK CHOR	
MICHAEL MOO KAI WAH	
SEROOP SINGH RAMDAY	
DATUK JOSEPH LEE YOK MIN @ AMBROSE *	
GEORGIA SUZANNE LINGAM @ GEORGIANNE*	(Appointed on 1 April 2022)
SRI GANESH A/L BALASUBRAMANIAM *	(Appointed on 1 April 2022)
SUSIE CHUNG KIM LAN	(Appointed on 1 April 2022)
TEO KIEW LEONG *	(Resigned on 1 April 2022)
CHAN KENG LEONG *	(Resigned on 1 July 2022)

* Directors of the Company and certain subsidiaries.

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act, 2016 in Malaysia, the directors who held office in the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of this report, not including those directors mentioned above, are:-

ANTHONY FOO	
PRASHAD M. KOSHY @ MATHEW KOSHY	
CHRISTOPHER CHIN CHEONG VUI	
SIN DARRELL	
PAUL WAYNE RAYE	
TING LAH CHING	(Appointed on 1 April 2022)

Directors' Report (cont'd)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2022 were as follows:-

	At 01.07.2021/ Date of appointment	Number of ordinary shares		At 30.06.2022
		Bought	Sold	
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	113,326,100	29,160,000	–	142,486,100
SRI GANESH A/L BALASUBRAMANIAM	1,400,000	–	–	1,400,000

Indirect interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE ⁽¹⁾	29,663,085	1,258,108,250	–	1,287,771,335

	At 01.07.2021/ Date of appointment	Number of Warrants C		At 30.06.2022
		Bought	Sold	
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	–	11,857,250	–	11,857,250
GEORGIA SUZANNE LINGAM @ GEORGIANNE	150,000	–	–	150,000

	At 01.07.2021/ Date of appointment	Number of Warrants D		At 30.06.2022
		Bought	Sold	
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	92,000	–	–	92,000
GEORGIA SUZANNE LINGAM @ GEORGIANNE	66,175	–	–	66,175

Indirect interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE ⁽¹⁾	–	12,212,625	–	12,212,625

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

⁽¹⁾ Indirect interests pursuant to Section 8 of the Companies Act, 2016 by virtue of his substantial shareholdings in Victoria Limited.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by directors as shown in to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 34(b) to the financial statements.

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

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors of the Company comprising remunerations received or receivable from the Group and the Company during the financial year are disclosed in Note 29 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their statutory audit services is disclosed in Note 28 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS

Details of the significant events are disclosed in Note 39 to the financial statements.

Directors' Report (cont'd)

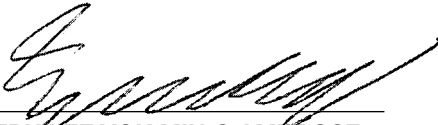
SUBSEQUENT EVENTS

Details of the subsequent events are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, **Messrs STYL Associates PLT**, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors,



DATUK JOSEPH LEE YOK MIN @ AMBROSE
Director

GEORGIA SUZANNE LINGAM @ GEORGIANNE
Director

Kota Kinabalu, Sabah.


Date: 20 October 2022

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA)

We, **DATUK JOSEPH LEE YOK MIN @ AMBROSE** and **GEORGIA SUZANNE LINGAM @ GEORGIANNE**, being two of the directors of **BORNEO OIL BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 79 to 191 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors,


DATUK JOSEPH LEE YOK MIN @ AMBROSE
 Director


GEORGIA SUZANNE LINGAM @ GEORGIANNE
 Director

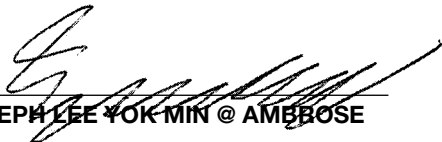
Kota Kinabalu, Sabah.

Date: 20 October 2022

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016 IN MALAYSIA)

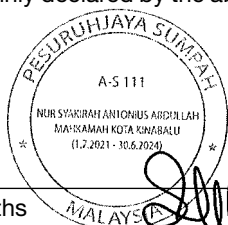
I, **DATUK JOSEPH LEE YOK MIN @ AMBROSE**, being the Director primarily responsible for the financial management of **BORNEO OIL BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 79 to 191 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.


DATUK JOSEPH LEE YOK MIN @ AMBROSE
 Director

Subscribed and solemnly declared by the abovenamed at Kota Kinabalu in the state of Sabah on 20 October 2022.

Before me,

Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BORNEO OIL BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **BORNEO OIL BERHAD**, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 191.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Independent Auditors' Report (cont'd)

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of investment properties</p> <p>Refer to summary of significant accounting policies in Note 2.3(d), significant accounting estimates and judgement in Note 2.4(b) and the disclosure in Note 5 to the financial statements.</p> <p>As of 30 June 2022, the carrying amount of the investment properties of the Group amounted to RM614,654,440/- and, during the financial year, the Group recognised a net gain of RM86,960/- from the change in fair value of investment properties.</p> <p>The Group's investment properties are stated at fair value based on valuation performed by an independent qualified professional valuer ("Valuer"). The fair value of the investment properties was derived using the direct comparison method and investment method.</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the significant judgements associated in determining the fair value.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Assessed the competency, capabilities and objectivity of the Valuer engaged by the management in the current year following ISA 620 Using the Work of an Expert; - Evaluated the appropriateness of the Valuer's valuation approach to assess if it is consistent with the requirements of MFRSs and industry norms; - Challenged the reasonableness of the critical assumptions and judgements applied based on available market data and our knowledge of the property industry; and - Obtained the working of the Valuer on investment properties to evaluate the accuracy and relevance of crucial data inputs underpinning the valuation, including the recent market transaction of properties in similar locations and conditions and the adjustment factors applied in the valuation.

Independent Auditors' Report (cont'd)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters												
<p>Revenue recognition</p> <p>Refer to summary of significant accounting policies in Note 2.3(r) and the disclosure in Note 27 to the financial statements.</p> <p>For the financial year ended 30 June 2022, the Group recognised RM87,493,850/- of revenue. Revenue is derived from the following segments:-</p> <table border="1" data-bbox="199 869 783 1189"> <thead> <tr> <th></th> <th style="text-align: right;">RM</th> </tr> </thead> <tbody> <tr> <td>Food and franchise operations</td> <td style="text-align: right;">47,621,146/-</td> </tr> <tr> <td>Property investment and management</td> <td style="text-align: right;">22,093,537/-</td> </tr> <tr> <td>Resources and sustainable energy</td> <td style="text-align: right;">17,743,167/-</td> </tr> <tr> <td>Head office and others</td> <td style="text-align: right;">36,000/-</td> </tr> <tr> <td></td> <td style="text-align: right;">87,493,850/-</td> </tr> </tbody> </table> <p>We identified the revenue recognition as a key audit matter because revenue is the primary focus of the Group's and of the Company's stakeholders.</p>		RM	Food and franchise operations	47,621,146/-	Property investment and management	22,093,537/-	Resources and sustainable energy	17,743,167/-	Head office and others	36,000/-		87,493,850/-	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Discussed with the management to obtain an understanding of the entity and consideration of the composition of the revenue and its attributes, identify specific risks associated with revenue recognition under MFRS 15 Revenue from Contracts with Customers; - Performed walkthrough test over sales cycle to understand the business and identify management's control procedures in the key operating cycle. Tested the internal controls over the sales cycle; - Performed vouching to respective supporting documents on a higher risk sampling basis; - Performed cut-off tests related to sales to ascertain the completeness of the sales; and - Reviewed journal entries for significant unusual revenue transactions near or after year-end, including post-closing journal transactions.
	RM												
Food and franchise operations	47,621,146/-												
Property investment and management	22,093,537/-												
Resources and sustainable energy	17,743,167/-												
Head office and others	36,000/-												
	87,493,850/-												

Independent Auditors' Report (cont'd)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition for construction services</p> <p>Refer to summary of significant accounting policies in Note 2.3(r)(v), significant accounting estimates and judgement in Note 2.4(c) and the disclosures in Note 27 to the financial statements.</p> <p>As of 30 June 2022, the Group recognised RM21,973,537/- of revenue for construction services. The amount of revenue of the Group's construction service is recognised over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to the proportion of development costs incurred for works performed to date compared to the estimated total costs for each project.</p> <p>We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation. The estimated total revenue and costs are affected by various uncertainties that depend on the outcome of future events.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Evaluated the design and implementation of critical controls over the process of preparing the project budget and calculating the stage of completion; - Assessed the progress of the projects with the respective project managers and understand the basis on which the estimates are made; - Assessed the reasonableness of the computed stage of completion in light of supporting evidence such as a letter of awards, approved purchase orders, sub-contractors claims and invoices to understand the basis of the estimates; - Reviewed budgeted costs by analysing the changes from prior years and verified the percentage-of-completion to architect certificate; and - Recalculated the mathematical computation of the recognised revenue and corresponding cost of sales recognised during the year.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matter

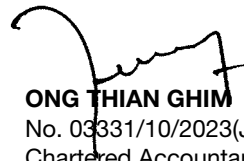
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



STYL ASSOCIATES PLT
LLP0019500-LCA & AF 001929
Chartered Accountants

Petaling Jaya, Selangor

Date: 20 October 2022



ONG THIAN GHIM
No. 03331/10/2023(J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	19,095,476	16,312,328	1,897,552	1,671,046
Right-of-use assets	4	9,215,458	9,175,329	141,652	247,891
Investment properties	5	614,654,440	614,811,190	–	–
Investment in subsidiaries	6	–	–	370,000,007	370,000,007
Other investments	7	158,588,222	45,362,961	158,076,810	45,242,960
Golf club membership	8	32,000	32,000	32,000	32,000
Intangible assets	9	–	–	–	–
Development expenditure	10	–	–	–	–
Exploration expenditure	11	8,517,885	5,309,608	–	–
Goodwill on consolidation	12	8,583	8,583	–	–
Receivables	13	7,508,520	19,135,147	–	–
Total non-current assets		817,620,584	710,147,146	530,148,021	417,193,904
Current assets					
Inventories	14	34,405,885	42,807,398	–	–
Receivables	13	68,566,074	33,732,801	38,525,522	76,762
Contract asset	15	–	426,160	–	–
Amount owing by subsidiaries	16	–	–	279,140,749	279,157,571
Tax recoverables		826,582	702,445	2,376	–
Fixed deposits with licensed banks	17	1,876,367	4,050,394	–	2,185,673
Cash and bank balances	18	21,369,291	31,425,217	15,970,577	21,996,721
Total current assets		127,044,199	113,144,415	333,639,224	303,416,727
TOTAL ASSETS		944,664,783	823,291,561	863,787,245	720,610,631
EQUITY					
Share capital	19	640,237,718	618,967,800	640,237,718	618,967,800
Reserves	20	94,502,299	61,803,413	94,587,106	61,948,335
Retained earnings		140,769,104	86,670,559	124,487,000	33,829,855
TOTAL EQUITY		875,509,121	767,441,772	859,311,824	714,745,990

Statements Of Financial Position (cont'd)

AS AT 30 JUNE 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
LIABILITIES					
Non-current liabilities					
Loans and borrowings	22	25,227,360	14,821,168	487,497	–
Lease liabilities	4	4,126,940	3,546,216	39,757	159,806
Deferred tax liabilities	25	17,006,059	17,724,635	–	–
Payables	26	–	845,965	–	–
Total non-current liabilities		46,360,359	36,937,984	527,254	159,806
Current liabilities					
Payables	26	15,228,256	14,185,787	396,579	379,649
Contract liability	15	1,343,133	–	–	–
Amount owing to subsidiaries	16	–	–	3,326,630	5,220,914
Loans and borrowings	22	5,073,611	3,423,163	109,503	–
Lease liabilities	4	1,150,303	1,302,855	115,455	104,272
Tax payables		–	–	–	–
Total current liabilities		22,795,303	18,911,805	3,948,167	5,704,835
TOTAL LIABILITIES		69,155,662	55,849,789	4,475,421	5,864,641
TOTAL EQUITY AND LIABILITIES		944,664,783	823,291,561	863,787,245	720,610,631

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	27	87,493,850	51,408,700	1,356,000	1,356,000
Cost of sales		(68,458,729)	(40,351,665)	–	–
Gross profit		19,035,121	11,057,035	1,356,000	1,356,000
Other income		66,575,643	59,048,151	114,087,580	26,847,908
Administrative and other operating expenses		(30,385,965)	(40,723,481)	(24,772,925)	(14,666,706)
Operating profit	28	55,224,799	29,381,705	90,670,655	13,537,202
Finance costs	30	(1,363,961)	(908,736)	(11,134)	(15,728)
Profit before taxation		53,860,838	28,472,969	90,659,521	13,521,474
Taxation	31	237,707	11,101	(2,376)	–
Profit for the financial year		54,098,545	28,484,070	90,657,145	13,521,474
Other comprehensive income for the financial year:-					
Foreign currency translation		60,115	(176,448)	–	–
Total comprehensive income for the financial year		54,158,660	28,307,622	90,657,145	13,521,474
Profit attributable to:-					
Owners of the parent		54,098,545	28,484,070	90,657,145	13,521,474
Total comprehensive income attributable to:-					
Owners of the parent		54,158,660	28,307,622	90,657,145	13,521,474
Basic earnings per share (sen)	32	0.67	0.46		
Diluted earnings per share (sen)	32	0.67	0.46		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Group	Attributable to Owners of the Company						Total equity RM
	Share capital RM	Warrants reserve RM	Non-distributable Treasury shares RM	ESOS reserve RM	Translation reserve RM	Distributable Retained earnings RM	
At 1 July 2021	618,967,800	93,441,422	(31,493,087)	-	(144,922)	86,670,559	767,441,772
Total comprehensive income for the financial year:-	-	-	-	-	-	54,098,545	54,098,545
Profit for the financial year	-	-	-	-	60,115	-	60,115
Other comprehensive income for the financial year	-	-	-	-	60,115	54,098,545	54,158,660
Total comprehensive income	-	-	-	-	60,115	54,098,545	54,158,660
Transactions with owners:-	-	-	(6,827,174)	-	-	-	(6,827,174)
Acquisition of treasury shares	-	-	38,320,261	-	-	-	38,320,261
Transfer of treasury shares as purchase consideration	20,002,756	-	-	-	-	-	20,002,756
Issuance of new shares via private placement	-	-	-	1,561,846	-	-	1,561,846
Share-based payment ESOS exercised	1,267,162	-	-	(416,162)	-	-	851,000
Total transactions with owners	21,269,918	-	31,493,087	1,145,684	-	-	53,908,689
At 30 June 2022	640,237,718	93,441,422	-	1,145,684	(84,807)	140,769,104	875,509,121

Statements Of Changes In Equity (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Group	Attributable to Owners of the Company						Total equity RM
	Share capital RM	Warrants reserve RM	Treasury shares RM	ESOS reserve RM	Translation reserve RM	Distributable Retained earnings RM	
At 1 July 2020	536,349,192	93,441,422	(16,200,206)	-	31,526	58,186,489	671,808,423
Total comprehensive income for the financial year:-							
Profit for the financial year	-	-	-	-	-	28,484,070	28,484,070
Other comprehensive deficit for the financial year	-	-	-	-	(176,448)	-	(176,448)
Total comprehensive income	-	-	-	-	(176,448)	28,484,070	28,307,622
Transactions with owners:-							
Acquisition of treasury shares	-	-	(15,292,881)	-	-	-	(15,292,881)
Issuance of new shares via private placement	39,482,471	-	-	-	-	-	39,482,471
Share-based payment ESOS exercised	43,136,137	-	-	10,498,936	-	-	10,498,936
				(10,498,936)	-	-	32,637,201
Total transactions with owners	82,618,608	-	(15,292,881)	-	-	-	67,325,727
At 30 June 2021	618,967,800	93,441,422	(31,493,087)	-	(144,922)	86,670,559	767,441,772

Statements Of Changes In Equity (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Company	Attributable to Owners of the Company						Total equity RM
	Share capital RM	Warrants reserve RM	Non-distributable Treasury shares RM	ESOS reserve RM	Distributable Retained earnings RM		
At 1 July 2021	618,967,800	93,441,422	(31,493,087)	-	33,829,855	714,745,990	
Total comprehensive income	-	-	-	-	90,657,145	90,657,145	
Transactions with owners:-							
Acquisition of treasury shares	-	-	(6,827,174)	-	-	(6,827,174)	
Transfer of treasury shares as purchase consideration	-	-	38,320,261	-	-	38,320,261	
Issuance of new shares via private placement	20,002,756	-	-	-	-	20,002,756	
Share-based payment	-	-	-	1,561,846	-	1,561,846	
ESOS exercised	1,267,162	-	-	(416,162)	-	851,000	
Total transactions with owners	21,269,918	-	31,493,087	1,145,684	-	53,908,689	
At 30 June 2022	640,237,718	93,441,422	-	1,145,684	124,487,000	859,311,824	

Statements Of Changes In Equity (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Company	Attributable to Owners of the Company					Total equity RM
	Share capital RM	Warrants reserve RM	Non-distributable Treasury shares RM	ESOS reserve RM	Distributable Retained earnings RM	
At 1 July 2020	536,349,192	93,441,422	(16,200,206)	-	20,308,381	633,898,789
Total comprehensive income	-	-	-	-	13,521,474	13,521,474
Transactions with owners:-						
Acquisition of treasury shares	-	-	(15,292,881)	-	-	(15,292,881)
Issuance of new shares via private placement	39,482,471	-	-	-	-	39,482,471
Share-based payment	-	-	-	10,498,936	-	10,498,936
ESOS exercised	43,136,137	-	-	(10,498,936)	-	32,637,201
Total transactions with owners	82,618,608	-	(15,292,881)	-	-	67,325,727
At 30 June 2021	618,967,800	93,441,422	(31,493,087)	-	33,829,855	714,745,990

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 RM	Group 2021 RM Restated	2022 RM	Company 2021 RM Restated
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Profit before taxation	53,860,838	28,472,969	90,659,521	13,521,474
Adjustments for:-				
Bad debts recovered				
- other receivables	-	(8,513,310)	-	(1,100)
Depreciation of property, plant and equipment	3,364,068	3,880,966	506,453	544,723
Depreciation of right-of-use assets	1,479,055	2,009,007	106,239	106,239
Dividend income	(2,295)	-	-	-
Employees' Share Option Scheme ("ESOS")	1,561,846	10,498,936	244,509	1,629,070
Fair value loss/(gain) on:-				
- investment in quoted shares	(53,037,352)	(26,403,970)	(52,887,375)	(26,463,970)
- investment properties	(86,960)	1,950,000	-	-
Fair value discount on retention receivables	(1,316,200)	(472,807)	-	-
Fair value discount on retention payables	56,680	83,139	-	-
Gain on disposal of:-				
- development expenditure and intellectual property right	-	(1,910,854)	-	-
- investment in quoted shares	(3,300,181)	(29,778)	(3,255,000)	-
- investment in a subsidiary	-	(12,017)	-	-
- property, plant and equipment	(20,392)	(800,517)	-	-
Gain on lease modification	(19,019)	(59,864)	-	-
Gain on unrealised foreign exchange	(1,312,257)	(240,029)	(1,314,154)	(185,150)
Interest income	(170,121)	(213,446)	(131,143)	(160,564)
Interest expense	1,363,961	908,736	11,134	15,728
(Reversal of provision)/Provision for slow-moving inventories	(110,446)	1,082,759	-	-
Reversal of waiver of debts	-	91,908	-	-
Operating profit/(loss) before working capital changes and balance carried forward	2,311,225	10,321,828	33,940,184	(10,993,550)

Statements Of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022 RM	Group 2021 RM Restated	2022 RM	Company 2021 RM Restated
CASH FLOWS FROM OPERATING ACTIVITIES:- (Cont'd)				
Operating profit/(loss) before working capital changes and balance brought forward	2,311,225	10,321,828	33,940,184	(10,993,550)
Adjustments for:- (Cont'd)				
(Reversal of impairment)/ Impairment losses on:-				
- trade receivables	(2,832,894)	3,548,359	-	-
- other receivables	(2,309,876)	1,467,417	-	(12,624)
- amount owing by subsidiaries	-	-	(56,459,917)	8,345,957
- golf club membership	-	23,000	-	23,000
- investment in subsidiaries	-	-	20,000,000	-
- property, plant and equipment	(319,204)	(801,479)	-	-
- development expenditure	-	(4,105,214)	-	-
- intellectual property right	-	(14,000,000)	-	-
Written-off of:-				
- property, plant and equipment	162,641	687,437	-	1,266
- investment properties	243,710	-	-	-
- bad debts - trade receivables	2,514,623	1,728	-	-
- bad debts - other receivables	902,701	1,087,970	4,421	-
Waiver of rental	(300,617)	(114,769)	-	-
Waiver of debts	(20,746)	(77,600)	-	-
Changes in working capital:-				
Inventories	8,511,959	(22,681,635)	-	-
Receivables	18,087,409	11,499,987	(132,920)	139,819
Payables	160,570	(2,295,908)	16,930	(699,255)
Contract asset/Contract liability	1,769,293	424,354	-	-
Subsidiary companies	-	-	35,833,837	(13,809,420)
Tax paid	28,880,794	(15,014,525)	33,202,535	(17,004,807)
Tax refunded	(677,415)	(1,248,873)	(4,752)	-
Interest paid	72,409	1,148,000	-	-
	(1,363,961)	(908,736)	(11,134)	(15,728)
Net cash generated from/(used in) operating activities	26,911,827	(16,024,134)	33,186,649	(17,020,535)

Statements Of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM	2021 RM Restated	2022 RM	2021 RM Restated
CASH FLOWS FROM INVESTING ACTIVITIES:-				
Dividend income	2,295	–	–	–
Net cash outflows on acquisition of a subsidiary	–	(515,695)	–	–
Addition of development expenditure	–	(196,165)	–	–
Addition of exploration expenditure	(3,208,277)	(3,616,159)	–	–
Interest received	170,121	213,446	131,143	160,564
Purchase of investment properties	–	(4,493,710)	–	–
Placement of fixed deposits with licensed banks	–	(93,343)	–	(37,350)
Withdrawal of fixed deposits with licensed banks	2,174,027	–	2,185,673	–
Purchase of quoted shares	(63,101,137)	(2,063,500)	(62,435,293)	(18,778,990)
Proceeds from disposal of quoted shares	7,630,591	188,018	7,161,000	–
Proceeds from disposal of property, plant and equipment	1,259,292	1,267,439	–	–
Purchase of property, plant and equipment	(4,144,623)	(5,039,975)	(135,959)	(17,607)
Net cash used in investing activities	(59,217,711)	(14,349,644)	(53,093,436)	(18,673,383)
CASH FLOWS FROM FINANCING ACTIVITIES:-				
Issuance of ordinary shares	20,002,756	39,482,471	20,002,756	39,482,471
ESOS exercised	851,000	32,637,201	851,000	32,637,201
Drawdown of term loans	10,000,000	4,300,000	–	–
Repayment of term loans	(982,733)	(195,118)	–	–
Repayment of hire purchase payables, net	(1,520,314)	(986,695)	–	–
Drawdown/(Repayment) of bankers' acceptance, net	1,099,200	(727,000)	–	–
Repayment to subsidiaries	–	–	–	(9,688)
Acquisition of treasury shares	(6,827,174)	(15,292,881)	(6,827,174)	(15,292,881)
Payment of lease liabilities	(771,376)	(2,402,919)	(108,866)	(104,270)
Net cash generated from financing activities	21,851,359	56,815,059	13,917,716	56,712,833

Statements Of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group		Company	
		2022 RM	2021 RM Restated	2022 RM	2021 RM Restated
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,454,525)	26,441,281	(5,989,071)	21,018,915
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		23,112	67,126	(37,073)	3,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		30,516,019	4,007,612	21,996,721	974,071
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		20,084,606	30,516,019	15,970,577	21,996,721
ANALYSIS OF CASH AND CASH EQUIVALENTS:-					
Cash and bank balances		21,369,291	31,425,217	15,970,577	21,996,721
Bank overdrafts		(1,284,685)	(909,198)	-	-
		20,084,606	30,516,019	15,970,577	21,996,721
CASH OUTFLOWS FOR LEASES AS A LESSEE					
Included in net cash from operating activities					
Payment relating to short-term leases	28	232,001	584,055	-	-
Interest paid in relation to lease liabilities	30	368,749	221,383	11,134	15,728
Included in net cash from financing activities					
Payment of lease liabilities		771,376	2,402,919	108,866	104,270
Total cash outflows for leases		1,372,126	3,208,357	120,000	119,998

Statements Of Cash Flows (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Reconciliation of movements of liabilities to cash flows arising from financing activities:-

	Bankers' acceptance RM	Hire purchase payables RM	Term loans RM	Lease liabilities RM
Group				
At 1 July 2020	1,267,000	2,037,639	11,269,307	5,328,862
Net changes from financing cash flows	(727,000)	(986,695)	(195,118)	(2,402,919)
Drawdown of hire purchase	-	370,000	-	-
Acquisition of new leases	-	-	-	2,958,440
Derecognition of lease liabilities	-	-	-	(920,543)
Drawdown of term loans	-	-	4,300,000	-
Waiver of rental	-	-	-	(114,769)
At 30 June 2021	540,000	1,420,944	15,374,189	4,849,071
Net changes from financing cash flows	1,099,200	(1,520,314)	(982,733)	(771,376)
Drawdown of hire purchase	-	3,085,000	-	-
Acquisition of new leases	-	-	-	2,250,396
Derecognition of lease liabilities	-	-	-	(750,231)
Drawdown of term loans	-	-	10,000,000	-
Waiver of rental	-	-	-	(300,617)
At 30 June 2022	1,639,200	2,985,630	24,391,456	5,277,243
Company				
At 1 July 2020	-	-	-	368,348
Net changes from financing cash flows	-	-	-	(104,270)
At 30 June 2021	-	-	-	264,078
Net changes from financing cash flows	-	-	-	(108,866)
Drawdown of hire purchase	-	597,000	-	-
At 30 June 2022	-	597,000	-	155,212

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

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

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

The registered office of the Company is located at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, WP Labuan.

The principal places of business of the Company are located at Lot 180, Section 19 KTLD, Jalan Satok, 93400 Kuching, Sarawak and 17th Floor, Menara Hap Seng, Letter Box No.63, No.1 & 3, Jalan P.Ramlee, 50250 Kuala Lumpur.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 October 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4 to the financial statements.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 (a) New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") adopted during the financial year

The Group and the Company adopted the following standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases - Interest Rate Benchmark Reform Phase 2

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.2 (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") that have been issued but not yet effective for current financial year

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations* - Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment* - Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets* - Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 9, *Financial Instruments*, Illustrative Examples accompanying MFRS 16, *Leases* and MFRS 141, *Agriculture* (Annual Improvements to MFRS Standards 2018 - 2020 cycle)

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 (b) New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") that have been issued but not yet effective for current financial year (Cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts* - Initial application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101, *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, *Presentation of Financial Statements* - Disclosure of Accounting Policies
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates
- Amendments to MFRS 112, *Income Taxes* - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 4, Extension of the Temporary Exemption from Applying MFRS 9

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures* - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable from the annual period beginning on 1 July 2022 for the accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2022.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual period beginning on 1 January 2023 as it is not applicable to the Group and the Company.

The initial application for the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period or prior period financial statements of the Group and the Company.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies

The accounting policies have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transactions costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition, the Group measures goodwill at the acquisition date as:-

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Accounting for non-controlling interest

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interest and the other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interest

Non-controlling interest at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interest and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Goodwill on consolidation

Goodwill is measured as the excess of consideration transferred, any non-controlling interests and the acquisition-date fair value of any previously-held equity interest over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(b) Goodwill on consolidation (Cont'd)

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the business combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use. The cost of self-constructed assets also includes the cost of materials and direct labour. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(m)(ii) to the financial statements.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another assets) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. Property, plant and equipment under construction are not depreciate until the assets are ready for their intended use.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(c) Property, plant and equipment and depreciation (Cont'd)

The annual rates used for depreciation purpose are as follows:-

	Rate
Building	2% - 10%
Stone quarry	2%
Factory	2%
Coldroom	10%
Equipment, furniture, fixture and fittings	10%
Machinery and equipment	10%
Motor vehicles	10% - 20%
Quarters	10%
Renovation	10% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

(d) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(d) Investment properties (Cont'd)

Subsequent to initial recognition, investment properties are stated at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Investments in golf club membership

Investments in golf club membership are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(m)(ii) to the financial statements.

On disposal of such investments, the differences between net disposal proceeds and their carrying amounts is recognised in the profit or loss.

(f) Intangible assets

(i) Patents and rights

Patents and rights are recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the Group and the cost of such assets can be reliably measured.

Patents and rights are measured at cost less accumulated amortisation and impairment losses. The development expenditure is amortised on a straight-line method over a period of 10 years. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(ii) Intellectual property rights

Intellectual property rights are recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the Group and the costs of such assets can be measured reliably.

Intellectual property rights registered are exclusive and perpetual from the date of application with no renewal terms and therefore have indefinite useful lives and are stated at costs less impairment losses. Intellectual property rights are assessed for impairment annually or wherever there is an indication that the intangible assets may be impaired.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(f) Intangible assets (Cont'd)

(iii) Development expenditure

Development expenditure is recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the Group and the costs of such assets can be measured reliably.

Cost recognised with internally generated development expenditure arising from research activities is recognised in profit or loss in the period in which the expenditure is incurred.

An internally generated intangible asset arising from development activities is recognised only when all of the following conditions are demonstrated:-

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and thereafter use it or sell it;
- the ability to either use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and thereafter use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

Other development expenditure is recognised in profit or loss as and when it is incurred. Capitalised development expenditures are amortised from that point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful life. Development expenditures are assessed for impairment annually or wherever there is an indication that the intangible assets may be impaired.

(g) Exploration expenditure

The Group follows the successful efforts method of accounting for the exploration expenditure.

(i) Exploration and evaluation expenditure

Pre-acquisition costs prior to obtaining concession rights are expensed off in the period in which they are incurred. Exploration and evaluation expenditure reflect the initial costs incurred on the exploration and evaluation of mineral deposits. The typical expenditure costs include concession rights, prospecting, sampling, mapping, diamond drilling and other works involved in searching for the mineral resources prior to commencement of production.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(g) Exploration expenditure (Cont'd)

(i) Exploration and evaluation expenditure (Cont'd)

Gold mining expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward in relation to each area of interest to the extent the following conditions are satisfied:-

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions are also met:-
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

If the area of interest does not result in successful discovery of economically recoverable volume of resources, such costs are written off in the period when the new information becomes available.

Where development plan is commercially viable and approved by the relevant authorities, the related exploration and evaluation costs are transferred to projects-in-progress in property, plant and equipment.

Exploration and evaluation expenditure include the cost of:-

- Conducting geological and geophysical surveys necessary to make informed decisions and estimates regarding the composition and volume of the resources;
- Establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- Studies related to surveying, transportation, infrastructure requirements;
- Permitting activities; and
- Economic evaluations to determine whether development of the mineralised material is commercially justified, including scoping pre-feasibility and final feasibility studies.

(ii) Development expenditure

Development expenditure comprises all costs incurred in bringing the area of interest to commercial production and is capitalised as incurred. The amount capitalised includes attributable interests and other financing costs incurred on exploration and development before commencement of production.

Upon commencement of production, the exploration and development expenditure initially capitalised and transferred to projects-in-progress in property, plant and equipment and are amortised using unit of production method, over the life of the area according to the rate of depletion of the proved developed reserves.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(h) Financial instruments

Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Financial instrument categories and subsequent measurement

Financial assets

The categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets as disclosed in Note 2.3(m)(i) to the financial statements where the effective interest rate is applied to the amortised cost.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(h) Financial instruments (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(ii) Fair value through other comprehensive income

(a) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets as disclosed in Note 2.3(m)(i) to the financial statements where the effective interest rate is applied to the amortised cost.

(b) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income or fair value through profit or loss. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income or fair value through profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(h) Financial instruments (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(iii) Fair value through profit or loss ("FVTPL") (Cont'd)

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income or fair value through profit or loss, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:-

(i) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:-

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(h) Financial instruments (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

(i) Fair value through profit or loss (Cont'd)

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(ii) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently measured at higher of:-

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current period.

Trade date accounting refers to:-

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(h) Financial instruments (Cont'd)

Regular way purchase or sale of financial assets (Cont'd)

Settlement date accounting refers to:-

- (i) the recognition of an asset on the day it is received by the Group or the Company, and
- (ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(i) Leased assets

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate. Generally, the Group and the Company use its incremental borrowing rate as the discount rate.

The Group and the Company determine its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:-

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Company are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(i) Leased assets (Cont'd)

(i) As a lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statements of financial position.

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group and the Company are an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sub-lease as an operating lease.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(i) Leased assets (Cont'd)

(ii) As a lessor (Cont'd)

If an arrangement contains lease and non-lease components, then the Group and the Company apply MFRS 15 to allocate the consideration in the contract.

The Group and the Company apply the derecognition and impairment requirements in MFRS 9 to the net investment in the lease. The Group and the Company further regularly review estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

(j) Inventories

Inventories of finished goods, work-in-progress and raw materials are stated at the lower of cost and net realisable value. The cost of inventories is measured based on weighted average basis and first in, first out basis.

The cost of work-in-progress includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead. The cost of raw materials includes the original purchase price plus costs incurred to bring the inventories to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

(k) Contract assets and contract liabilities

(i) Contract assets

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9: Financial Instruments with Note 2.3(m)(i) to the financial statements.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(k) Contract assets and contract liabilities (Cont'd)

(ii) Contract liabilities

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and down payments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

(l) Contract cost

(i) Incremental cost of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

(ii) Cost to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:-

- costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(l) Contract cost (Cont'd)

(ii) Cost to fulfil a contract (Cont'd)

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:-

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit with Note 2.3(m)(ii) to the financial statements.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

(m) Impairment

(i) Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(m) Impairment (Cont'd)

(i) Impairment of financial assets (Cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Impairment of other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(m) Impairment (Cont'd)

(ii) Impairment of other assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

(n) Provision for liabilities

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(o) Equity instruments

Equity instruments are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(p) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(q) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank balances, deposits with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

(r) Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

(ii) Rendering of services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

(iii) Revenue from fast food and franchise operations

Revenue from fast food and franchise operations is recognised at point of sales, net of service tax, sales and services tax and discounts.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(r) Revenue and other income (Cont'd)

(iv) Franchisee fees income

Franchisee fees income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(v) Construction contracts

Revenue from contract works is recognised overtime based on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(vi) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as other income.

(vii) Management income

Management fee is recognised on an accrual basis.

(viii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(s) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss, where appropriate, in the period in which the associated services are rendered by the employee.

(ii) Post-employment benefits

As required by law, the Group and the Company are required to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rate of the employees' salaries. The Group's and the Company's contribution to EPF are disclosed separately and the employees' contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(s) Employee benefits (Cont'd)

(iii) Share-based payment transactions

The fair value of share-based payment granted to employees at grant date is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the fair value of the share-based payment at grant date is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instruments, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance condition attached to the transactions are not taken into account in determining fair value.

(t) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(u) Income tax

Income tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Current tax expense is the expected tax payable or receivable to the taxation authorities in respect of the taxable profit or loss for the financial period and is measured using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period are recognised in profit or loss, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Current tax assets and liabilities or deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(v) Foreign currency

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(v) Foreign currency (Cont'd)

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

In translating the financial position and results of a foreign operation whose functional currency is not the required presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate.

(w) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

(x) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(y) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(z) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.

Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant accounting policies (Cont'd)

(z) Fair value measurement (Cont'd)

Non-financial assets

The fair value measurement of the investment properties are determined by using the market approach (i.e. Level 3). The fair value is determined primary based on investment, cost replacement and comparison method. The fair value measurement of the investment properties are based on the highest and best use, which does not differ from their actual use.

Financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 3).

The fair value of other investment is directly measured using its unadjusted closing price in an active market (i.e. Level 1).

The fair values of unquoted investments that are not making an adequate return on assets or are making only marginal levels of profits are measured using the adjusted net asset method which involves deriving the fair values of the investees' equity instruments by reference to the fair values of their assets and liabilities (i.e. Level 3).

2.4 Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:-

(a) Impairment assessment of investment in subsidiaries

The Group and the Company test investment in subsidiaries for impairment test when there is an indication exist in accordance with its accounting policy. Impairment is measured by comparing the carrying amount with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from the subsidiary discounted at an appropriate discount rate.

The carrying amounts of the investment in subsidiaries is disclosed in Note 6 to the financial statements.

Notes To The Financial Statements (cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgements (Cont'd)

(b) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to assess fair value for investment properties. Fair value is arrived at using comparison method, cost method or investment method and the key assumptions used to determine the fair value of the properties and sensitivity analysis are disclosed in Note 5 to the financial statements.

(c) Construction contract

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that contract or property development costs incurred for work performed to date bear to the estimated total contract or property development costs.

Significant estimation is involved in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contracts. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists.

Where the total actual revenue and cost incurred are different from the total estimated revenue and cost incurred, such differences will impact the contract profit or losses recognised.

Any changes in these accounting estimates will affect the carrying amounts of contract assets as disclosed in Note 15 to the financial statements.

(d) Valuation of inventories – limestones and precious stones

Valuation of limestones and precious stones is performed by independent professional geologist. The professional geologist uses estimation in determining density of rocks, cavity factor, overburden factor and other factors from common market data in their valuation process. Any changes in these assumptions will have an impact on the carrying amounts of the limestones and precious stones.

The carrying amounts of the Group's inventories of limestones and precious stones are disclosed in Note 14 to the financial statements.

Notes To The Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Buildings		Stone quarry	Factory		Coldroom	Equipment, furniture and fittings		Machinery and equipment	Motor vehicles	Construction		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 July 2021	-	1,000,000	6,474,887	962,360	10,366,959	16,120,559	9,238,951	22,195	6,819,459	3,725,273	54,730,643		
Additions	1,319,540	-	-	268,650	232,016	3,905,913	685,172	-	297,687	520,645	7,229,623		
Disposals	-	-	-	(250,865)	(4,430)	(25,000)	(14,978)	-	(1,035,369)	(1,330,642)			
Written off	-	-	-	(18,491)	(57,501)	(73,040)	(265,103)	-	-	(414,135)			
Exchange differences	-	-	-	-	-	(936)	-	-	-	(936)			
Reclassification	-	-	-	-	(4,194,057)	(2,656,319)	(351,693)	-	8,155	(35,949)	(7,229,863)		
At 30 June 2022	1,319,540	1,000,000	6,474,887	1,212,519	6,096,552	17,292,683	9,546,494	7,217	6,860,198	3,174,600	52,984,690		
Accumulated depreciation													
At 1 July 2021	-	148,194	1,021,544	615,815	6,211,281	9,292,502	8,162,895	6,321	5,029,528	-	30,488,080		
Charge for the financial year	8,797	20,000	129,498	101,827	598,036	1,558,968	337,413	2,219	607,310	-	3,364,068		
Disposals	-	-	-	(60,229)	(1,207)	(25,000)	(91,742)	(5,306)	-	-	(91,742)		
Written off	-	-	-	(16,722)	(23,499)	(39,661)	(171,612)	-	(251,494)	-	(866)		
Exchange differences	-	-	-	-	-	(866)	-	-	(23,904)	-	(6,600,653)		
Reclassification	-	-	-	-	(2,674,972)	(3,548,793)	(352,984)	-	-	-	-		
At 30 June 2022	8,797	168,194	1,151,042	700,920	4,050,617	7,261,809	8,121,458	3,234	5,441,322	-	26,907,393		
Accumulated impairment losses													
At 1 July 2021	-	851,806	5,453,343	-	-	1,625,086	-	-	-	-	7,930,235		
Reversal	-	(20,000)	(129,498)	-	-	(169,706)	-	-	-	-	(319,204)		
Reclassification	-	-	-	-	-	(629,210)	-	-	-	-	(629,210)		
At 30 June 2022	-	831,806	5,323,845	-	-	826,170	-	-	-	-	6,981,821		
Carrying amount													
At 30 June 2022	1,310,743	-	-	511,599	2,045,935	9,204,704	1,425,036	3,983	1,418,876	3,174,600	19,095,476		

Notes To The Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group Cost	Stone quarry RM	Factory RM	Coldroom RM	Equipment, furniture, fixture and fittings RM	Machinery and equipment RM	Motor vehicles RM	Quarters RM	Renovation RM	Construction in progress RM	Total RM
At 1 July 2020	1,000,000	6,474,887	962,360	10,169,726	17,284,103	8,859,635	22,195	7,055,681	518,961	52,347,548
Additions	-	-	-	364,392	1,284,738	431,315	-	123,218	3,206,312	5,409,975
Disposals	-	-	-	(7,500)	(1,232,835)	(54,167)	-	-	-	(1,294,502)
Written off	-	-	-	(159,659)	(1,215,447)	-	-	(359,440)	-	(1,734,546)
Exchange differences	-	-	-	-	-	2,168	-	-	-	2,168
At 30 June 2021	1,000,000	6,474,887	962,360	10,366,959	16,120,559	9,238,951	22,195	6,819,459	3,725,273	54,730,643
Accumulated depreciation										
At 1 July 2020	128,194	892,046	520,463	5,718,948	9,149,235	7,678,674	4,101	4,388,192	-	28,479,853
Charge for the financial year	20,000	129,498	95,352	588,003	1,753,669	523,799	2,220	768,425	-	3,880,966
Disposals	-	-	-	(2,496)	(783,556)	(41,528)	-	-	-	(827,560)
Written off	-	-	-	(93,174)	(826,846)	-	-	(127,089)	-	(1,047,109)
Exchange differences	-	-	-	-	-	1,950	-	-	-	1,950
At 30 June 2021	148,194	1,021,544	615,815	6,211,281	9,292,502	8,162,895	6,321	5,029,528	-	30,488,080
Accumulated impairment losses										
At 1 July 2020	871,806	5,582,841	-	-	2,277,067	-	-	-	-	8,731,714
Reversal	(20,000)	(129,498)	-	-	(651,981)	-	-	-	-	(801,479)
At 30 June 2021	851,806	5,453,343	-	-	1,625,086	-	-	-	-	7,930,235
Carrying amount										
At 30 June 2021	-	-	346,545	4,155,678	5,202,971	1,076,056	15,874	1,789,931	3,725,273	16,312,328

Notes To The Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Equipment, furniture, fixture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Company Cost				
At 1 July 2020	3,889,137	610,901	946,880	5,446,918
Additions	17,607	–	–	17,607
Written off	(2,450)	–	–	(2,450)
At 30 June 2021	3,904,294	610,901	946,880	5,462,075
Additions	20,887	685,172	26,900	732,959
At 30 June 2022	3,925,181	1,296,073	973,780	6,195,034
Accumulated depreciation				
At 1 July 2020	2,098,286	606,065	543,139	3,247,490
Charge for the financial year	388,343	4,832	151,548	544,723
Written off	(1,184)	–	–	(1,184)
At 30 June 2021	2,485,445	610,897	694,687	3,791,029
Charge for the financial year	390,023	–	116,430	506,453
At 30 June 2022	2,875,468	610,897	811,117	4,297,482
Carrying amount				
At 30 June 2021	1,418,849	4	252,193	1,671,046
At 30 June 2022	1,049,713	685,176	162,663	1,897,552

- (a) The property, plant and equipment of the Group and of the Company acquired under hire purchase terms are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Motor vehicles	1,239,930	873,209	685,172	–
Machinery and equipment	3,058,691	1,396,422	–	–
	4,298,621	2,269,631	685,172	–

The carrying amounts of motor vehicles, machinery and equipment are pledged to licensed banks to secure the loans and borrowings granted to the Group and the Company as disclosed in Note 23 to the financial statements.

Notes To The Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost of property, plant and equipment purchased	7,229,623	5,409,975	732,959	17,607
Amount financed through hire purchase	(3,085,000)	(370,000)	(597,000)	–
Cash disbursed for purchase of property, plant and equipment	4,144,623	5,039,975	135,959	17,607

(c) Construction in progress comprises of conveyor belt and building. These construction in progress will be reclassified to appropriate categories of property, plant and equipment when they are ready for their intended use.

The conveyor belt with a carrying amount of RM2,686,000/- (2021: RM2,686,000/-) is pledged with a financial institution to secure the term loans granted to the Group as disclosed in Note 24 to the financial statements.

Notes To The Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

4.1 Right-of-use assets

	Leasehold buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Group Cost						
At 1 July 2021, restated	6,063,091	659,473	1,484,482	689,093	8,760,218	17,656,357
Additions	-	8,270	-	264,604	1,977,522	2,250,396
Derecognition ¹	-	-	-	(142,656)	(1,350,050)	(1,492,706)
Remeasurement	-	-	(8,076)	(3,840)	(1,851,016)	(1,862,932)
At 30 June 2022	6,063,091	667,743	1,476,406	807,201	7,536,674	16,551,115
Accumulated depreciation						
At 1 July 2021, restated	1,510,960	98,921	906,142	601,336	5,363,669	8,481,028
Charge for the financial year	95,603	22,841	348,424	143,234	868,953	1,479,055
Derecognition ¹	-	-	-	(42,797)	(730,072)	(772,869)
Remeasurement	-	-	(542)	(183,787)	(1,667,228)	(1,851,557)
At 30 June 2022	1,606,563	121,762	1,254,024	517,986	3,835,322	7,335,657
Carrying amount						
At 30 June 2022	4,456,528	545,981	222,382	289,215	3,701,352	9,215,458

Notes To The Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

4.1 Right-of-use assets (Cont'd)

	Leasehold buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Group						
Cost						
At 1 July 2020	5,025,000	659,473	1,257,635	658,293	8,802,669	16,403,070
Additions	1,038,091	-	492,445	137,039	1,290,865	2,958,440
Derecognition ¹	-	-	(265,598)	(106,239)	(1,333,316)	(1,705,153)
At 30 June 2021	6,063,091	659,473	1,484,482	689,093	8,760,218	17,656,357
Accumulated depreciation						
At 1 July 2020	1,005,000	76,938	649,632	474,775	5,110,150	7,316,495
Charge for the financial year	505,960	21,983	392,552	160,204	928,308	2,009,007
Derecognition ¹	-	-	(136,042)	(33,643)	(674,789)	(844,474)
At 30 June 2021	1,510,960	98,921	906,142	601,336	5,363,669	8,481,028
Carrying amount						
At 30 June 2021	4,552,131	560,552	578,340	87,757	3,396,549	9,175,329

¹ Derecognition of the right-of-use assets during the financial year is as a result of termination of lease.

Notes To The Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

4.1 Right-of-use assets (Cont'd)

	Office RM	
Company		
Cost		
At 30 June 2021/2022		531,195
Accumulated depreciation		
At 1 July 2020		177,065
Charge for the financial year		106,239
At 30 June 2021		283,304
Charge for the financial year		106,239
At 30 June 2022		389,543
Carrying amount		
At 30 June 2021		247,891
At 30 June 2022		141,652
Amount recognised in profit or loss		
	Group	Company
	2022	2021
	RM	RM
Interest on lease liabilities	368,748	221,383
Expenses relating to short-term leases	232,001	584,055
		11,134
		15,728
		-
		-

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings, with no renewal or purchase option included in the agreement. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

The buildings have been pledged to licensed banks as security for the bank and credit facilities granted to the Group as disclosed in Note 24 to the financial statements.

The Group and the Company lease land, office, hostel and outlets that run between 1 year to 30 years, with an option to renew the lease after that date.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

Notes To The Financial Statements (cont'd)

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

4.1 Right-of-use assets (Cont'd)

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

There is a change of accounting estimates on the useful lives of leasehold buildings from 10 years to 50 years. Thus, the Group is expected to depreciate the leasehold buildings at RM74,840/- in current and future periods.

Extension options

Some leases of land, buildings and premises contain extension options exercisable by the Group and the Company up to ten (10) years before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Company and not by the lessors. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

4.2 Lease liabilities

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities	4,126,940	3,546,216	39,757	159,806
Current liabilities	1,150,303	1,302,855	115,455	104,272
Total lease liabilities	5,277,243	4,849,071	155,212	264,078

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's and the Company's weighted average incremental borrowing rates ranging from 3.47% to 4.90% and 4.90% respectively (2021: 3.47% to 4.90% and 4.90% respectively).

After initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group and the Company determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group and the Company are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group and the Company to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group and of the Company.

The Group and the Company have recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 28 to the financial statements.

Notes To The Financial Statements (cont'd)

5. INVESTMENT PROPERTIES

	2022 RM	Group 2021 RM
At fair value		
At 1 July	614,811,190	612,267,480
Additions:-		
- acquisition	-	4,250,000
- other cost	-	243,710
Written off	(243,710)	-
Changes in fair value	86,960	(1,950,000)
At 30 June	614,654,440	614,811,190

Certain investment properties of the Group with carrying amount of RM13,625,000/- (2021: RM13,625,000/-) are pledged to financial institutions for borrowings granted to the Group as disclosed in Note 22(a) and Note 24 respectively to the financial statements.

The investment properties consist of the following:-

	2022 RM	Group 2021 RM
At fair value		
Short term leasehold land	383,607,229	383,750,959
Long term leasehold land and building	227,922,211	227,935,231
Freehold condominium	3,125,000	3,125,000
	614,654,440	614,811,190

The short term and long term leasehold land and buildings have lease terms of 30 to 99 years respectively.

The following are recognised in profit or loss in respect of investment properties:-

	2022 RM	Group 2021 RM
Rental Income	514,630	361,375

- (a) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are recognised in profit or loss.

Notes To The Financial Statements (cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

- (b) External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

(c) **Method of valuation**

Comparison method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

All investment properties valued using the comparison method are categorised as Level 3 in the fair value hierarchy.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

Notes To The Financial Statements (cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

(c) Method of valuation (Cont'd)

Investment method (Cont'd)

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

Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>Comparison approach:-</p> <p>Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.</p> <p>Investment approach:-</p> <p>Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property, taking into consideration of the rights to extract limestones reserve and market price of marble blocks. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of limestones reserve extracted.</p>	<p>Price per square foot</p> <p>Natural reserves calculation and estimation</p>	<p>The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).</p> <p>The estimated fair value would increase/(decrease) if the estimated volume of extraction and the price per marble block is higher/(lower).</p>

Notes To The Financial Statements (cont'd)

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM Restated
Unquoted shares		
Cost		
At 1 July	380,100,006	80,100,006
Addition	20,000,000	300,000,000
At 30 June	400,100,006	380,100,006
Accumulated impairment losses		
At 1 July	10,099,999	10,099,999
Addition	20,000,000	–
At 30 June	30,099,999	10,099,999
Carrying amount		
At 30 June	370,000,007	370,000,007

Details of the subsidiaries are as follows:-

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2022 %	2021 %		
Direct Subsidiaries				
Borneo Oil Corporation Sdn. Bhd. (Formerly known as Borneo Oil & Gas Corporation Sdn. Bhd.)	100	100	Malaysia	Mining operations and related activities
The Borneo Food Group Sdn. Bhd. (Formerly known as SB Partners Sdn. Bhd.) ²	100	100	Malaysia	Investment holding
SB Resorts Sdn. Bhd.	100	100	Malaysia	Property management, plantation, trading of construction materials, construction and related activities
The Borneo Food Company Pte. Ltd. (Formerly known as Tong Meng Global Pte. Ltd.) ^{1,2}	100	100	Singapore	Dormant

Notes To The Financial Statements (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:- (Cont'd)

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2022 %	2021 %		
Indirect subsidiaries				
<i>Held through Borneo Oil Corporation Sdn. Bhd.</i>				
Borneo Energy Sdn. Bhd. ²	100	100	Malaysia	Oil, gas and energy and its related businesses
Segama Resources Sdn. Bhd.	100	100	Malaysia	Dormant
<i>Held through The Borneo Food Group Sdn. Bhd.</i>				
SB Supplies & Logistics Sdn. Bhd.	100	100	Malaysia	Manufacturing, sales and distributions of products, franchising, provision of management and marketing services
Sugarbun Pty Ltd. ^{1,2}	100	100	Australia	Fast food restaurants and related activities
Borneo Eco Food Sdn. Bhd. (Formerly known as The Borneo Bar Sdn. Bhd.)	100	–	Malaysia	Agricultural and farming activities for crops production on a fee or contract basis, supply of raw foods and food products
<i>Held through SB Resorts Sdn. Bhd.</i>				
SB Lifestyle Sdn. Bhd.	100	100	Malaysia	Investment holding company
SB Rainforest Travel & Tours Sdn. Bhd. ²	100	100	Malaysia	Dormant
Unitimart Sdn. Bhd. ²	100	100	Malaysia	Dormant
Applebee's Bakery Sdn. Bhd. ²	100	100	Malaysia	Dormant
SB Food Enterprise Sdn. Bhd.	100	100	Malaysia	Dormant
Winamewah Sdn. Bhd.	100	100	Malaysia	Dormant
Borneo Eco Food Sdn. Bhd. (Formerly known as The Borneo Bar Sdn. Bhd.)	–	100	Malaysia	Agricultural and farming activities for crops production on a fee or contract basis, supply of raw foods and food products

Notes To The Financial Statements (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:- (Cont'd)

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2022 %	2021 %		
Indirect subsidiaries (Cont'd)				
<i>Held through SB Supplies & Logistics Sdn. Bhd.</i>				
SB Franchise Management Sdn. Bhd. ²	100	100	Malaysia	Franchising and provision of management and marketing services
<i>Held through SB Franchise Management Sdn. Bhd.</i>				
L & V Trading Sdn. Bhd.	100	100	Malaysia	Supply of franchise equipment and spare parts

¹ Not audited by STYL Associates PLT.

² The audited financial statements and auditors' report for the financial year ended 30 June 2022 consist of material uncertainties related to going concern assumptions.

Notes To The Financial Statements (cont'd)

7. OTHER INVESTMENTS

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Quoted shares					
At fair value through profit or loss					
	(a)				
At 1 July		45,362,960	338,240	45,242,960	–
Addition		12,401,137	18,778,990	11,735,293	18,778,990
Disposal		(4,290,420)	(158,240)	(3,866,010)	–
Change in fair value		53,037,352	26,403,970	52,887,375	26,463,970
Exchange differences		1,377,192	–	1,377,192	–
At 30 June		107,888,221	45,362,960	107,376,810	45,242,960
Unquoted shares					
At fair value through profit or loss					
	(b)				
At 1 July		–	–	–	–
Addition		50,700,000	–	50,700,000	–
At 30 June		50,700,000	–	50,700,000	–
At fair value through other comprehensive income					
	(b)				
At 1 July/30 June		1	1	–	–
Total other investments		158,588,222	45,362,961	158,076,810	45,242,960

(a) Quoted ordinary shares of the Group and of the Company are categorised as Level 1 and Level 3 in the fair value hierarchy respectively. Fair value of quoted ordinary shares of the Group and of the Company are estimated based on unadjusted closing price in active market and transaction price in inactive market respectively.

(b) Unquoted ordinary shares of the Group and of the Company are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares of the Group and of the Company are estimated based on adjusted net asset method.

Notes To The Financial Statements (cont'd)

8. GOLF CLUB MEMBERSHIP

	Group and Company	
	2022	2021
	RM	RM
Cost		
At 1 July/30 June	64,000	64,000
Accumulated impairment losses		
At 1 July	32,000	9,000
Addition	–	23,000
At 30 June	32,000	32,000
Carrying amount		
At 30 June	32,000	32,000

9. INTANGIBLE ASSETS

	Patents and rights RM (Note a)	Intellectual property rights RM (Note b)	Total RM
Group and Company			
Cost			
At 30 June 2020	5,000,000	14,000,000	19,000,000
Disposal	–	(14,000,000)	(14,000,000)
At 30 June 2021/2022	5,000,000	–	5,000,000
Accumulated amortisation			
At 30 June 2021/2022	5,000,000	–	5,000,000
Accumulated impairment losses			
At 30 June 2020	–	14,000,000	14,000,000
Reversal during the year	–	(14,000,000)	(14,000,000)
At 30 June 2021/2022	–	–	–
Carrying amount			
At 30 June 2021/2022	–	–	–

(a) Patents and rights

The patents and rights are in respect of the rights for use of a certain brand name and trademark acquired in financial year 2001 for a total consideration of RM5,000,000/-. These are amortised on a straight-line basis over a period of ten years.

Notes To The Financial Statements (cont'd)

9. INTANGIBLE ASSETS (CONT'D)

(b) Intellectual property rights

The intellectual property rights represent technology license for proprietary Bio-Fraction Project that converts biomass into biochar, biofuel and biogas.

The Group has disposed Bio Fraction Project to a third party in previous financial year.

10. DEVELOPMENT EXPENDITURE

	2022 RM	Group 2021 RM
Cost		
At 1 July	–	4,105,214
Addition	–	196,165
Disposal	–	(4,301,379)
At 30 June	–	–
Accumulated impairment losses		
At 1 July	–	4,105,214
Reversal	–	(4,105,214)
At 30 June	–	–
Carrying amount		
At 30 June	–	–

Development expenditure principally comprises of internally generated expenditure on Bio-Fraction Project.

The Group has disposed Bio Fraction Project to a third party in previous financial year.

11. EXPLORATION EXPENDITURE

	2022 RM	Group 2021 RM
Cost		
At 1 July	49,866,122	46,249,963
Addition	3,208,277	3,616,159
At 30 June	53,074,399	49,866,122
Accumulated impairment losses		
At 1 July/30 June	44,556,514	44,556,514
Carrying amount		
At 30 June	8,517,885	5,309,608

Notes To The Financial Statements (cont'd)

11. EXPLORATION EXPENDITURE (CONT'D)

Exploration expenditure consists of concession right to explore licensed areas, costs incurred such as geological and geophysical surveys, drilling, trenching and other direct attributable costs of exploration and appraisal including technical and administrative costs.

The Group reviews the carrying amounts of exploration expenditure as at the end of the reporting period to determine whether there is any indication of impairment. If any such indications exist, the recoverable amount is determined based on its value-in-use. The value-in-use is determined by discounting the future cash flows to be generated from projects based on the financial budgets prepared by the management covering a period of ten (10) years.

12. GOODWILL ON CONSOLIDATION

	2022 RM	Group	2021 RM
Cost			
At 1 July	8,583		–
Addition	–		8,583
At 30 June	8,583		8,583
Accumulated impairment losses			
At 1 July/30 June	–		–
Carrying amount			
At 30 June	8,583		8,583

Goodwill arising from business combination has been allocated to a cash-generating unit (“CGU”) for impairment testing purpose. The carrying amounts of goodwill amounting to RM8,583/- (2021: RM8,583/-) has been allocated to the investment in Winamewah Sdn. Bhd..

Notes To The Financial Statements (cont'd)

13. RECEIVABLES

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current					
Trade receivables	(a)	7,508,520	19,135,147	–	–
Current					
Trade receivables		26,107,940	11,572,322	–	–
Less: Accumulated for impairment losses		(2,441,447)	(5,274,341)	–	–
Less: Bad debts written off		(2,514,623)	(1,728)	–	–
Trade receivables, net	(a)	21,151,870	6,296,253	–	–
Other receivables		5,724,504	13,197,423	4,421	–
Less: Accumulated for impairment losses		(1,737,490)	(4,047,366)	–	–
Less: Bad debts written off		(902,701)	(1,087,970)	(4,421)	–
Other receivables, net	(b)	3,084,313	8,062,087	–	–
Deposits	(c)	40,738,390	18,209,906	38,525,522	76,762
Prepayments		3,591,501	1,164,555	–	–
		47,414,204	27,436,548	38,525,522	76,762
Total current receivables		68,566,074	33,732,801	38,525,522	76,762
Total receivables		76,074,594	52,867,948	38,525,522	76,762

Notes To The Financial Statements (cont'd)

13. RECEIVABLES (CONT'D)

(a) Trade receivables

The Group's credit period granted range from 30 days to 60 days (2021: 30 days to 60 days). Other credit terms are assessed and approved on a case by case basis.

The currency exposure profile of trade receivables is as follows:-

	2022	Group
	RM	2021
		RM
Ringgit Malaysia	28,611,377	25,342,037
Australia Dollar	-	6,850
Brunei Dollar	35,530	47,343
United States Dollar	13,483	35,170
	<hr/>	<hr/>
	28,660,390	25,431,400

Included in trade receivables of the Group is an amount of RM24,308,352/- (2021: RM Nil) being an amount owing by a related company in which the Group has financial interests.

Included in trade receivables of the Group is a retention sum of RM23,863,175/- (2021: RM19,135,147/-) relating to a construction contract. Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	2022	Group
	RM	2021
		RM
Less than 1 year	16,354,655	-
More than 1 year and less than 2 years	7,508,520	14,580,244
More than 2 years and less than 5 years	-	4,554,903
	<hr/>	<hr/>
	23,863,175	19,135,147

Analysis of retention sum on impairment loss and deferred payment terms with discount rate of 2.88% (2021: 6.70%) per annum, being the weighted average cost of capital of the Group is as follows:-

	2022	Group
	RM	2021
		RM
Nominal value	24,154,655	20,742,827
Discounted	(291,480)	(1,607,680)
	<hr/>	<hr/>
	23,863,175	19,135,147

Notes To The Financial Statements (cont'd)

13. RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

The ageing analysis of the Group's trade receivables is as follows:-

	2022 RM	Group 2021 RM
Neither past due nor impaired	1,931,223	4,729,692
Past due not impaired		
1 to 30 days	2,368,407	337,989
31 to 60 days	178,810	155,588
61 to 90 days	225,779	148,510
More than 90 days	2,534,443	6,198,815
Impaired	5,307,439 (2,441,447)	6,840,902 (5,274,341)
	4,797,215	6,296,253

Impairment of trade receivables

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

The average credit loss rates were based on the payment profile of revenue over a period of 12 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes To The Financial Statements (cont'd)

13. RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Impairment of trade receivables (Cont'd)

The reconciliation of trade receivables' movements accumulated impairment losses of the Group is as follows:-

	Group RM
At 1 July 2020	1,725,982
Impairment loss during the year	3,548,359
At 30 June 2021	5,274,341
Reversal of impairment loss during the year	(2,832,894)
At 30 June 2022	2,441,447

(b) Other receivables

Other receivables are unsecured and non-interest bearing. The currency exposure profile of other receivables is as follows:-

	2022 RM	Group 2021 RM
Ringgit Malaysia	3,078,788	4,200,727
United States Dollar	–	3,861,360
Australian Dollar	5,525	–
	3,084,313	8,062,087

The reconciliation of other receivables' movements in accumulated impairment losses of the Group and the Company are as follows:-

	Group RM	Company RM
At 1 July 2020	2,579,949	12,624
Impairment loss during the year	1,467,417	–
Reversal of impairment loss during the year	–	(12,624)
At 30 June 2021	4,047,366	–
Reversal of impairment loss during the year	(2,309,876)	–
At 30 June 2022	1,737,490	–

Notes To The Financial Statements (cont'd)

13. RECEIVABLES (CONT'D)

(c) Deposits

Included in deposits of the Group is an amount of RM38,425,261/- (2021: RM Nil) in relation to the acquisition of 13.8% equity interest in Makin Teguh Sdn. Bhd. from a third party. The remaining capital commitments are disclosed in Note 35 to the financial statements.

Included in deposits of the Group is an amount of RM180,000/- (2021: RM180,000/-) in relation to the acquisition of 90% equity interest in Syarikat Ratna Pura Sdn. Bhd. from third parties. The remaining capital commitments are disclosed in Note 35 to the financial statements.

Included in deposits of the Group is an amount of RM Nil (2021: RM15,975,500/- and RM200,000/- respectively) in relation to the purchase of two (2) pieces of land and one (1) shoptot.

14. INVENTORIES

	2022 RM	Group 2021 RM
At net realisable value		
Gold stock	494,666	641,337
At cost		
Food and beverages and packing materials	5,340,228	2,872,760
Machinery and spare parts	1,710,895	1,812,515
Limestones and precious stones	27,832,409	38,563,545
At 30 June	35,378,198	43,890,157
Provision for slow-moving inventories		
At 1 July	1,082,759	-
Addition	-	1,082,759
Reversal	(110,446)	-
At 30 June	972,313	1,082,759
Carrying amount		
At 30 June		
- At net realisable value	494,666	641,337
- At cost	33,911,219	42,166,061
	34,405,885	42,807,398

During the financial year, the cost of inventories recognised as an expense in the Group amounted to RM42,356,081/- (2021: RM27,326,479/-).

Notes To The Financial Statements (cont'd)

15. CONTRACT ASSET/(CONTRACT LIABILITY)

	2022 RM	Group 2021 RM
Contract asset	–	426,160
Contract liability	(1,343,133)	–

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction project as compared to the total budgeted cost for the project.

The contract asset primarily relates to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. The contract liability primarily relate to the advance consideration received from customers for construction contracts, which revenue is recognised overtime during the construction.

	2022 RM	Group 2021 RM
Represented by:-		
Contract asset/(Contract liability)		
Aggregate construction contract costs incurred to date	105,094,861	85,664,302
Add: Attributable profits	21,018,972	18,475,994
	126,113,833	104,140,296
Less: Progress billings	(127,456,966)	(103,714,136)
	(1,343,133)	426,160

16. AMOUNT OWING BY/(TO) SUBSIDIARIES

Amount owing by/(to) subsidiaries is unsecured, interest-free and recoverable/(repayable) on demand.

	2022 RM	Company 2021 RM
Amount owing by subsidiaries		
Non-trade balances	315,773,788	372,250,527
Less: Accumulated for impairment losses	(36,633,039)	(93,092,956)
	279,140,749	279,157,571
Amount owing (to) subsidiaries		
Non-trade balances	(3,326,630)	(5,220,914)

Notes To The Financial Statements (cont'd)

16. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

The reconciliation of amount owing by subsidiaries' movements in accumulated impairment losses of the Company is as follows:-

	Company RM
At 1 July 2020	84,746,999
Impairment loss during the year	8,345,957
At 30 June 2021	93,092,956
Reversal of impairment loss during the year	(56,459,917)
At 30 June 2022	36,633,039

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates of 0.35% to 2.00% and Nil respectively (2021: 1.49% to 3.84% and 1.55% to 3.84% respectively) per annum. Fixed deposits were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

18. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash on hand	113,459	107,060	13,185	8,719
Cash at banks	21,255,832	31,318,157	15,957,392	21,988,002
Total cash and bank balances	21,369,291	31,425,217	15,970,577	21,996,721

The currency exposure profile of cash and bank balances is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	20,802,524	31,041,295	15,858,318	21,887,416
Australian Dollar	258,254	141,834	-	-
Singapore Dollar	254,201	194,536	112,259	109,305
United States Dollar	54,312	47,552	-	-
	21,369,291	31,425,217	15,970,577	21,996,721

Notes To The Financial Statements (cont'd)

19. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Ordinary shares Issued and fully paid:-				
At 1 July	7,450,289,529	618,967,800	5,340,383,754	536,349,192
Add:-				
Issuance of ordinary shares via private placement	745,827,550	20,002,756	1,093,405,775	39,482,471
ESOS exercised	37,000,000	1,267,162	1,016,500,000	43,136,137
At 30 June	8,233,117,079	640,237,718	7,450,289,529	618,967,800

During the financial year, the issued and paid-up capital of the Company was increased by RM21,269,918/- from RM618,967,800/- to RM640,237,718/- by way of issuance of:-

- (i) 745,827,550 new ordinary shares via private placement at an average exercise price of RM0.0268; and
- (ii) 37,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0342.

All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company residual assets.

20. RESERVES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Warrants reserve	(a)	93,441,422	93,441,422	93,441,422	93,441,422
Treasury shares	(b)	-	(31,493,087)	-	(31,493,087)
ESOS reserve	(c)	1,145,684	-	1,145,684	-
Translation reserve	(d)	(84,807)	(144,922)	-	-
Total reserves		94,502,299	61,803,413	94,587,106	61,948,335

(a) Warrants reserve

Warrants reserve represents the proceeds from the issuance of warrants which is non-distributable. The warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings. Details of warrants are disclosed in Note 21 to the financial statements.

Notes To The Financial Statements (cont'd)

20. RESERVES (CONT'D)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount as stated represents acquisition costs of the treasury shares. Details movement of treasury shares purchased and sold are as follows:-

	Group and Company			
	2022		2021	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
At 1 July	541,526,000	31,493,087	217,946,000	16,200,206
Purchase of treasury shares	203,710,000	6,827,174	323,580,000	15,292,881
Transfer of treasury shares as purchase consideration	(745,236,000)	(38,320,261)	–	–
At 30 June	–	–	541,526,000	31,493,087

(c) Share option reserve

The share option reserve represents the corresponding share-based payments expense related to the Group's and the Company's Employees' Share Option Scheme ("ESOS") as disclosed in Note 39(d) to the financial statements.

(d) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes To The Financial Statements (cont'd)

21. WARRANTS

Warrants C 2015/2025

The Company's issuance of new warrants via a Renounceable Rights Issue of 2,315,152,386 new warrants 2015/2025 on the basis of one (1) new warrant for every two (2) existing shares held were listed on Bursa Malaysia Securities Berhad on 17 November 2015. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 28 September 2015. On 28 September 2015, the exercise price was RM0.07 each.

The issue date of 1,157,576,189 Rights Issue of warrants was 9 November 2015. The warrants will expire on 8 November 2025. The exercise period for the Warrants C is ten (10) years commencing from and inclusive of the date of issue Warrants C. Warrants C which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants C is as follows:-

	Company			
	2022			2021
	Unit	RM	Unit	RM
At 30 June	1,734,679,850	93,441,422	1,734,679,850	93,441,422

Warrants D 2017/2027

The Company's issuance of new warrants via a Bonus Issue of 528,085,453 new warrants 2017/2027 on the basis of one (1) free warrant for every eight (8) existing ordinary shares held were listed on Bursa Malaysia Securities Berhad on 7 June 2017. The issue price of the Warrant D was free. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 12 May 2017. On 12 May 2017, the exercise price was RM0.07 each.

The issue date of 378,808,984 Bonus Issue of warrants was 30 May 2017. The warrants will expire on 29 May 2027. The exercise period for Warrants D is ten (10) years commencing from and inclusive of the date of issue of Warrants D. Warrants D which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants D (Warrants 2017/2027) is as follows:-

	Company			
	2022			2021
	Unit	RM	Unit	RM
At 30 June	378,683,984	-	378,683,984	-

Notes To The Financial Statements (cont'd)

22. LOANS AND BORROWINGS

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Current					
Secured:-					
Bankers' acceptances	(a)	1,639,200	540,000	–	–
Bank overdrafts	(b)	1,284,685	909,198	–	–
Hire purchase payables	23	1,029,742	890,029	109,503	–
Term loans	24	1,119,984	1,083,936	–	–
		5,073,611	3,423,163	109,503	–
Non-current					
Secured:-					
Hire purchase payables	23	1,955,888	530,915	487,497	–
Term loans	24	23,271,472	14,290,253	–	–
		25,227,360	14,821,168	487,497	–
Total loans and borrowings		30,300,971	18,244,331	597,000	–

(a) Bankers' acceptances

Interest rates on bankers' acceptances of the Group at the end of the reporting period range from 2.59% to 2.84% (2021: 2.59%) per annum. The bankers' acceptances are secured by way of:-

- (i) corporate guarantee by the Company; and
- (ii) first fixed legal charge over investment properties of a subsidiary company as disclosed in Note 5 to the financial statements.

(b) Bank overdrafts

Interest rates on bank overdrafts of the Group at the end of the reporting period range from 5.55% to 7.15% (2021: 7.05% to 8.35%) per annum. The bank overdrafts are secured by way of:-

- (i) corporate guarantee by the Company; and
- (ii) pledged of fixed deposits as disclosed in Note 17 to the financial statements.

Notes To The Financial Statements (cont'd)

23. HIRE PURCHASE PAYABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Minimum hire purchase payments:-					
- not later than one year		1,169,048	925,262	132,012	-
- later than one year but not later than five years		2,104,384	555,282	527,972	-
		3,273,432	1,480,544	659,984	-
Less: Future finance charges		(287,802)	(59,600)	(62,984)	-
		2,985,630	1,420,944	597,000	-
Analysis of present value of hire purchases payables:-					
Current	22				
Within the next twelve months		1,029,742	890,029	109,503	-
Non-current	22				
After the next twelve months					
- later than one year but not later than five years		1,955,888	530,915	487,497	-
Total hire purchase payables		2,985,630	1,420,944	597,000	-

Interest rates on the hire purchase payables of the Group and of the Company at the end of the reporting period range from 0.55% to 6.65% and 2.11% respectively (2021: 1.29% to 6.89% and Nil respectively) per annum. The hire purchase payables are secured by way of charge over the leased assets as disclosed in Note 3(a) to financial statements.

Notes To The Financial Statements (cont'd)

24. TERM LOANS

	Note	2022 RM	Group 2021 RM
Current	22		
Within the next twelve months		1,119,984	1,083,936
Non-current	22		
After the next twelve months			
- later than one year but not later than five years		8,489,446	5,306,912
- later than five years		14,782,026	8,983,341
		23,271,472	14,290,253
Total term loans		24,391,456	15,374,189

Interest rates on term loans of the Group at the end of the reporting period range from 3.25% to 5.56% (2021: 5.00% to 9.13%) per annum. The term loans are secured by way of:-

- (i) corporate guarantee by the Company; and
- (ii) the first legal charge over construction in progress, right-of-use assets and investment properties of the Group as disclosed in Note 3(c), Note 4.1 and Note 5 respectively to the financial statements.

25. DEFERRED TAX LIABILITIES

	Note	2022 RM	Group 2021 RM
At 1 July		17,724,635	18,369,676
Recognised in profit or loss	31	(718,576)	(645,041)
At 30 June		17,006,059	17,724,635
Presented after appropriate offsetting as follows:-			
Deferred tax liabilities		17,006,059	17,724,635

Deferred tax liabilities

	2022 RM	Property, plant and equipment 2021 RM
At 1 July	532,272	1,177,313
Recognised in profit or loss	(532,272)	(645,041)
At 30 June	–	532,272

Notes To The Financial Statements (cont'd)

25. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities (Cont'd)

	Revaluation on investment properties	
	2022 RM	2021 RM
At 1 July	17,192,363	17,192,363
Recognised in profit or loss	(186,304)	–
At 30 June	17,006,059	17,192,363

26. PAYABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-current					
Trade payables	(a)	–	845,965	–	–
Current					
Trade payables	(a)	7,416,332	6,424,292	–	–
Other payables	(b)	3,839,235	3,154,916	338,458	324,403
Deposits	(c)	3,325,580	3,668,417	–	–
Accruals		647,109	938,162	58,121	55,246
		7,811,924	7,761,495	396,579	379,649
Total current payables		15,228,256	14,185,787	396,579	379,649
Total payables		15,228,256	15,031,752	396,579	379,649

(a) Trade payables

The credit period granted to the Group for trade purchases range from 30 to 90 days (2021: 30 to 90 days). The currency exposure profile of trade payables is as follows:-

	2022 RM	Group 2021 RM
Ringgit Malaysia	6,997,210	7,270,257
United States Dollar	419,122	–
	7,416,332	7,270,257

Notes To The Financial Statements (cont'd)

26. PAYABLES (CONT'D)

(a) Trade payables (Cont'd)

Included in trade payables of the Group is a retention sum of RM216,697/- (2021: RM845,965/-) relating to construction contracts. Retention sum is unsecured, interest-free and is expected to be paid as follows:-

	2022 RM	Group 2021 RM
Less than 1 year	216,697	–
More than 1 year and less than 2 years	–	845,965
	216,697	845,965

Analysis of retention sum on deferred payment terms with discount rate of Nil (2021: 6.70%) per annum, being the weighted average cost of capital of the Group is as follows:-

	2022 RM	Group 2021 RM
Nominal value	216,697	902,645
Discounted	–	(56,680)
	216,697	845,965

(b) Other payables

Other payables are unsecured and non-interest bearing. The currency exposure profile of other payables is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	3,481,000	3,154,916	338,458	324,403
Brunei Dollar	294,545	–	–	–
Singapore Dollar	63,690	–	–	–
	3,839,235	3,154,916	338,458	324,403

Included in other payables is an amount of RM2,168,282/- (2021: RM2,402,058/-) of deferred income in relation to the franchise fees received from outlet franchisees.

Notes To The Financial Statements (cont'd)

26. PAYABLES (CONT'D)

(c) Deposits

Included in deposits of the Group is an amount of RM3,180,000/- (2021: RM3,020,000/-) received from outlet franchisees.

Included in deposits of the Group is an amount of RM Nil (2021: RM550,000/-) paid by a sub-contractor for the quarry operations.

Included in deposits of the Group is an amount of RM20,500/- (2021: RM Nil) being an amount owing by a related company in which the Group has financial interests.

27. REVENUE

	Group		Company	
	2022 RM	2021 RM Restated	2022 RM	2021 RM
Major products and service lines				
Resources and sustainable energy	17,743,167	7,559,864	-	-
Fast food and restaurant operations	47,007,996	36,881,729	-	-
Franchise fees	416,133	557,393	-	-
Management fees	156,000	156,000	1,356,000	1,356,000
Machinery and spare parts	197,017	120,550	-	-
Construction services	21,973,537	6,133,164	-	-
Total revenue	87,493,850	51,408,700	1,356,000	1,356,000
Timing and recognition:-				
- Products transferred at point in time	65,104,180	44,718,143	1,356,000	1,356,000
- Products and services transferred over time	22,389,670	6,690,557	-	-
	87,493,850	51,408,700	1,356,000	1,356,000
Revenue from contracts with customers	87,337,850	51,252,700	-	-
Other revenue	156,000	156,000	1,356,000	1,356,000
Total revenue	87,493,850	51,408,700	1,356,000	1,356,000
Primary geographical markets				
Malaysia	87,493,850	51,408,700	1,356,000	1,356,000

Notes To The Financial Statements (cont'd)

27. REVENUE (CONT'D)

The following information reflects the typical transactions of the Group and the Company:-

Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Resources and sustainable energy	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Fast food and restaurant operations	Revenue is recognised at a point in time when food is delivered to customers.	Cash collection basis with no credit terms.	Trade discounts.	Not applicable.	Not applicable.
Franchise fees	Revenue is recognised overtime based on agreements/contracts period with franchisee.	Collected upon signing of agreements/contracts.	Not applicable.	Not applicable.	Not applicable.
Management fees	Revenue is recognised at a point in time with the substance of the relevant terms of agreements/contracts.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Rental income	Revenue is recognised at a point in time with the substance of the relevant terms of agreements/contracts.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Machinery and spare parts	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 15 to 30 days from the invoice date.	Trade discounts.	Not applicable.	1 year warranty is given to customers.
Construction services	Revenue from construction contracts is recognised overtime using the cost incurred method.	Based on the stage of completion certified by architects. Credit period of 30 days from the invoice date.	Variation orders.	Not applicable.	Defect liability period up to 12 months is given to the contract customers.

Notes To The Financial Statements (cont'd)

27. REVENUE (CONT'D)

Transaction price allocated to remaining performance obligations

As of 30 June 2022, the aggregate amount of the transaction price allocated to remaining performance obligations is RM29,886,167/-. The Group will recognise this amount of revenue as performance obligations are satisfied, which is expected to occur over the next year.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and to not disclosing information about the remaining performance obligations that have original expected durations of one year or less.

28. OPERATING PROFIT

Operating profit has been arrived at:-

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
After charging:-					
Auditors' remuneration:-					
- Company's auditors					
- statutory audit					
- current year		307,000	304,500	84,000	73,000
- overprovision in previous year		(2,650)	-	-	-
- other services		23,000	26,000	23,000	26,000
- Other auditors					
- statutory audit		17,235	20,529	-	-
Depreciation of property, plant and equipment		3,364,068	3,880,966	506,453	544,723
Depreciation of right-of-use assets		1,479,055	2,009,007	106,239	106,239
Directors' remunerations	29	2,057,827	1,821,711	1,640,960	1,599,960
Employees' Share Option Scheme ("ESOS")		1,561,846	10,498,936	244,509	1,629,070
Fair value discount on retention payables		56,680	83,139	-	-
Fair value loss on investment properties		-	1,950,000	-	-
Impairment losses on:-					
- trade receivables		-	3,548,359	-	-
- other receivables		-	1,467,417	-	-
- amount owing by subsidiaries		-	-	-	8,345,957
- golf club membership		-	23,000	-	23,000
- investment in subsidiaries		-	-	20,000,000	-

Notes To The Financial Statements (cont'd)

28. OPERATING PROFIT (CONT'D)

Operating profit has been arrived at:- (Cont'd)

Note	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
After charging:- (Cont'd)				
Liquidated damages	750,000	–	–	–
Loss on realised foreign exchange	–	5,780	–	–
Provision for slow-moving inventories	–	1,082,759	–	–
Rental of premises ¹	232,001	584,055	–	–
Rental of machineries ¹	229,458	2,205	–	–
Reversal of waiver of debts	–	91,908	–	–
Staff costs:-				
- salaries, wages and bonuses	8,708,890	6,217,543	565,120	535,570
- Employees' Provident Fund & SOCSO	1,022,448	923,378	54,958	54,414
- other related staff costs	633,083	367,448	105,673	133,320
Written-off of:-				
- property, plant and equipment	162,641	687,437	–	1,266
- investment properties	243,710	–	–	–
- bad debts - trade receivables	2,514,623	1,728	–	–
- bad debts - other receivables	902,701	1,087,970	4,421	–
And crediting:-				
Bad debts recovered				
- other receivables	–	8,513,310	–	1,100
Dividend income	2,295	–	–	–
Fair value gain on:-				
- investment in quoted shares	53,037,352	26,403,970	52,887,375	26,463,970
- investment properties	86,960	–	–	–
- retention receivables	1,316,200	472,807	–	–
Government subsidy ²	55,988	603,790	–	24,000

¹ The Group leases hostel with contract term of 1 year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

² The Group and the Company received government grants as wage subsidies to retain local employees during the approved period of economic uncertainty brought about by the Coronavirus (COVID-19) outbreak.

Notes To The Financial Statements (cont'd)

28. OPERATING PROFIT (CONT'D)

Operating profit has been arrived at:- (Cont'd)

Note	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
And crediting:- (Cont'd)				
Gain on disposal of:-				
- development expenditure and intellectual property right	-	1,910,854	-	-
- investment in quoted shares	3,300,181	29,778	3,255,000	-
- investment in a subsidiary company	-	12,017	-	-
- property, plant and equipment	20,392	800,517	-	-
Gain on lease modification	19,019	59,864	-	-
Gain on realised foreign exchange	12,237	-	39,990	-
Gain on unrealised foreign exchange	1,312,257	240,029	1,314,154	185,150
Interest income	170,121	213,446	131,143	160,564
Rental income	574,630	534,575	-	-
Reversal of impairment losses on:-				
- trade receivables	2,832,894	-	-	-
- other receivables	2,309,876	-	-	12,624
- amount owing by subsidiaries	-	-	56,459,917	-
- property, plant and equipment	319,204	801,479	-	-
- development expenditure	-	4,105,214	-	-
- intellectual property right	-	14,000,000	-	-
Reversal of provision for slow moving inventories	110,446	-	-	-
Waiver of rental	300,617	114,769	-	-
Waiver of debts	20,746	77,600	-	-

Notes To The Financial Statements (cont'd)

29. DIRECTORS' REMUNERATIONS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors				
- salaries, allowances and bonuses	336,330	141,550	-	-
- fees	1,299,000	1,284,000	1,254,000	1,248,000
- others	35,537	44,201	-	-
	1,670,867	1,469,751	1,254,000	1,248,000
Non-Executive Directors				
- fees	386,960	351,960	386,960	351,960
Total directors' remuneration	2,057,827	1,821,711	1,640,960	1,599,960

30. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses on:-				
- bank overdrafts	64,791	76,699	-	-
- bankers' acceptances	27,307	18,831	-	-
- hire purchase payables	228,363	97,037	-	-
- term loans	674,751	494,786	-	-
- lease liabilities	368,749	221,383	11,134	15,728
Total finance costs	1,363,961	908,736	11,134	15,728

Notes To The Financial Statements (cont'd)

31. TAXATION

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Income tax					
- current year		447,472	514,353	-	-
- under accrual in prior years		33,397	119,587	2,376	-
		480,869	633,940	2,376	-
Deferred tax	25				
- current year		28,690	165,836	-	-
- over accrual in prior years		(747,266)	(810,877)	-	-
		(718,576)	(645,041)	-	-
		(237,707)	(11,101)	2,376	-

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	53,860,838	28,472,969	90,659,521	13,521,474
Taxation at applicable tax rate of 24%	12,926,601	6,833,513	21,758,285	3,245,154
Tax effects arising from:-				
- expenses not deductible for tax purposes	15,581,103	6,161,723	5,190,326	911,747
- income not subject to tax	(30,002,758)	(12,875,114)	(27,368,747)	(6,427,883)
- deferred tax assets not recognised	1,985,312	3,810,743	420,136	2,270,982
- utilisation of deferred tax assets previously not recognised	(24,146)	(3,250,676)	-	-
- deferred tax liabilities on valuation gain	10,050	-	-	-
- under/(over) accrual in prior years:-				
- income tax	33,397	119,587	2,376	-
- deferred tax	(747,266)	(810,877)	-	-
Tax expenses for the financial year	(237,707)	(11,101)	2,376	-

Notes To The Financial Statements (cont'd)

31. TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment	7,242,435	6,053,461	1,288,026	1,418,853
Unutilised capital allowance carry forward	(17,068,809)	(14,393,630)	(259,195)	–
Unabsorbed business losses carry forward	(27,053,110)	(23,002,267)	(1,360,545)	–
Other temporary differences	(2,641,355)	(6,878)	–	–
	(39,520,839)	(31,349,314)	(331,714)	1,418,853
Potential deferred tax assets not recognised	(9,485,001)	(7,523,835)	(79,611)	340,525

32. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per share

	Group	
	2022 RM	2021 RM
Net profit attributable to owners of the parent	54,098,545	28,484,070
Number of shares as at 1 July	7,450,289,529	5,340,383,754
Issuance of ordinary shares via private placement	601,182,261	659,612,537
ESOS exercised	10,764,384	653,285,479
Less: Treasury shares	–	(394,074,301)
Weighted average number of ordinary shares as at 30 June	8,062,236,174	6,259,207,469
Basic earnings per ordinary share (sen)	0.67	0.46

The basic earnings per ordinary share is calculated by dividing the consolidated net profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted earnings per share

There is no dilution in the earnings per share as the market value of the Company's ordinary shares at the end of financial year is lower than the exercise price of the outstanding Warrants C 2015/2025 and Warrants D 2017/2027. Accordingly, there would be no conversion of these outstanding instruments for the purpose of calculating diluted earnings per share.

Notes To The Financial Statements (cont'd)

33. CONTINGENT LIABILITIES

The Company provides corporate guarantees amounting up to RM31,715,288/- (2021: RM34,397,888/-) to licensed banks for banking facilities granted to certain subsidiaries. Accordingly, the Company is contingently liable to the extent of the facilities utilised.

The Company provides corporate guarantees amounting up to RM600,000/- (2021: RM Nil) to guarantee the full payment of all sums of money due or may due by its subsidiary company to its suppliers. Accordingly, the Company is contingently liable to the extent of the outstanding liabilities.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

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

Related parties of the Group include:-

- (i) Direct subsidiaries;
- (ii) Indirect subsidiaries;
- (iii) Related company in which the Group has financial interests; and
- (iv) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

During the financial year, the significant related party transactions are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Subsidiaries</u>				
Management fees	-	-	1,320,000	1,320,000
Consultancy fees	-	-	(37,365)	-
<u>Among subsidiaries</u>				
Purchase of property, plant and equipment	84,603	4,809,668	-	-
Sales of property, plant and equipment	(84,603)	(4,809,668)	-	-
Sales of goods/services	659,102	989,744	-	-
Purchase of goods/ services	(659,102)	(989,744)	-	-
Rental income	168,000	82,000	-	-
Rental expenses	(168,000)	(82,000)	-	-
Consultancy fees income	1,191,171	502,823	-	-
Consultancy fees	(1,191,171)	(502,823)	-	-

Notes To The Financial Statements (cont'd)

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Significant related party transactions (Cont'd)

During the financial year, the significant related party transactions are as follows:- (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Related party				
Construction services	21,973,537	-	-	-
Sale of limestones	6,198,765	-	-	-
Purchase of precious stones	(1,513,000)	-	-	-
Rental income	180,000	-	-	-
Management fees income	120,000	-	-	-

(c) Key management personnel remuneration

The remuneration of the key management personnel is as follow:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, allowances and bonuses	336,330	141,550	-	-
Fees	1,299,000	1,284,000	1,254,000	1,248,000
Others	35,537	44,201	-	-
	1,670,867	1,469,751	1,254,000	1,248,000

35. CAPITAL COMMITMENTS

As of the reporting period, the Group and the Company have the following capital commitments:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Acquisition of third parties' ordinary shares				
Contracted and provided for	8,194,739	1,620,000	6,574,739	-
Asset under construction				
Contracted but not provided for	-	58,360	-	-
Purchase of properties				
Contracted but not provided for	-	1,580,000	-	-
	8,194,739	3,258,360	6,574,739	-

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING

The Group adopted MFRS 8, Operating Segments. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has four reportable operating segments as follows:-

- (a) Head office and others;
- (b) Food and franchise operations;
- (c) Property investment and management ¹; and
- (d) Resources and sustainable energy.

¹ Plantation business is included in this segment as it is immaterial to show as separate segment.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss. All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Group 2022	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	36,000	47,621,146	22,093,537	17,743,167	–		87,493,850
Inter-segment sales	1,882,139	214,339	–	444,763	(2,541,241)	(a)	–
Total revenue	1,918,139	47,835,485	22,093,537	18,187,930	(2,541,241)		87,493,850
Results							
Segment results	(1,341,817)	2,751,778	(3,222,226)	2,060,538	(144,004)	(a)	104,269
Depreciation of property, plant and equipment	(520,177)	(1,134,826)	(145,481)	(1,563,584)	–	(a)	(3,364,068)
Depreciation of right-of-use assets	(106,239)	(1,143,811)	(32,372)	(333,214)	136,581	(a)	(1,479,055)
Finance costs	(11,134)	(494,172)	(4,763)	(864,423)	10,531	(a)	(1,363,961)
Income tax expenses	(2,376)	204,886	168,231	(133,034)	–		237,707
Interest income	131,144	12,361	14,368	12,248	–		170,121
Other non-cash expenses	92,592,334	(1,544,321)	(28,469,121)	(1,420,324)	(1,365,036)	36(i)	59,793,532
Profit for the financial year							54,098,545

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Group 2022	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	864,423,414	45,553,742	542,741,249	293,016,724	(801,896,928)	(b)	943,838,201
Tax recoverable	2,376	729,119	94,066	188,581	(187,560)		826,582
Consolidated total assets							944,664,783
Other information							
Additions to property, plant and equipment	733,947	2,976,975	108,583	3,494,721	(84,603)	(a)	7,229,623
Additions to right-of-use assets	-	2,234,388	-	27,760	(11,752)	(b)	2,250,396
Addition to exploration expenditures	-	-	-	3,208,277	-		3,208,277
Liabilities							
Segment liabilities	4,357,649	19,044,793	359,458,920	87,285,772	(453,575,745)	(c)	16,571,389
Loans and borrowings	597,000	5,221,189	62,459	24,420,323	-		30,300,971
Deferred tax liabilities	-	-	13,674,391	3,331,668	-		17,006,059
Lease liabilities	155,211	4,439,633	10,829	911,139	(239,569)	(c)	5,277,243
Consolidated total liabilities							69,155,662

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Group 2021	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	156,550	37,439,122	6,253,164	7,559,864	-		51,408,700
Inter-segment sales	1,822,823	555,052	-	434,692	(2,812,567)	(a)	-
Total revenue	1,979,373	37,994,174	6,253,164	7,994,556	(2,812,567)		51,408,700
Results							
Segment results	38,232,371	(3,369,147)	(22,977,184)	71,290,907	(840,253)	(a)	82,336,694
Depreciation of property, plant and equipment	(550,085)	(1,382,649)	(133,797)	(1,862,915)	48,480	(a)	(3,880,966)
Depreciation of right-of-use assets	(106,239)	(1,602,291)	(968)	(351,686)	52,177	(a)	(2,009,007)
Finance costs	(15,728)	(332,184)	(12,666)	(552,285)	4,127	(a)	(908,736)
Income tax expenses	-	(757,769)	(7,463)	776,333	-		11,101
Interest income	160,564	31,135	4,949	16,798	-		213,446
Other non-cash expenses	(25,281,824)	70,791	5,967,226	(28,034,655)	-	36(i)	(47,278,462)
Profit for the financial year							28,484,070

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Group 2021	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Asset							
Segment assets	721,221,513	32,528,618	513,166,244	304,226,020	(747,850,834)	(b)	823,291,561
Consolidated total asset							<u>823,291,561</u>
Other information							
Additions to property, plant and equipment	116,241	509,290	1,751,807	6,480,396	(3,447,759)	(a)	5,409,975
Additions to right-of-use assets	-	1,544,009	23,221	758,043	633,167	(b)	2,958,440
Addition to exploration expenditures	-	-	-	3,616,159	-		3,616,159
Liabilities							
Segment liabilities	11,724,836	36,382,006	318,984,901	112,438,548	(464,498,539)	(c)	15,031,752
Tax payables	-	-	-	-	-		-
Loans and borrowings	-	4,412,960	201,382	13,629,989	-		18,244,331
Deferred tax liabilities	-	532,272	13,860,695	3,331,668	-		17,724,635
Lease liabilities	264,078	3,709,240	22,283	1,204,520	(351,050)	(c)	4,849,071
Consolidated total liabilities							<u>55,849,789</u>

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment transactions and revenue are eliminated on consolidation;
- (b) Inter-segment assets are eliminated on consolidation; and
- (c) Inter-segment liabilities are eliminated on consolidation.

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Other non-cash expenses consist of the following items:-

	2022 RM	2021 RM
Bad debt recovered - other receivables	-	(8,513,310)
Fair value discount on retention payables	56,680	83,139
Fair value (gain)/loss on:-		
- investment in quoted shares	(53,037,352)	(26,403,970)
- investment properties	(86,960)	1,950,000
- retention receivables	(1,316,200)	(472,807)
Gain on disposal of:-		
- development expenditure and intellectual property right	-	(1,910,854)
- investment in quoted shares	(3,300,181)	(29,778)
- investment in a subsidiary company	-	(12,017)
- property, plant and equipment	(20,392)	(800,517)
Gain on lease modification	(19,019)	(59,864)
(Reversal of impairment losses)/Impairment losses on:-		
- trade receivables	(2,832,894)	3,548,359
- other receivables	(2,309,876)	1,467,417
- golf club membership	-	23,000
- property, plant and equipment	(319,204)	(801,479)
- development expenditure	-	(4,105,214)
- intellectual property right	-	(14,000,000)
(Reversal of provision)/Provision for slow-moving inventories	(110,446)	1,082,759
Written-off of:-		
- property, plant and equipment	162,641	687,437
- investment properties	243,710	-
- bad debts - trade receivables	2,514,623	1,728
- bad debts - other receivables	902,701	1,087,970
Reversal of waiver of debts	-	91,908
Waiver of rental	(300,617)	(114,769)
Waiver of debts	(20,746)	(77,600)
	(59,793,532)	(47,278,462)

Notes To The Financial Statements (cont'd)

36. SEGMENT REPORTING (CONT'D)

Geographical information

Revenue and non current assets are based on the geographical location of customers and assets respectively. Geographical information for revenue is disclosed in Note 27 to the financial statements.

	Non-current assets	
	2022	2021
	RM	RM
Malaysia	817,618,347	710,143,867
Australia	2,237	3,279
	817,620,584	710,147,146

Major customer

The following are major customer with revenue equal or more than 30% of the Group's total revenue:-

	Revenue		Segment
	2022	2021	
	RM	RM	
Customer A	28,172,302	8,885,988	Property investment and management & resources and sustainable energy

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Financial assets measured at amortised cost
- (ii) Financial asset measured at fair value through profit or loss
- (iii) Financial asset measured at fair value through other comprehensive income
- (iv) Financial liabilities measured at amortised cost

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows:- (Cont'd)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at fair value through other comprehensive income RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group					
2022					
Financial assets					
Other investments	158,588,222	158,588,221	1	-	-
Receivables	72,483,093	-	-	72,483,093	-
Fixed deposits with licensed banks	1,876,367	-	-	1,876,367	-
Cash and bank balances	21,369,291	-	-	21,369,291	-
	254,316,973	158,588,221	1	95,728,751	-
Financial liabilities					
Payables	15,228,256	-	-	-	15,228,256
Contract liability	1,343,133	-	-	-	1,343,133
Loans and borrowings	30,300,971	-	-	-	30,300,971
Lease liabilities	5,277,243	-	-	-	5,277,243
	52,149,603	-	-	-	52,149,603
2021					
Financial assets					
Other investments	45,362,961	45,362,960	1	-	-
Receivables	51,703,393	-	-	51,703,393	-
Contract asset	426,160	-	-	426,160	-
Fixed deposits with licensed banks	4,050,394	-	-	4,050,394	-
Cash and bank balances	31,425,217	-	-	31,425,217	-
	132,968,125	45,362,960	1	87,605,164	-
Financial liabilities					
Payables	15,031,752	-	-	-	15,031,752
Loans and borrowings	18,244,331	-	-	-	18,244,331
Lease liabilities	4,849,071	-	-	-	4,849,071
	38,125,154	-	-	-	38,125,154

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows:- (Cont'd)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Company				
2022				
Financial assets				
Other investments	158,076,810	158,076,810	-	-
Receivables	38,525,522	-	38,525,522	-
Amount owing by subsidiaries	279,140,749	-	279,140,749	-
Cash and bank balances	15,970,577	-	15,970,577	-
	491,713,658	158,076,810	333,636,848	-
Financial liabilities				
Payables	396,579	-	-	396,579
Amount owing to subsidiaries	3,326,630	-	-	3,326,630
Loans and borrowings	597,000	-	-	597,000
Lease liabilities	155,212	-	-	155,212
	4,475,421	-	-	4,475,421
2021				
Financial assets				
Other investments	45,242,960	45,242,960	-	-
Receivables	76,762	-	76,762	-
Amount owing by subsidiaries	279,157,571	-	279,157,571	-
Fixed deposits with licensed banks	2,185,673	-	2,185,673	-
Cash and bank balances	21,996,721	-	21,996,721	-
	348,659,687	45,242,960	303,416,727	-
Financial liabilities				
Payables	379,649	-	-	379,649
Amount owing to subsidiaries	5,220,914	-	-	5,220,914
Lease liabilities	264,078	-	-	264,078
	5,864,641	-	-	5,864,641

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net (gains)/losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net (gains)/losses on:-				
Financial assets at amortised cost	(170,121)	(213,446)	(131,143)	(160,564)
Financial asset at fair value through profit or loss	(53,037,352)	(26,403,970)	(52,887,375)	(26,463,970)
Financial liabilities at amortised cost	1,363,961	908,736	11,134	15,728
	(51,843,512)	(25,708,680)	(53,007,384)	(26,608,806)
Net (gains)/losses on impairment of financial assets:-				
Financial assets at amortised cost	(1,725,446)	(2,407,836)	(56,455,496)	8,332,233

(c) Financial risk management

The activities of the Group and of the Company are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk and other price risk. The overall financial risk management objective of the Group and of the Company is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

(i) Credit risk

The Group's exposures to credit risk arises mainly from receivables, contract asset and fixed deposits placed with licensed banks. The Company is also exposed to credit risk in respect of its advances to subsidiaries and financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract asset

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables and contract asset are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables and contract asset are credit impaired or written off.

Exposure to credit risk, credit quality and collateral

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

As at 30 June 2022, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM2,093,675/- (2021: RM5,604,888/-) due from three (3) trade receivables respectively which represents 44% (2021: 89%) of the total current trade receivables of the Group. The directors are of the opinion that these amounts outstanding are fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

Expected credit losses ("ECL") assessment for trade receivables and contract asset

The Group uses simplified matrix approach to measure the ECLs of trade receivables and contract asset from individual customers. To measure the expected credit losses, trade receivables have been grouped based on credit risk ranking and days past due.

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract asset (Cont'd)

Expected credit losses ("ECL") assessment for trade receivables and contract asset (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract asset:-

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2022			
Trade receivables - current			
Current (not past due)	1,931,223	191,174	1,740,049
1 to 30 days past due	2,368,407	245,751	2,122,656
31 to 60 days past due	178,810	13,654	165,156
61 to 90 days past due	225,779	5,299	220,480
	4,704,219	455,878	4,248,341
Credit impaired			
More than 90 days past due	2,534,443	1,985,569	548,874
	7,238,662	2,441,447	4,797,215
2021			
Trade receivables - current			
Current (not past due)	4,729,692	1,460,861	3,268,831
1 to 30 days past due	337,989	19,019	318,970
31 to 60 days past due	155,588	8,338	147,250
61 to 90 days past due	148,510	8,285	140,225
	5,371,779	1,496,503	3,875,276
Credit impaired			
More than 90 days past due	6,198,815	3,777,838	2,420,977
	11,570,594	5,274,341	6,296,253
Contract asset			
	426,160	-	426,160

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract asset (Cont'd)

Movements in the allowance for impairment losses in respect of trade receivables.

During the financial year, the Group recognised a reversal of ECLs of RM2,832,894/- (2021: recognised ECLs of RM3,548,359/-) for trade receivables as disclosed in Note 13(a) to the financial statements.

Other receivables

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

Expected credit loss of other receivables is determined individually after considering the financial strength, payment patterns and expected default rate of the other receivables. During the financial year, the Group recognised a reversal of ECLs of RM2,309,876/- (2021: recognised ECLs of RM1,467,417/-) for other receivables as disclosed in Note 13(b) to the financial statements.

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on individual basis.

The maximum exposure to credit risk amounts to RM31,715,288/- (2021: RM34,397,888/-) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting date.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full.

During the financial year, the Company has not credit impaired any financial guarantee.

Inter-company balances

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

Credit risk and impairment losses for inter-company balances

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

Expected credit loss of inter-company loans and advances are determined individually after considering the financial strength, payment patterns and expected default rate of the inter-company. During the financial year, the Company recognised a reversal of ECLs of RM56,459,917/- (2021: recognised ECLs of RM8,345,957/-) for inter-company loans and advances as disclosed in Note 16 to the financial statements.

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:-

Group	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or Within 1 year RM	1 - 5 years RM	More than 5 years RM
2022						
Financial liabilities						
Payables	15,228,256	-	15,228,256	15,228,256	-	-
Contract liability	1,343,133	-	1,343,133	1,343,133	-	-
Bankers' acceptances	1,639,200	2.59% - 2.84%	1,639,200	1,639,200	-	-
Bank overdrafts	1,284,685	5.55% - 7.15%	1,284,685	1,284,685	-	-
Hire purchase payables	2,985,630	0.55% - 6.65%	3,273,432	1,169,048	2,104,384	-
Term loans	24,391,456	3.25% - 5.56%	30,665,819	2,267,751	12,156,999	16,241,069
Lease liabilities	5,277,243	3.47% - 4.90%	6,566,658	1,434,588	2,762,445	2,369,625
	52,149,603		60,001,183	24,366,661	17,023,828	18,610,694
2021						
Financial liabilities						
Payables	15,031,752	-	15,031,752	14,185,787	845,965	-
Bankers' acceptances	540,000	2.59%	540,000	540,000	-	-
Bank overdrafts	909,198	7.05% - 8.35%	909,198	909,198	-	-
Hire purchase payables	1,420,944	1.29% - 6.89%	1,480,544	925,262	555,282	-
Term loans	15,374,189	5.00% - 9.13%	16,777,852	1,182,899	5,791,433	9,803,520
Lease liabilities	4,849,071	3.47% - 4.90%	5,017,334	1,348,064	3,669,270	-
	38,125,154		39,756,680	19,091,210	10,861,950	9,803,520

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Cont'd)

Company	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or Within 1 year RM	1 - 5 years RM	More than 5 years RM
2022						
Financial liabilities						
Payables	396,579	-	396,579	396,579	-	-
Amount owing to subsidiaries	3,326,630	-	3,326,630	3,326,630	-	-
Hire purchase payables	597,000	2.11%	659,984	132,012	527,972	-
Lease liabilities	155,212	4.90%	230,000	190,000	40,000	-
Financial guarantee	-	-	32,315,288	32,315,288	-	-
	4,475,421		36,928,481	36,360,509	567,972	-
2021						
Financial liabilities						
Payables	379,649	-	379,649	379,649	-	-
Amount owing to subsidiaries	5,220,914	-	5,220,914	5,220,914	-	-
Lease liabilities	264,078	4.90%	277,017	109,381	167,636	-
Financial guarantee	-	-	34,097,888	34,097,888	-	-
	5,864,641		39,975,468	39,807,832	167,636	-

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(iii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits and loans and borrowings.

The Group and the Company observe the movements in interest rates and strive to obtain the most favourable rates available for new financing or during repricing. It is also the Group's and the Company's policy to maintain a mix of fixed and floating rate financial instruments.

	Effective interest rate %	2022 Carrying amounts RM	Effective interest rate %	2021 Carrying amounts RM
Group				
Financial asset				
Fixed deposits with licensed banks	0.35 - 2.00	1,876,367	1.49 - 3.84	4,050,394
Financial liabilities				
Bankers' acceptances	2.59 - 2.84	1,639,200	2.59	540,000
Bank overdrafts	5.55 - 7.15	1,284,685	7.05 - 8.35	909,198
Hire purchase payables	0.55 - 6.65	2,985,630	1.29 - 6.89	1,420,944
Term loans	3.25 - 5.56	24,391,456	5.00 - 9.13	15,374,189
Lease liabilities	3.47 - 4.90	5,277,243	3.47 - 4.90	4,849,071
Company				
Financial asset				
Fixed deposits with licensed banks	-	-	1.55 - 3.84	2,185,673
Financial liability				
Hire purchase payables	2.11	597,000	-	-
Lease liabilities	4.90	155,212	4.90	264,078

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of reporting year would not affect its profit or loss. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Increase)/ Decrease in Profit or Loss 2022 RM	(Increase)/ Decrease in Profit or Loss 2021 RM
Increase in interest rate by 5%	(975,693)	(618,769)
Decrease in interest rate by 5%	975,693	618,769

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Australia, Singapore and British Virgin Island. The Group's investments in foreign operations are not hedged.

The financial assets and financial liabilities of the Group that are not denominated in the functional currencies are disclosed in respective notes to the financial statements.

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (Cont'd)

(iv) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the exchange rates of United States Dollar ("USD"), Australian Dollar ("AUD"), Brunei Dollar ("BRD") and Singapore Dollar ("SGD") against the functional currency of the Group, with all other variables held constant.

	Increase/ (Decrease) in Profit or Loss 2022 RM	Group Increase/ (Decrease) in Profit or Loss 2021 RM
USD/RM - strengthened 5%	(13,350)	150,014
- weakened 5%	13,350	(150,014)
AUD/RM - strengthened 5%	10,024	5,390
- weakened 5%	(10,024)	(5,390)
BRD/RM - strengthened 5%	(9,843)	1,799
- weakened 5%	9,843	(1,799)
SGD/RM - strengthened 5%	7,239	7,392
- weakened 5%	(7,239)	(7,392)

(v) Other price risk

The Group's exposure to other price risk arises mainly from other investment. The Group manages its exposure to other price risk by maintaining a portfolio of debt securities and equities with different risk profiles. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of profit or loss to reasonably possible price movements in other investments, with all other variables held constant:-

	Increase/ (Decrease) in Profit or Loss 2022 RM	Group Increase/ (Decrease) in Profit or Loss 2021 RM
Increase in price by 10%	12,052,705	3,447,585
Decrease in price by 10%	(12,052,705)	(3,447,585)

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value information

The carrying amounts of short term receivables and payables and cash and cash equivalents approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:-

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Group 2022								
Financial assets								
Other investments	100,007,318	-	-	-	-	58,580,904	158,588,222	158,588,222
Retention sum (trade receivable)	-	-	-	-	-	24,154,655	24,154,655	23,863,175
Financial liabilities								
Hire purchase payables	-	-	-	-	-	3,273,432	3,273,432	2,985,630
Retention sum (trade payable)	-	-	-	-	-	216,697	216,697	216,697

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value information (Cont'd)

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:- (Cont'd)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Group								
2021								
Financial assets								
Other investment	45,362,960	-	-	-	-	1	45,362,961	45,362,961
Retention sum (trade receivable)	-	-	-	-	-	20,742,827	20,742,827	19,135,147
Financial liabilities								
Hire purchase payables	-	-	-	-	-	1,480,544	1,480,544	1,420,944
Retention sum (trade payable)	-	-	-	-	-	902,645	902,645	845,965

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value information (Cont'd)

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:- (Cont'd)

Company	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2022								
Financial asset								
Other investment	99,495,907	-	-	-	-	58,580,903	158,076,810	158,076,810
Financial liability								
Hire purchase payables	-	-	-	-	-	659,984	659,984	597,000
2021								
Financial asset								
Other investment	45,242,960	-	-	-	-	-	45,242,960	45,242,960

Notes To The Financial Statements (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value information (Cont'd)

Fair Value Hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

There has been no transfer between level 1 and level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities. The Group uses valuation techniques in determining fair values for financial instruments.

Type of financial instruments	Description of valuation technique and inputs used
Hire purchase payables	Discounted cash flows using a rate based on effective interest rate from hire purchase agreement
Retention sum	Discounted cash flows using a rate based on the weighted average of cost of capital of the Group
Quoted and unquoted shares	Transaction costs that are directly attributable to the acquisition of quoted and unquoted shares

38. CAPITAL MANAGEMENT

The overall capital management objective of the Group and of the Company is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group and the Company always strive to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group and the Company consider its total equity and total loans and borrowings to be the key components of its capital structure and do, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity.

Notes To The Financial Statements (cont'd)

38. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio of the Group and of the Company is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Payables	15,228,256	15,031,752	396,579	379,649
Contract liability	1,343,133	–	–	–
Amount owing to subsidiaries	–	–	3,326,630	5,220,914
Loans and borrowings	30,300,971	18,244,331	597,000	–
Lease liabilities	5,277,243	4,849,071	155,212	264,078
Total debts	52,149,603	38,125,154	4,475,421	5,864,641
Total equity	875,509,121	767,441,772	859,311,824	714,745,990
Capital and total debts	927,658,724	805,566,926	863,787,245	720,610,631
Gearing ratio	5.6%	4.7%	0.5%	0.8%

39. SIGNIFICANT EVENTS

(a) Impact of COVID-19 pandemic

The pandemic has significantly affected economic activities of the world. The economic impact is highly dependent on variables that are difficult to predict such as the degree of which governments prohibit business and personal activities, level of compliance by people in the countries, and the nature and effectiveness of government assistance. In 2021, the Group's and the Company's operations have been affected by the spread of COVID-19.

The impact of the pandemic on the Group's and the Company's financial performance reflected in the financial statements for the year ended 30 June 2022 are summarised below:-

- (i) Management continues to have a reasonable expectation that the Group and the Company have adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.
- (ii) During movement control order implementation period in 2021, border closures, production stoppages and workplace closures have resulted in periods where the Group's and the Company's operations were temporarily suspended to adhere to the respective government's movement control measures. These have negatively impacted business operation in 2021, resulting in a negative impact on the Group's and the Company's financial performance for 2022.

For year ending 30 June 2023, as economic environment remains challenging due to the pandemic, the Group and the Company cannot reasonably ascertain the full extent of the probable impact of the pandemic disruptions on its operation and financial performance.

Notes To The Financial Statements (cont'd)

39. SIGNIFICANT EVENTS (CONT'D)

(b) Private placement

During the financial year, the Company has proposed to undertake a private placement for subscription of up to 1,205,827,550 new ordinary shares in the Company's shares ("Bornoil Shares") by Macquarie Bank Limited at the average subscription price of RM0.0268 per Placement Shares. A total of 745,827,550 new Bornoil Shares ("Placement Shares") have been issued pursuant to the Proposed Private Placement. The Company had raised gross proceeds of RM20,002,756/- through the Proposed Private Placement.

(c) Acquisition of 15.5% interest in Makin Teguh Sdn. Bhd.

On 30 April 2022, the Company has completed a Share Sale Agreement ("SSA") to acquire 15.5% equity interest of 19,548,750 ordinary shares in Makin Teguh Sdn. Bhd. ("MTSB") for a total cash consideration of RM50,700,000/-.

(d) Employees' Share Option Scheme ("ESOS")

On 6 October 2021, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company. As of the financial year ended all ESOS options have been exercised.

No.	Description of Offer under the ESOS Option	
1.	Date of Offer of the ESOS Options	06.10.2021
2.	Exercise price of the ESOS Options offered	RM0.023
3.	Number of ESOS Options offered	67,000,000
4.	Closing market price of Bornoil Shares on the date of the Offer	RM0.030
5.	Number of ESOS Options offered to the Directors of the Company	Nil
6.	Vesting period of the ESOS Options offered	N/A

On 27 June 2022, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company. As of the financial year ended all ESOS options have yet exercised.

No.	Description of Offer under the ESOS Option	
1.	Date of Offer of the ESOS Options	27.06.2022
2.	Exercise price of the ESOS Options offered	RM0.021
3.	Number of ESOS Options offered	181,000,000
4.	Closing market price of Bornoil Shares on the date of the Offer	RM0.025
5.	Number of ESOS Options offered to the Directors of the Company	Nil
6.	Vesting period of the ESOS Options offered	N/A

Notes To The Financial Statements (cont'd)

40. SUBSEQUENT EVENTS

(a) Private Placement

As of 18 October 2022, the Company has proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company ("Bornoil Shares") to third party at the average subscription price of RM0.0212 per Placement Shares. A total of 862,500,000 new Bornoil Shares ("Placement Shares") have been issued pursuant to the Proposed Private Placement. The Company had raised gross proceeds of RM18,600,000/- through the Proposed Private Placement.

(b) Acquisition of 13.8% interest in Makin Teguh Sdn. Bhd.

On 25 July 2022, the Company has completed a Shares Sale Agreement ("SSA") to acquire 13.8% equity interest of 17,350,299 ordinary shares in Makin Teguh Sdn. Bhd. ("MTSB") for a total cash consideration of RM45,000,000/-.

(c) Employees' Share Option Scheme ("ESOS")

On 24 August 2022, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

No.	Description of Offer under the ESOS Option	
1.	Date of Offer of the ESOS Options	24.08.2022
2.	Exercise price of the ESOS Options offered	RM0.022
3.	Number of ESOS Options offered	72,000,000
4.	Closing market price of Bornoil Shares on the date of the Offer	RM0.025
5.	Number of ESOS Options offered to the Directors of the Company	Nil
6.	Vesting period of the ESOS Options offered	N/A

(d) Employees' Share Option Scheme ("ESOS") exercise

As of 18 October 2022, a total of 253,000,000 new Bornoil Shares at an average issue price per share of RM0.0211, have been issued pursuant to the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company. The Company had raised gross proceeds of RM5,385,000/- through the ESOS.

41. COMPARATIVE FIGURES

In previous financial year:-

- employment cost relating to Employees' Share Option Scheme ("ESOS") was erroneously classified as ESOS exercised;
- leasehold building was erroneously classified as leasehold land;
- franchise fees which are transferred over time was erroneously classified to being transferred at a point in time; and
- cost for investment in subsidiaries was erroneously classified as impairment loss on investment in subsidiaries.

Notes To The Financial Statements (cont'd)

41. COMPARATIVE FIGURES (CONT'D)

The effects of correction of the errors are disclosed below:-

	Note	As previously reported 30.06.2021 RM	Adjustment RM	As restated 30.06.2021 RM
Group				
Statements of Cash Flows				
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Adjustments for:-				
Employees' Share Option Scheme ("ESOS")		–	10,498,936	10,498,936
CASH FLOWS FROM FINANCING ACTIVITIES:-				
ESOS exercised		43,136,137	(10,498,936)	32,637,201
Notes to the Financial Statements				
Right-of-use assets	4			
Cost				
Additions				
Leasehold land		1,038,091	(1,038,091)	–
Leasehold buildings		–	1,038,091	1,038,091
Accumulated depreciation				
Charge for the financial year				
Leasehold land		(3,460)	3,460	–
Leasehold buildings		(502,500)	(3,460)	(505,960)
Revenue				
Timing and recognition:-				
- Products transferred at point in time		45,275,536	(557,393)	44,718,143
- Products and services transferred over time	28	6,133,164	557,393	6,690,557

Notes To The Financial Statements (cont'd)

41. COMPARATIVE FIGURES (CONT'D)

The effects of correction of the errors are disclosed below:- (Cont'd)

	Note	As previously reported 30.06.2021 RM	Adjustment RM	As restated 30.06.2021 RM
Company				
Statements of Cash Flows				
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Adjustments for:-				
Employees' Share Option Scheme ("ESOS")		-	1,629,070	1,629,070
Changes in working capital:-				
Subsidiary companies		(22,679,286)	8,869,866	(13,809,420)
CASH FLOWS FROM FINANCING ACTIVITIES:-				
ESOS exercised		43,136,137	(10,498,936)	32,637,201
Notes to the Financial Statements				
Investment in subsidiaries	6			
Unquoted shares				
Cost				
At 1 July 2021		70,100,006	10,000,000	80,100,006
Accumulated impairment losses				
At 1 July 2021		(99,999)	(10,000,000)	(10,099,999)

LIST OF PROPERTIES

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows:

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
1	Kg. Mansiang, Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	13.08 acres	Nil	2,616	21.6.2019
2	Kg. Mansiang, Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	5.70 acres	Nil	451	21.6.2019
3	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	23.15 acres	Nil	14,469	26.6.2019
4	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	16.90 acres	Nil	875	25.6.2019
5	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	15.00 acres	Nil	881	25.6.2019
6	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	9.30 acres	Nil	500	26.6.2019
7	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	11.70 acres	Nil	7,312	26.6.2019
8	Tombongan, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	12.67 acres	Nil	2,534	25.6.2019
9	Kg. Kiansom, Kota Kinabalu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2069	20.78 acres	Nil	12,988	13.6.2019
10	Kg Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	6.75 acres	Nil	396	25.6.2019
11	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	2.76 acres	Nil	178	21.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
12	Kg. Mansiang, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	5.65 acres	Nil	1,130	21.6.2019
13	Kg. Mansiang, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	3.89 acres	Nil	252	21.6.2019
14	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	12.95 acres	Nil	8,094	26.6.2019
15	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 28.2.2033	2.65 acres	Nil	140	21.6.2019
16	Kg. Kundasang, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2081	1.57 acres	Nil	312	25.6.2019
17	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	12.66 acres	Nil	822	21.6.2019
18	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.4.2047	14.59 acres	Nil	2,978	21.6.2019
19	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2086	14.41 acres	Nil	360	27.6.2019
20	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	11.28 acres	Nil	282	27.6.2019
21	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	14.63 acres	Nil	365	27.6.2019
22	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.80 acres	Nil	395	27.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
23	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	14.36 acres	Nil	359	27.6.2019
24	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.28 acres	Nil	381	27.6.2019
25	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	14.69 acres	Nil	366	27.6.2019
26	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.79 acres	Nil	394	27.6.2019
27	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	14.88 acres	Nil	371	27.6.2019
28	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	16.53 acres	Nil	412	27.6.2019
29	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.84 acres	Nil	396	27.6.2019
30	Pulau Gaya, Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring 31.1.2042	2.05 acres	Nil	1,421	25.6.2019
31	Pulau Gaya Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 31.1.2042	5.16 acres	Nil	3,579	25.6.2019
32	1 unit Waikiki Condominium HC-1202, Kota Kinabalu, Sabah	Condominium	Leasehold, 999 years expiring 15.3.2925	4,550 sq ft	38 years	3,125	17.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
33	Kg. Lesau, District of Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2068	31.80 acres	Nil	3,180	25.6.2019
34	Sg. Metah, Kinabatangan District, Sandakan, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2073	100.07 acres	Nil	2,500	27.6.2019
35	Kampung Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	14.79 acres	Nil	29,600	28.6.2019
36	Ulu Segama, Lahad Datu	Quarry land	Leasehold, 99 years expiring 31.12.2072	71.47 acres	Nil	185,000	28.6.2019
37	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2046	3.00 acres	Nil	1,873	25.6.2019
38	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.7.2046	1.45 acres	Nil	905	17.6.2019
39	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.24 acres	Nil	18,286	28.6.2019
40	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.17 acres	Nil	18,202	28.6.2019
41	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	15.12 acres	Nil	18,158	28.6.2019
42	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.7.2046	16.51 acres	Nil	19,822	28.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
43	District of Labuan	Shoplot	Leasehold, 99 years expiring 27.11.2055	9,800 sq ft	55 years	10,552	27.6.2019
44	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.9.2042	8.47 acres	Nil	169	28.6.2019
45	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.9.2042	8.68 acres	Nil	174	28.6.2019
46	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.9.2042	7.65 acres	Nil	153	28.6.2019
47	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.9.2042	8.69 acres	Nil	174	28.6.2019
48	Kampung Silad, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 30.11.2042	18.08 acres	Nil	361	25.6.2019
49	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 31.8.2047	5.00 acres	Nil	99	25.6.2019
50	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.6.2046	13.58 acres	Nil	27,162	28.6.2019
51	Silam Road Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 28.2.2042	16.16 acres	Nil	808	28.6.2019
52	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2072	11.51 acres	Nil	230	25.6.2019
53	Kampung Kilimu Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 1.6.2042	11.76 acres	Nil	940	25.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
54	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.6.2043	7.91 acres	Nil	158	28.6.2019
55	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.3.2047	16.90 acres	Nil	336	28.6.2019
56	Bakapit, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.3.2047	13.93 acres	Nil	417	28.6.2019
57	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.33 acres	Nil	26,662	28.6.2019
58	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.38 acres	Nil	26,762	28.6.2019
59	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.41 acres	Nil	26,826	28.6.2019
60	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.25 acres	Nil	26,518	28.6.2019
61	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.19 acres	Nil	26,390	28.6.2019
62	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.1.2047	13.90 acres	Nil	27,804	28.6.2019
63	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 28.2.2048	13.29 acres	Nil	26,578	28.6.2019

List Of Properties (cont'd)

List of Properties held by the Group as at 30 June 2022 and their carrying values are indicated as follows: (Cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
64	Kg Sarang, Kota Belud, Sabah	Vacant land	Leasehold, 30 years expiring 31.8.2048	9.43 acres	Nil	1,886	17.6.2019
65	Kg Sarang, Kota Belud, Sabah	Vacant land	Leasehold, 30 years expiring 31.8.2048	14.18 acres	Nil	2,836	17.6.2019
66	Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 99 years expiring 31.12.2096	464.10 acres	Nil	11,600	30.6.2020
67	KKIP Selatan, Kota Kinabalu, Sabah	Factory	Leasehold, 99 years expiring 31.12.2096	759.9 sq ft	12 years	1,149	2.5.2018
68	Modern Light Industrial Estate, Muar Tuang Land, Kuching	Shoplots	Leasehold, 99 years expiring 19.4.2071	35,564 sq ft	6 years	2,293	27.1.2016
69	Kg Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2051	1.80 acres	Nil	1,200	30.6.2021
70	Kg Tanjung Aru, District of Kota Kinabalu, Sabah	Double storey Semi detached house	Leasehold, 99 years expiring 22.7.2064	4,120 sq ft	44 years	1,200	30.6.2021
71	Bandar Sri Perdana, Jalan Silam, District of Lahad Datu, Sabah.	3-storey corner office Shoplot	Leasehold, 99 years	4,398 sq ft	11 years	1,014	20.4.2021
72	Lot No.49, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey Shoplot	Leasehold, 99 years	7,104 sq ft	2 years	377	4.2.2021
73	Lot No.40, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey Shoplot	Leasehold, 99 years	6,493 sq ft	2 years	489	2.3.2022
74	Lot No. B10, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey Shoplot	Leasehold, 99 years	6,493 sq ft	2 years	933	2.3.2022

STATEMENT OF SHAREHOLDINGS

AS AT 30TH SEPTEMBER 2022

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	173	0.78	6,505	–
100 to 1,000	884	3.97	457,566	–
1,001 to 10,000	3,754	16.88	23,030,924	0.25
10,001 to 100,000	10,710	48.15	532,494,103	5.77
100,001 to less than 5% of issued shares	6,723	30.22	7,421,719,731	80.36
5% and above of issued shares	1	–	1,258,408,250	13.62
TOTAL	22,245	100.00	9,236,117,079	100.00

DIRECTOR'S SHAREHOLDINGS AS AT 30TH SEPTEMBER 2022

Name	Direct Interest	%	Deemed Interest	%
1. Mr. Tan Kok Chor	–	–	–	–
2. Datuk Joseph Lee Yok Min @ Ambrose	201,006,500	2.1763	1,289,140,935	13.9576
3. Mr. Seroop Singh Ramday	–	–	–	–
4. Mr. Michael Moo Kai Wah	–	–	–	–
5. Ms. Georgia Suzanne Lingam @ Georgianne	–	–	–	–
6. Ms. Susie Chung Kim Lan	–	–	–	–
7. Mr. Sri Ganesh A/L K Balasubramaniam	1,400,000	0.0151	–	–
TOTAL	202,406,500	2.1914	1,289,140,935	13.9576

Statement Of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF SHARES	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Pledged Securities Account for Lei Shing Hong Securities Limited)	1,258,408,250	13.62
2	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Victoria Capital Sdn Bhd)	430,549,300	4.66
3	MT 23 RESOURCES LTD	415,826,000	4.50
4	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	273,000,000	2.96
5	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lo Ling)	211,789,000	2.29
6	JAS HARMONI SDN BHD	200,000,000	2.17
7	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Gonawin Sdn Bhd)	199,491,400	2.16
8	GONAWIN SDN BHD	188,720,000	2.04
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	164,090,000	1.78
10	MT 23 RESOURCES LTD	100,000,000	1.08
11	QUECK HAN TIONG	89,000,000	0.96
12	LIONG HONG HOH	87,000,000	0.94
13	LO LING	82,638,100	0.89
14	TAN SOH GEK	79,569,500	0.86
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	68,500,000	0.74
16	JAS HARMONI SDN BHD	68,070,000	0.74
17	LIEW KUAT KIONG	67,000,000	0.73
18	KHOO YONG AI	64,050,000	0.69
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for TNTT Realty Sdn Bhd)	62,350,000	0.68
20	CHIEW SOON HUI	55,000,000	0.60

Statement Of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30TH SEPTEMBER 2022 (CONT'D)

NO.	NAME	NO. OF SHARES	%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Samuel Lum Hon Whye)	50,200,000	0.54
22	IBRAHIM HUSSAIN	50,000,000	0.54
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Awang Daud Bin Awang Putera)	41,000,000	0.44
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Muthukumar A/L Ayarpad De)	38,900,000	0.42
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Celeste Assets Sdn Bhd)	35,250,000	0.38
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Geok Hoon)	35,175,000	0.38
27	KHOO BUCK CHEW	31,185,000	0.34
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Ong Yoong Nyock)	30,875,000	0.33
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Nyuk Sang @ Freddy Lim)	29,279,500	0.32
30	AMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	28,720,000	0.31
		4,535,636,050	45.09

SUBSTANTIAL SHAREHOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF SHARES HELD			
		Direct	%	Indirect	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Pledged Securities Account for Lei Shing Hong Securities Limited)	1,258,408,250	13.62	–	–
2	MT 23 Resources Ltd	515,826,000	5.58	–	–

STATEMENT OF WARRANT C (2015/2025) HOLDINGS

AS AT 30TH SEPTEMBER 2022

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	142	3.54	8,128	-
100 to 1,000	74	1.85	35,414	-
1,001 to 10,000	441	11.01	2,924,289	0.17
10,001 to 100,000	1,741	43.46	89,174,871	5.14
100,001 to less than 5% of issued warrants	1,607	40.11	1,525,537,148	87.95
5% and above of issued warrants	1	0.03	117,000,000	6.74
TOTAL	4,006	100.00	1,734,679,850	100.00

DIRECTOR'S WARRANT C SHAREHOLDING AS AT 30TH SEPTEMBER 2022

Name	Direct Interest	%	Deemed Interest	%
1. Mr. Tan Kok Chor	-	-	-	-
2. Datuk Joseph Lee Yok Min @ Ambrose	-	-	11,857,250	0.6835
3. Mr. Seroop Singh Ramday	-	-	-	-
4. Mr. Michael Moo Kai Wah	-	-	-	-
5. Ms. Georgia Suzanne Lingam @ Georgianne	150,000	0.0086	-	-
6. Ms. Susie Chung Kim Lan	-	-	-	-
7. Mr. Sri Ganesh A/L K Balasubramaniam	-	-	-	-
TOTAL	150,000	0.0086	11,857,250	0.6835

Statement Of Warrant C (2015/2025) Holdings (cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.74
2	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for UOB Kay Hian Pte Ltd)	60,238,500	3.47
3	TIE MING CHUNG	58,062,200	3.35
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tie Ming Chung)	46,627,900	2.69
5	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Teong Beng)	43,526,400	2.51
6	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	37,500,000	2.16
7	TAN SOH GEK	36,842,300	2.12
8	TIE MING CHUON	28,037,700	1.62
9	KHOO YONG AI	27,450,000	1.58
10	LEONG WAI SHIN	22,018,000	1.27
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Poh Ewe Wing)	21,000,000	1.21
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Hui Lee)	19,679,800	1.13
13	PHILIP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd)	18,000,000	1.04
14	PUBLIC NOMINESS (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	18,000,000	1.04
15	JEREMY KHO HUI JAQ	17,849,850	1.03
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	12,577,575	0.73
17	LCP LIMITED	11,857,250	0.68
18	HWANG YEE FAN	11,300,000	0.65
19	BONG NAM JONG	10,000,000	0.58
20	CHEN LING LING	10,000,000	0.58
21	CHONG MOW CHAI	9,550,000	0.55
22	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Nisar Ahmad Bin Mohd Yusof)	9,505,500	0.55
23	LIONG HONG HOH	9,265,600	0.53
24	KHOO BUCK CHEW	9,000,000	0.52
25	CHONG MOW CHAI	8,670,800	0.50

Statement Of Warrant C (2015/2025) Holdings (cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2022 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chew Boon Kian)	8,500,000	0.49
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Yin Seng)	8,100,000	0.47
28	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account Rakuten Trade Sdn Bhd for Tan Sin Yen)	7,500,000	0.43
29	NG HIANG CHEK	7,500,000	0.43
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Terry Yap Kwi Fah)	7,310,300	0.42
		712,469,675	41.07

SUBSTANTIAL WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.74

STATEMENT OF WARRANT D (2017/2027) HOLDINGS

AS AT 30TH SEPTEMBER 2022

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	1,170	13.98	51,845	0.01
100 to 1,000	1,659	19.81	726,115	0.19
1,001 to 10,000	3,363	40.17	13,400,624	3.54
10,001 to 100,000	1,640	19.59	54,718,482	14.45
100,001 to less than 5% of issued warrants	539	6.44	287,036,918	75.80
5% and above of issued warrants	1	0.01	22,750,000	6.01
TOTAL	8,372	100.00	378,683,984	100.00

DIRECTOR'S WARRANT D SHAREHOLDING AS AT 30TH SEPTEMBER 2022

Name	Direct Interest	%	Deemed Interest	%
1. Mr. Tan Kok Chor	–	–	–	–
2. Datuk Joseph Lee Yok Min @ Ambrose	92,000	0.0243	12,212,632	3.2250
3. Mr. Seroop Singh Ramday	–	–	–	–
4. Mr. Michael Moo Kai Wah	–	–	–	–
5. Ms. Georgia Suzanne Lingam @ Georgianne	66,175	0.0175	–	–
6. Ms. Susie Chung Kim Lan	–	–	–	–
7. Mr. Sri Ganesh A/L K Balasubramaniam	–	–	–	–
TOTAL	158,175	0.0418	12,212,632	3.2250

STATEMENT OF WARRANT D (2017/2027) HOLDINGS (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.01
2	LIM CHIN KIONG	9,783,900	2.58
3	CHEN MEE ING	7,148,600	1.89
4	LCP LIMITED	4,700,125	1.24
5	PUA SOON HUAT	4,550,000	1.20
6	KHOO YONG AI	4,337,500	1.15
7	LCP LIMITED	3,962,500	1.05
8	HUONG LEE KANG	3,755,000	0.99
9	ER LING HONG	3,715,000	0.98
10	LIONG HONG HOH	3,600,000	0.95
11	FIORN AMBER LEE YEE FONG	3,550,000	0.94
12	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Teong Beng)	3,436,600	0.91
13	TAN SOH GEK	3,264,125	0.86
14	YEE CHIN CHIN	3,137,400	0.83
15	PUA SOON HUAT	3,125,100	0.83
16	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Huong Chiong Hee)	3,049,000	0.81
17	WONG LING BIU	3,000,000	0.79
18	TAN CHING CHUA	2,990,000	0.79
19	APEX NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chen Teck Long)	2,900,000	0.77
20	NIK FAIRUL ZAMRI BIN MOHD PAUZI	2,750,000	0.73
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	2,583,037	0.68
22	AFFIN HWANG NOMINEES (ASING) SDN BHD (Pledged Securities Account for Mohamed Yazid Merzouk)	2,500,000	0.66
23	SAFWAN BIN JOHARI	2,300,000	0.61
24	PUA SOON HUAT	2,240,000	0.59
25	TAN AH BOOY	2,156,250	0.57
26	HUONG CHIONG HEE	2,131,800	0.56
27	CHUA AH HOO	2,000,012	0.53
28	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledge Securities Account Rakuten Trade Sdn Bhd for Tan Sin Yen)	2,000,000	0.53

STATEMENT OF WARRANT D (2017/2027) HOLDINGS (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF WARRANTS	%
29	LEE CHEE KIAN	2,000,000	0.53
30	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Kaw Kem Fatt)	1,825,000	0.48
		121,240,949	32.04

SUBSTANTIAL WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2022

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.01

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth (38th) Annual General Meeting (“AGM”) of BORNEO OIL BERHAD (“Borneoil” or “the Company”) will be held at 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan on Monday, 12th December 2022 at 8.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESSES :

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note (i)
2. To re-elect the Managing Director and Director who are subject to retirement by rotation pursuant to Clause 140 and 143 respectively of the Constitution of the Company and being eligible, have offered themselves for re-election:
 - (a) Datuk Joseph Lee Yok Min @ Ambrose, and **Ordinary Resolution 1**
 - (b) Michael Moo Kai Wah **Ordinary Resolution 2****Please refer to Explanatory Note (ii)**
3. To re-elect the following Directors who shall retire pursuant to Clause 118 of the Company’s Constitution:
 - (a) Susie Chung Kim Lan **Ordinary Resolution 3**
 - (b) Sri Ganesh A/L K Balasubramaniam **Ordinary Resolution 4**
 - (c) Georgia Suzanne Lingam @ Georgianne **Ordinary Resolution 5****Please refer to Explanatory Note (iii)**
4. To approve the payment of Directors’ fees Amounting to RM386,960 to Non-Executive Directors for the financial year ended 30 June 2022.
Please refer to Explanatory Note (iv) **Ordinary Resolution 6**
5. To approve the Directors’ fees and benefits of up to an amount of RM 2,057,827 payable from 13 December 2022 until the next Annual General Meeting of the Company. **Ordinary Resolution 7**
6. To re-appoint STYL Associates PLT as the External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. **Ordinary Resolution 8**
7. **AS SPECIAL BUSINESSES:**
To consider and, if thought fit, to pass the followings as Ordinary Resolutions:
 - (a) **Independent Non-Executive Director more than 9 years**
 - (i) “That approval be and is hereby given to re-appoint and retain Mr. Tan Kok Chor, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, as Independent Non-Executive Director of the Company”.
Please refer to Explanatory Note (v) **Ordinary Resolution 9**

Notice Of Annual General Meeting (cont'd)

- (ii) “Subject to the approval of Resolution 2, that authority be and is hereby given to re-appoint and retain Mr. Michael Moo Kai Wah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, as Independent Non-Executive Director of the Company”.
Please refer to Explanatory Note (v)
- Ordinary Resolution 10**
- (b) **Authority to the Directors to Allot and Issue Shares Pursuant To Sections 75 and Section 76 of the Companies Act, 2016:**
- “THAT pursuant to Sections 75 and Section 76 of the Companies Act 2016 (“Act”) , the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such issue price, until the conclusion of the next annual general meeting 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 does not exceed ten per centum (10%) of the issued capital of the Company at the time of issue AND THAT, the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Act, the Constitution of the Company and approval from Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary”.
Please refer to Explanatory Note(vi)
- Ordinary Resolution 11**
- (c) **Proposed Renewal of Authority for Share Buy-Back**
- “That subject to compliance with Section 127 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws and regulations, the Company be and is hereby authorized to allocate an amount not exceeding the total available retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company (“Proposed Purchase”) as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorized to retain the shares as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder;
- AND THAT the Directors are further authorized to resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends to the Company’s shareholders or to transfer the treasury shares for the purposes of an employees’ share scheme or to transfer the treasury shares as purchase consideration or to deal with the treasury shares in the manner as allowed by the Act;
Please refer to Explanatory Note(vii)
- Ordinary Resolution 12**

Notice Of Annual General Meeting (cont'd)

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company, following this at which time the authority shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders at a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provision of the Listing Requirements and any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities”.

8. To transact any other business for which due notice shall have been given.

By Order of the Board

CHIN SIEW KIM (L.S. 0000982) : Practising Cert No. 202008004110
ANDREA HUONG JIA MEI (MIA 36347) : Practising Cert No. 202008003125
Company Secretaries

Labuan F.T.
Dated : 31 October 2022

NOTES :

1. *Members entitled to Attend*
 - a. *A Member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies to attend and vote instead of him/her. If a Member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
 - b. *In the case of a corporate body, the proxy appointed must be in accordance with its Constitution, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorized.*

Notice Of Annual General Meeting (cont'd)

For instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

- c. Where a Member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depository) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
- d. The instrument appointing a proxy shall be deposited at the Registered office of the Company at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan not less than Forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.*
- e. For the purpose of determining a Member who shall be entitled to participate and vote at the AGM in accordance with Clause 77 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 1st December 2022. Only a Member whose name appears therein shall be entitled to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.*

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the meeting, including resolutions in addendum, errata or amended notice will be put to vote by way of poll. A Poll Administrator and Independent Scrutineer will be appointed to conduct the polling process and to verify the results of the poll.

Explanatory Notes on Ordinary and Special Businesses:-

i. Audited Financial Statements for the financial year ended 30 June 2022

The audited financial statements are laid in accordance with Section 340(1) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

ii. Ordinary Resolution 1 and 2 : Retirement of Director

Pursuant to Clause 143 of the Company's Constitution, every Director shall be subject to retirement at least once in every three (3) years. A retiring Director shall be eligible for re-election. The Directors to retire shall be the Directors who have been longest in office since their last election but as between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected from among them by ballot.

In addition to that, Datuk Joseph Lee Yok Min @ Ambrose who is a Managing Director and pursuant to Clause 140 of the Company's Constitution, a Managing Director shall, while he continues to hold office, be subjected to retirement by rotation and shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, and he shall, subject to provisions of any contract between him and the Company, be subject to the same provision as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause shall ipso facto and immediately cease to be a Managing Director.

iii. Ordinary Resolution 3 , 4 & 5 : Retirement of Directors

Pursuant to Clause 118 of the Company's Constitution, the Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the conclusion of the next Annual General Meeting and shall be eligible for re-election at such meeting. A Director retiring under this Rule shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

Notice Of Annual General Meeting (cont'd)

iv. Ordinary Resolution 6 : Directors' fees

Section 230(1) of the Companies Act 2016 which came into effect on 31 January 2017, provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Clause 119 of the Company's Constitution on "Fees and benefits of Directors" states that the fees and benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting.

Clause 120 of the Company's Constitution on "Fees of non-executive Directors" states that the fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.

- Resolution 6 on payment of Directors' fees for Non-Executive Directors in respect of the year ended 30 June 2022.

Note : The Executive Directors are also receiving Directors fees amounting to RM1,254,000 for the financial year ended 30 June 2022.

v. Ordinary Resolution 9 and 10: Continuation in office as Independent Non-Executive Directors

The proposed Ordinary Resolution No.9, if passed, and subject to the passing of Resolution 2 will allow Mr. Tan Kok Chor who shall remain as Independent Non-Executive Director ("INED"). The justification of the Board of Directors for recommending and supporting the resolutions for him continuing in office as INED are set out under the Corporate Governance Overview Statement in the Company's 2022 Annual Report.

The proposed Ordinary Resolution No.10, if passed, will allow Mr. Michael Moo Kai Wah who shall remain as Independent Non-Executive Director ("INED") . The justification of the Board of Directors for recommending and supporting the resolutions for him continuing in office as INED are set out under the Corporate Governance Overview Statement in the Company's 2022 Annual Report.

Resolutions No. 9 & 10 if passed, will authorize Mr. Tan Kok Chor and Mr. Michael Moo Kai Wah to continue in office as INEDs.

vi. Ordinary Resolution 11: Authority to Allot Shares pursuant to Section 75 and Section 76 of the Companies Act 2016

Resolution No. 11 is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by shareholders at the AGM last year ("the previous mandate").

Having considered the challenging times due to the Covid-19 pandemic and to ensure the long term sustainability and interest of the Company, the Board would like to procure approval for the 10% General Mandate from the shareholders at the 38th AGM of the Company. The Board is of the opinion that this 10% General Mandate is in the best interest of the Company and its Shareholders.

The renewed mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition.

As at the date of this Notice, the Company had allotted 1,093,405,775 new ordinary shares via Private Placement under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 37th Annual General Meeting of the Company held on 17 December 2021 .

Notice Of Annual General Meeting (cont'd)

vii. Ordinary Resolution 12: Proposed Renewal of Share Buy Back Authority

Ordinary Resolution 12, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in the Statement to Shareholders of the Company dated 31 October 2022 which is despatched together with the Company's 2022 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-EIGHTH (38 TH) ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to Clause 143 of the Constitution of the Company, Datuk Joseph Lee Yok Min @Ambrose who has been re-designated as the Managing Director of the Company and Mr Michael Moo Kai Wah , both of which who are subject to retirement by rotation, have offered themselves for re-election.
2. Pursuant to Clause 118 of the Company's Constitution, the following Directors who have been appointed during the year, shall retire and are eligible for re-election at the 38th Annual General Meeting(AGM) of the Company:-
 - (a) Susie Chung Kim Lan
 - (b) Sri Ganesh A/L K Balasubramaniam
 - (c) Georgia Suzanne Lingam @ Georgianne
3. No individuals are standing for election as Directors at the forthcoming 38th AGM of the Company other than the Directors seeking for re-election as a Director.
4. The profiles of the Directors who are standing for re-election at the 38th AGM are set out in the Company's Annual Report 2022 as follows :
 - (i) Directors' profile on pages 11 to 16
 - (j) Details of the Directors' interests in the securities of the Company as at 30 June 2022 are disclosed in the Directors' shareholding on page 69.
5. General Meeting Record of Depositors

For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16 (2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a Record of Depositors as at 1st December 2022, and a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend, speak and/or vote in his stead.
6. The Resolution 11 tabled under Special Business as per the Notice of 38th Annual General Meeting of the Company dated 31 October 2022 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 17 December 2021.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.



Registration No. 198901005309 (121919-H)
(Incorporated in Malaysia)

Proxy form

No. of Shares held	
CDS Number	

I/We _____ * NRIC/ Company No. _____

of _____

being *a member/members of BORNEO OIL BERHAD (Reg. No: 198901005309(121919-H)) hereby appoint _____

_____ *NRIC No./Passport No. _____

of _____

email address _____ mobile No. _____

or failing *him/her _____ *NRIC No./Passport No. _____

of _____

email address _____ mobile 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 38th Annual General Meeting ("AGM") of the Company to be held at 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007 Wilayah Persekutuan Labuan on Monday, 12th December 2022 at 8.30 a.m or any adjournment thereof.

*My/ our proxy is to vote as indicated below: -

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Datuk Joseph Lee Yok Min @ Ambrose as the Managing Director.		
2.	To re-elect Mr. Michael Moo Kai Wah as a Director.		
3.	To re-elect Susie Chung Kim Lan as a Director.		
4.	To re-elect Sri Ganesh A/L K Balasubramaniam as a Director.		
5.	To re-elect Georgia Suzanne Lingam @ Georgianne as a Director.		
6.	To approve the payment of Directors' fees amounting to RM386,960 to Non-Executive Directors for the financial year ended 30 June 2022.		
7.	To approve the Directors' fees and benefits of up to an amount of RM2,057,827.00 payable from 13.12.2022 until the next Annual General Meeting.		
8.	To re-appoint STYL Associates PLT as the External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration.		
9.	To approve the re-appointment and retention of Mr. Tan Kok Chor as the Independent Non-Executive Director.		
10.	To approve the re-appointment and retention of Mr. Michael Moo Kai Wah as Independent Non-Executive Director.		
11.	Authority to allot Shares pursuant to Section 75 & 76 of the Companies Act, 2016.		
12.	Proposed Renewal of Authority for Share Buy-Back.		

Please mark with "X" in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

- *Strike out whichever is not desired*

Signed this _____ day of _____, 2022

Contact Number: _____

*Signature of Member(s)/
Common Seal of Appointer*



Notes:

1. In respect of deposited securities, only shareholders whose name appear in the Company's Record of Depositors as at 1st December 2022 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.
2. A shareholder of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a Corporation, a duly authorized representative to attend, participate, speak and vote in its stead.
3. A proxy may but need not be member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her shareholdings to be represented by each proxy.
4. Where a shareholder of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or its attorney duly authorized in writing.
6. The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan not less than Forty-Eight (48) hours before the time set for holding the meeting which shall be voted by poll pursuant to paragraph 8.29A(1) of Bursa Securities Main Market Listing Requirements or any adjournment thereof.

PERSONAL DATA PRIVACY:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of the 38th Annual General Meeting("AGM") dated 31 October 2022.

Fold this flap for sealing

Then fold here

AFFIX
POSTAGE
STAMP

THE COMPANY SECRETARY
BORNEO OIL BERHAD
Registration No. 198901005309 (121919-H)
1st & 2nd Floor,
Victoria Point,
Jalan OKK Awang Besar,
87007 W.P. Labuan

1st fold here



1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar, 87007,
W.P. Labuan, Malaysia.