



ANNUAL REPORT

2023

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Proxy Form

CORPORATE INFORMATION

Tan Kok Chor

Non-Executive Chairman
(Non-Independent Non-Executive Director)

Datuk Joseph Lee Yok Min @ Ambrose

(Managing Director)

Georgia Suzanne Lingam @ Georgianne

(Executive Director)

Sri Ganesh A/L K Balasubramaniam

(Executive Director)

Susie Chung Kim Lan

(Independent Non-Executive Director)

Seroop Singh Ramday

(Senior Independent Non-Executive Director)

Siti Ainee Hanum Binti Suhaidi

(Independent Non-Executive Director)

BOARD OF DIRECTORS

AUDIT COMMITTEE

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

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

Siti Ainee Hanum Binti Suhaidi
(Independent Non-Executive Director) - **Member**

NOMINATION COMMITTEE

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

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

Siti Ainee Hanum Binti Suhaidi (Independent Non-Executive Director) - **Member**

REMUNERATION COMMITTEE

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

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

Siti Ainee Hanum Binti Suhaidi (Independent Non-Executive Director) - **Member**

COMPANY SECRETARIES

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

Andrea Huang 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

Corporate Information (cont'd)

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)
CIMB Bank Berhad (13491-P)

SOLICITORS

Satem, Chai & Dominic Lai Advocates
Chung & Associates
Rozlan Khuen

WEBSITE

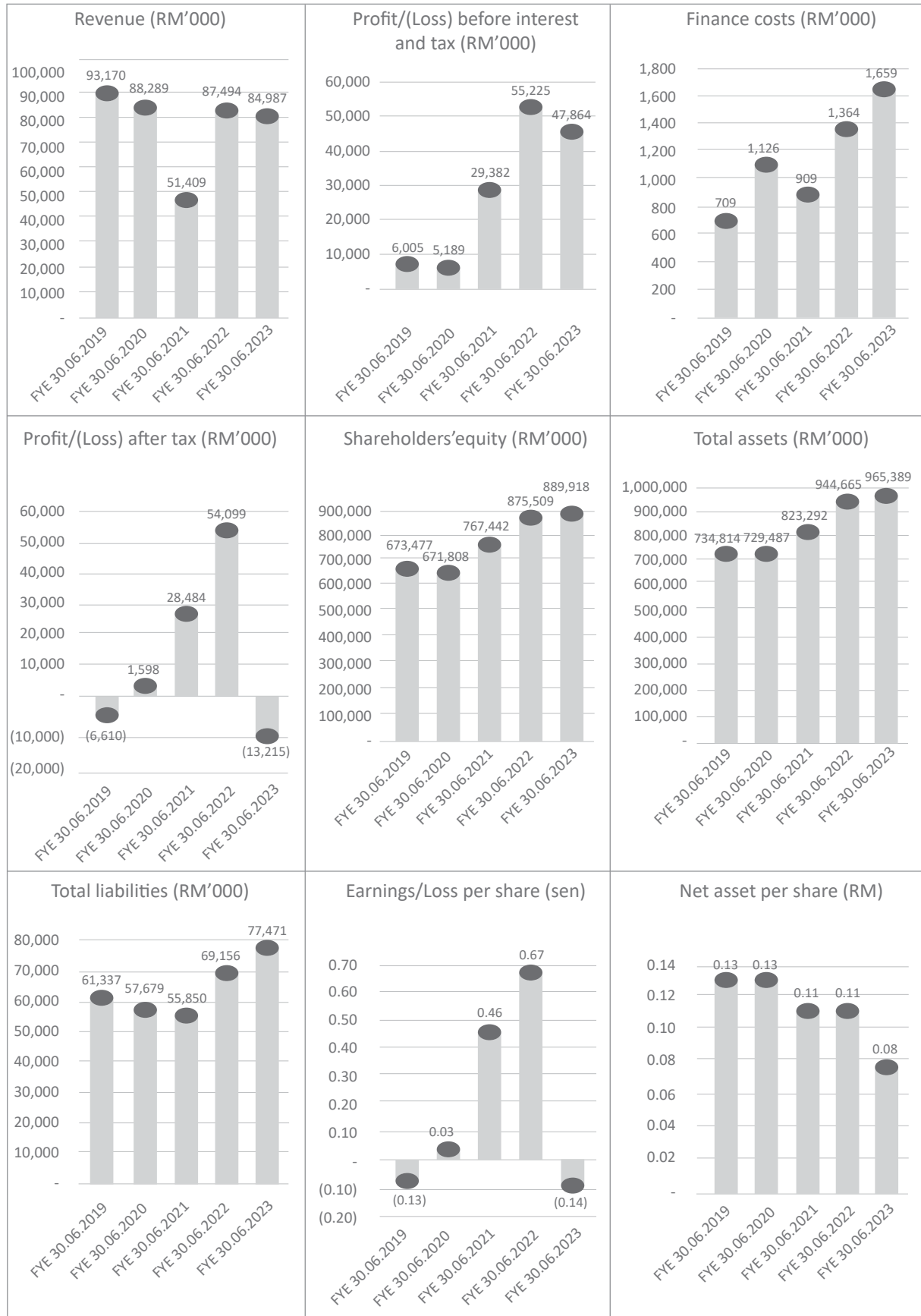
www.borneo-oil.com.my

GROUP FINANCIAL HIGHLIGHTS

GROUP FINANCIAL SUMMARY

	FYE 30.06.2019 RM'000	FYE 30.06.2020 RM'000	FYE 30.06.2021 RM'000	FYE 30.06.2022 RM'000	FYE 30.06.2023 RM'000
For the Financial Year					
Revenue	93,170	88,289	51,409	87,494	84,987
Profit/(Loss) before interest and tax	6,005	5,189	29,382	55,225	47,864
Finance costs	709	1,126	909	1,364	1,659
Profit/(Loss) after tax	(6,610)	1,598	28,484	54,099	(13,215)
At Year End					
Shareholders' equity	673,477	671,808	767,442	875,509	887,918
Total assets	734,814	729,487	823,292	944,665	965,389
Total liabilities	61,337	57,679	55,850	69,156	77,471
	RM	RM	RM	RM	RM
Net asset per share	0.13	0.13	0.11	0.11	0.08
	sen	sen	sen	sen	sen
Earnings/Loss per share	(0.13)	0.03	0.46	0.67	(0.14)

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 and its subsidiaries (“BOB” or “the Group”) for the financial year ended 30 June 2023 (“FYE2023”).

The past year continued to present us with challenges both as a PLC and as a board.

The Group however remained focused and committed and have continue to perform well despite the significant challenges and volatility in national and global trends.

Economic Landscape

Domestic demand bulwarked the Malaysian economy in the second quarter of 2023 (“Q2 2023”) against the backdrop of a cooling global trade. The Q2 2023’s gross domestic product (“GDP”) expanded by 2.9%, bringing the first half (“H1”) of 2023’s growth to 4.2%. This is in line with the Government’s growth forecast of 4.0% – 5.0% for 2023.

Domestic demand remained resilient in the second quarter, registering a 4.5% increase, while Malaysia’s total trade contracted by 11.3% to RM643.4 billion in Q2 2023. Public and private expenditures were also instrumental in anchoring the Malaysian economy in Q2 2023, as they grew by 4.6% and 4.5%, respectively. On the supply side, Malaysia’s economic expansion in Q2 2023 was underpinned by growth in the construction, services, and manufacturing sectors. The construction sector recorded the strongest performance, soaring 6.2% in the quarter, followed by services (4.7%) and manufacturing (0.1%).

“Despite global economic challenges, Malaysia’s economy remains resilient and continues to improve. Inflation fell from 2.8% in May to 2.4% in June 2023. Unemployment achieved a new post-pandemic low of 3.4% in June 2023, down from 3.5% in May,” said YAB Dato’ Seri Anwar Ibrahim, Prime Minister and Finance Minister.

Malaysia’s domestic inflation in June 2023 was tamer than selected advanced and regional countries such as the UK (7.9%), the Philippines (5.4%), Singapore (4.5%), Indonesia (3.5%) and the US (3%).

(Source: Press release by Ministry of Finance dated 18 August 2023)

Financial Performance Review

The Group secured a total revenue of RM84.99 million, with the Food and Franchise Operations segment leading the way, capitalising on improved market sentiment compared to the prior year. It is worth noting that the Head Office’s profits for the fiscal year were predominantly fuelled by fair value gains on quoted securities. However, it is crucial to emphasise that these gains were counterbalanced by the share of results from an associate, totalling RM59.06 million, stemming from fair value losses incurred during a revaluation conducted within the year.

In the current financial year, the Food and Franchise Operations (“FFO”) segment achieved robust revenue growth, posting RM56.09 million, a notable 17.8% increase from the previous year’s RM47.62 million. This remarkable performance was driven by improved market sentiments and the successful introduction of Sabasco, a product featuring Sabah’s unique Mompokok Chilli from Kunak. Sabasco contributed an additional RM1.44 million to FFO’s revenue. The segment also reported a significant profit before tax of RM1.47 million, up from RM1.65 million in the preceding year, despite the fact that the share-based payment expense for the Employees’ Share Option Scheme (“ESOS”) increased to RM2.15 million, compared to RM1.21 million in the previous year.

The Property Investment and Management (“PIM”) segment reported lower revenue of RM13.54 million for FYE2023, primarily due to project completion. It recorded a loss before tax of RM1.96 million,

Chairman's Statement (cont'd)

contrasting with a profit of RM0.92 million in the previous year. This shift was attributed to reduced revenue and an impairment of receivables amounting to RM1.30 million.

The Resources and Sustainable Energy ("RSE") segment saw a decline in revenue to RM15.33 million for FYE2023, down from RM17.74 million in FYE2022, mainly due to reduced limestone sales. The segment incurred a significant loss before tax of RM12.10 million in the current financial year, primarily due to impairment expenses related to exploration, properties, and trade receivables.

Economic Outlook

External demand for the second half ("H2") of 2023 will continue to be affected by global vulnerabilities, namely geopolitical tensions, the continuing supply chain disruption, tight monetary policy to address global inflation, and the growth prospects of major economies, many of which are Malaysia's leading trading partners.

"Nevertheless, the Government remains confident to meet its GDP forecast of 4.0% – 5.0% for 2023. Malaysia's domestic economy remains vibrant, with many indicators showing healthy trends. To support the momentum of domestic growth, the Government maintains its responsive fiscal policy and will continue to focus on expediting the realisation of approved investments and accelerate the implementation of Government projects," YAB Dato' Seri Anwar said.

In line with the MADANI Economy framework, upcoming policy documents, namely the New Industrial Master Plan 2030, the 12th Malaysia Plan Mid-term review and the 2024 Budget, will further set out strategies and measures to restructure Malaysia's economy and deliver inclusive development for the rakyat. Focus areas include improving ease of doing business, promoting quality investments to generate higher-income jobs, ensuring good governance, and investing in better public services and infrastructure towards improving the quality of life for the rakyat.

(Source: Press release by Ministry of Finance dated 18 August 2023)

The Way Forward

The global economy is on a growth trajectory, driven by resilient domestic demand and strong labour market conditions. However, challenges persist, such as elevated core inflation and higher interest rates, affecting global trade. Geopolitical tensions and uncertainty in major economies remain key factors in the economic outlook. We remain vigilant, keeping a close eye on these developments.

Board Changes

We express our heartfelt gratitude to Mr. Michael Moo Kai Wah, who has retired as an Independent Non-Executive Director, for his invaluable contributions to the Group. His tenure, including chairing the Audit Committee and serving on the Remuneration and Nomination Committee. The Group has significantly benefited from his insights over the years.

We also extend a warm welcome to Ms. Siti Ainee Hanum Binti Suhaidi, our new Independent Non-Executive Director appointed on 27 July 2023, who brings her entrepreneurial insights and international media and communications experience to the Group. Ms. Ainee graduated with a bachelor's degree in Accounting and Finance from the University of West London. She will serve as a member of the Audit, Remuneration and Nomination Committee. I believe her past entrepreneurship and experience in media and communications will bring forth valuable contributions to the Group.

Appreciation

Our appreciation goes to our dedicated directors, management, and staff for their unwavering professionalism and resilience in navigating a challenging business environment.

We also extend our gratitude to our regulators, shareholders, clients, business partners, and stakeholders for their unwavering cooperation and trust. Lastly, to our valued shareholders, thank you for your continued support. We remain committed to sustainable growth and look forward to reporting our continued progress.

Tan Kok Chor

Chairman of the Board
23 October 2023

PROFILE OF DIRECTORS



TAN KOK CHOR

Non-Independent Non-Executive Chairman

Malaysian, Aged 73

Tan Kok Chor has been redesignated during the year to a Non-Independent Non-Executive Director of the Company due to his duration of more than 12 years as an Independent Non-Executive Director of the Group. He was appointed to the Board of Borneo Oil Berhad on 21 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 65

Datuk Joseph Lee Yok Min @ Ambrose was appointed as an Executive Director of Borneo Oil Berhad on 27th March 2019. He has been promoted to Managing Director of the Company with effect from 1 April 2022. 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 52

Georgia Suzanne Lingam @ Georgianne was appointed as an Executive Director of Borneo Oil Berhad on 1 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 56

Sri Ganesh A/L K Balasubramaniam 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 organizational 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 organization 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 66

Seroop Singh Ramday 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.

Profile of Directors (cont'd)



**SUSIE CHUNG
KIM LAN**

Independent Non-Executive Director

Malaysian, Aged 48

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

Profile of Directors (cont'd)



SITI AINEE HANUM BINTI SUHAIDI

Independent Non-Executive Director

Malaysian, Aged 34

Siti Ainee Hanum Binti Suhaidi is an Independent Non-Executive Director who has been appointed to the Board of Borneo Oil Berhad on 27 July 2023.

She graduated with a Bachelor Degree in Accounting and Finance from the University of West London.

She has over 10 years of experience in the fields of fashion, public relations marketing and online businesses.

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 31 of this Annual Report.
5. The details of the Directors' interest in the shares of the Company are set out in Page 77 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Borneo Oil Berhad and its Group of Companies ("**BOB**" or the "**Group**") operate across diverse business segments, primarily centred in Malaysia:

1. Food and Franchise Operations ("**FFO**")

- FFO encompasses restaurant chain ownership, food manufacturing, and franchise operations.
- This segment spans various food-related businesses, including quick-service restaurants and food product distribution.

2. Property Investment and Management ("**PIM**")

- PIM involves the acquisition, ownership, and long-term management of real estate properties.
- Activities include property maintenance and optimising property portfolios for investment returns.

3. Resources and Sustainable Energy ("**RSE**")

- RSE focuses on natural resources and sustainable energy sectors.
- It includes activities such as mining and the supply of mineral resources.

All of the Group's operations are based entirely in Malaysia, constituting 100% of the Group's total revenue for the financial year ending 30 June 2023, consistent with the previous financial year.

GROUP'S FINANCIAL PERFORMANCE

The Group's financial results for the financial year under review and the immediate preceding year are summarised as follows:

	FYE2023		FYE2022	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Head Office & others	36	58,781	36	52,410
Food and Franchise Operations	56,089	1,468	47,621	1,648
Property Investment & Management	13,536	(1,953)	22,094	917
Resources and Sustainable Energy	15,325	(12,091)	17,743	(1,115)
Share of results of associate	–	(59,063)	–	–
Group revenue and (loss)/profit before tax	84,986	(12,858)	87,494	53,860

In summary, the Group achieved a total revenue of RM84.99 million, with the FFO segment being the primary contributor, benefiting from improved market sentiment compared to the previous year. Notably, the Head Office's profits for the financial year were mainly driven by fair value gains on quoted securities. However, it is essential to highlight that these gains were offset by the share of results from an associate, which amounted to RM59.06 million due to fair value losses resulting from a revaluation conducted during the year.

Management Discussion and Analysis (cont'd)

FOOD AND FRANCHISE OPERATIONS (“FFO”)

In the current financial year, the FFO segment achieved a notable revenue of RM56.09 million. This figure represents a significant increase of 17.8% compared to the previous year’s revenue of RM47.62 million. The impressive growth in revenue can be primarily attributed to the improved market sentiments prevailing during the year. Furthermore, the introduction of Sabasco, a product showcasing a homegrown range of Sabah’s chilli using the exclusively small but intensely fiery Mompoporok Chilli from Kunak, Sabah, made a significant contribution to the FFO’s total revenue. Sabasco generated an additional RM1.44 million in revenue for the segment. This innovative product has resonated well with consumers and added value to the overall FFO revenue.



Sabasco Hot Sauces



Road show under SIAL – Malaysia food & drink



Sugarbun Popular Menu Items

For the current financial year under review, the FFO segment posted a notable profit before tax of RM1.47 million, indicating a significant increase compared to the preceding year’s profit before tax of RM1.65 million. This increase in profitability for the current year can be attributed to amplified sales of franchise goods and higher royalty fees.

However, it is essential to note that the share-based payment expense related to the Employees’ Share Option Scheme (“ESOS”) had an impact on the overall financial picture. In the current year, this expense amounted to RM2.15 million, whereas it was RM1.21 million in the preceding year. Despite this expense, the FFO segment managed to achieve substantial profit growth, showcasing its ability to thrive in evolving market conditions.

Management Discussion and Analysis (cont'd)

As of 30 June 2023, the cumulative number of SugarBun and Pezzo outlets has expanded to 127, marking a significant upturn compared to the 118 outlets documented in the previous financial year. This expansion underscores the dynamic and adaptable nature of our business as we continue to respond to shifting market conditions and the evolving preferences of our consumers.



New SugarBun outlet opening at Union Square, Brunei

PROPERTY INVESTMENT AND MANAGEMENT (“PIM”)

The PIM segment reported revenue of RM13.54 million for FYE2023 and RM22.09 million for FYE2022. The decrease in reported revenue for FYE2023 compared to the previous year was primarily attributed to the completion of on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”), with full commissioning confirmed in March 2023.



Drone view of the Integrated Clinker and Cement Plant

Management Discussion and Analysis (cont'd)

The PIM segment reported a loss before tax of RM1.96 million for the current year, in contrast to the profit before tax of RM0.92 million for the preceding year. This shift from profit to loss in the current year can be primarily attributed to two key factors:

Lower Recorded Revenue: The segment experienced a decrease in revenue, as previously mentioned, primarily due to the completion of on-site installation activities for the ILPP. This decline in revenue contributed to the lower financial performance.

Impairment of Receivables: Additionally, during the financial year under review, there was an impairment of receivables amounting to RM1.30 million. This impairment negatively impacted the segment's financial results for the year.

These combined factors resulted in the loss before tax recorded by the PIM segment in the current year.

RESOURCES AND SUSTAINABLE ENERGY ("RSE")

The RSE segment reported a revenue of RM15.33 million for FYE2023, representing a decrease compared to the RM17.74 million reported in FYE2022. This decline in revenue for FYE2023 was primarily attributed to reduced sales of limestone, which had a significant impact on the overall financial performance of the segment.

In addition to the decline in revenue, the RSE segment incurred a loss before tax of RM12.10 million during the current financial year. This represents a substantial increase from the loss before tax of RM1.12 million reported in the preceding year. Several key factors contributed to this shift in financial performance:



Limestones crushing at the quarry

Impairment of Exploration Expenses: The segment recorded impairment expenses of RM8.52 million related to exploration activities conducted during the current financial year. This impairment had a significant adverse effect on the segment's financial results.

Impairment of Properties, Plant, and Equipment: An impairment of RM1.04 million was recognised for properties, plant, and equipment, particularly those associated with gold mining operations. This impairment further contributed to the overall loss.

Management Discussion and Analysis (cont'd)

Impairment of Trade Receivables: The financial year under review witnessed an impairment of trade receivables totalling RM1.57 million, which added to the segment's overall loss.

These combined factors resulted in the reported loss before tax for the RSE segment in the current financial year, reflecting the challenging financial conditions faced by the segment and the impact of impairment expenses on its financial performance.

DIVIDEND POLICY

The Group does not maintain a specific dividend payout policy. The Board does not recommend the payment of any dividend for the financial period ended 30 June 2023. This decision aligns with the Group's priorities, aimed at conserving funding for working capital and capital expenditure.

OUTLOOK AND PROSPECT

The outlook for Malaysia's GDP growth in 2023 presents cautious optimism, given the presence of several external factors that could influence the country's economic performance:

1. GDP Growth Forecast: Malaysia's GDP is anticipated to align with the forecasted range of 4.0% to 5.0% for 2023, signalling economic recovery and expansion.
2. External Demand: External demand plays a pivotal role in Malaysia's economy, heavily reliant on exports. However, challenges exist:-
 - Geopolitical Tensions: Global geopolitical issues may disrupt international trade and introduce uncertainties affecting Malaysia's exports.
 - Supply Chain Disruption: Ongoing supply chain disruptions, originating from the COVID-19 pandemic, can lead to delays and increased operational costs, impacting supply capabilities.
 - Tight Monetary Policy: Global efforts to combat inflation may result in interest rate hikes and higher borrowing costs, potentially affecting investments and consumer spending.
 - Growth Prospects of Major Economies: Malaysia's economic performance is closely linked to its major trading partners; thus, the growth prospects of these nations significantly influence demand for Malaysian exports.

In light of these dynamics, adaptability and proactive responses from both the government and businesses in Malaysia are imperative. Diversification of trade partners and industries, investments in technology and innovation, and sound fiscal discipline are strategies to mitigate risks and promote sustainable economic growth. Constant monitoring of global developments and policy adjustments are crucial in navigating the uncertain external landscape.

At BOB, our unwavering commitment remains focused on achieving operational efficiency and diligently driving our risk diversification strategy. The Group will embrace a cautious approach in manoeuvring business strategies and performance in the upcoming financial year, ensuring prudent and sustainable growth.

Thank you for your continued support.

STATEMENT ON SUSTAINABILITY

Overview

2 ABOUT THIS REPORT

This is Borneo Oil Berhad's annual sustainability report to be incorporated into the Group's annual report FYE 30 June 2023, which covers data from the period between 1 July 2022 to 30 June 2023 unless otherwise specified.

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" and sustainability 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 underprivileged and giving back to the community**

These aspirations are achieved through a many-prong approach which applies to all our subsidiaries and Includes the various aspects contained below. As far as possible, we strive to ensure all our trading partners, suppliers, and service providers adhere to these principles when dealing with our Group.

Ethics and Human Rights

The Group is committed to ensuring that human rights are upheld for our employees and all people and communities that come into contact with us in all our dealings. Other than ensuring strict compliance with all labour laws and existing legislation on all related matters, the Group places emphasis on the following:-

1. Employment of Minors / Forced Labour

Employment of minors is strictly forbidden, and all employees are hired on a willing-to-work basis. We are strictly against forced labour.

2. Equal Opportunities and Non-discrimination

Hiring of employees is based on merit, and we strictly do not discriminate based on race, gender, religion, disability or any other criteria which may be discriminatory in nature.

3. Employment Rights

The Rights of all employees are a priority to the management, ensuring that no employee is deprived of any basic right and, at the same time, striving to provide a safe, harassment-free and conducive work environment. Employee's right to minimum wage and fair compensation is adhered to, and Employees are given a safe space to voice out their opinions.

4. Business Ethics and Compliance

BOB conducts its business with strict compliance with all laws affecting the same and in a transparent manner in line with the Malaysian Code of Corporate Governance.

Statement on Sustainability (cont'd)

ENVIRONMENT

BOB is highly committed to conducting its business in a manner that is sustainable and, at the same time, with the least impact on the environment.

One of the ways that BOB strives to achieve this is by constantly improving methods to optimise waste efficiency in its resources sector by ensuring all waste and discarded materials are re-used and upcycled. Thereby transforming environmentally polluting discarded material into value-added products. This can especially be seen in the supply of all the waste limestone for the Group's quarries to the Integrated Clinker and Cement Manufacturing plant to be manufactured into limestone powder, clinker and cement. The Group also supplies palm oil biomass as an alternative fuel for the said plant. In addition to the above, all the Group's operations are compliant with the relevant Environmental laws.

Waste oil from restaurant operations is sold to various waste oil recycling traders to be filtered and re-used while the Group is exploring various ways to transition into recycled packaging materials and to transition away from single-use plastics.

The Group is also exploring the transitional cost and requirements to enable the Group to utilise renewable energy, such as solar on a larger scale.

The Group is already embarking on various initiatives to procure its raw material for food processing for its Food and Franchise Operations ("FFO") from sustainably sourced producers with an emphasis on pesticide-free sources and the use of sustainable and regenerative farming methods to reduce long-term soil degradation.

Natural fresh ingredients are favoured over artificial food additives, and while this may increase the cost of the food served by the Group, the consumers are assured of our commitment towards giving our customers a taste of the "Real Real Thing", a tagline captured in the Group's Sabasco and Hot Borneo Sauce publicity campaigns.

Our Group is committed to the reduction of GHG emissions and, through associates, is involved in the production and use of Palm Oil waste derived Biochar as a fuel mix and also in its sustainable and regenerative farming initiatives. BioChar use and application is an accepted method of CO₂ capture, which is considered carbon-negative.

The Group also practices rainwater collection and reuse of water where possible. In moving forward, the Group recognises that the corporate and financial world is moving towards an ultra-ESG compliant regime in line with the pillars of sustainability as contained in (among others) the United Nations Global Compact ("UNGC"), and all responsible corporate citizens will have to address the various action plans to be taken in years ahead.

In matters pertaining to the Environment in particular, the Group is adopting the following addressing the risks with appropriate action:-

- a. UNGC Principle No.7 – Businesses should support a precautionary approach to environmental challenges
- b. UNGC Principle No. 8 – undertake initiatives to promote greater environmental responsibility
- c. UNGC Principle No. 9 - Encourage the development and diffusion of environmentally friendly technologies

Risks:

- Regulatory and policy risks such as carbon price and carbon tax
- Increased Operational or investment costs to comply with new regulations

Actions:

- Optimise resource use efficiency
- Continuous initiatives and R&D to reduce impact on environment
- Exploring green business opportunities

Statement on Sustainability (cont'd)

Waste Composting and tree planting



Composting and Tree Planting around the company premises



Planting Creepers for Slope Protection and Planting Fruit Trees

Statement on Sustainability (cont'd)



Rain water collection , rain water catchment and harvesting

Statement on Sustainability (cont'd)

HEALTH AND SAFETY

BOB places the highest priority on the protection of the health safety and welfare of our employees, customers, suppliers, contractors and communities. The Group ensures this through the following:-

1. Strict adherence to all safety and health legal and statutory requirements.
2. Ensuring the establishment of health and safety procedures across all its operations and ensuring properly trained safety personnel are engaged where required to ensure training and compliance to all set rules and regulations.
3. Provision of adequate safety measures coupled with proper safety equipment and safety apparel are provided.
4. Setting safety and emergency mitigation measures and ensuring appropriate emergency action plans are in place.
5. Maintaining a clean and safe environment and keeping updated with all latest health issues and working hand in hand with local authorities to tackle all outbreaks and health related matters.



Safety Training & Briefing



Training on Safety Procedures



Safety & Health Orientation for Staff



Quarterly Training Enhancement for Staff

Statement on Sustainability (cont'd)



Conducting Vaccination Programme for Employees



*In house medical consultation for employees
(Appointed VMO by the Company)*

WORKPLACE

BOB Group strives to provide a healthy working environment with fair treatment for all and opportunities for personal growth and improvement while providing long-term employment and adopting a “Charity begins at home” principle whereby where special or emergency needs arrive, such as illness, family demise or education needs arrive, the Group also extends CSR to employees. The Group also provides opportunities for talent development through continuous training and education and encourages self-development through continuous learning to keep its team updated on the latest trends and changes to laws, rules, financial issues and other industry-related trends and technologies. The Group also organises annual functions and team building “activities” to ensure the continuous close spirit of friendship and camaraderie is propagated and maintained.



“Hari Raya Visit” to employees’ homes to build closer rapport and cultural understanding

Statement on Sustainability (cont'd)



"Berbuka Puasa Dengan Pekerja" and New Year Party



Team Building Programme-BBQ Dinner Party and Cross-Cultural event celebrations with all Employees

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” or “MCCG 2021”) in its effort to observe high standards of transparency, accountability and integrity.

During the financial year ended 30 June 2023 (“FYE 2023”), 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.



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.

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 or 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 Corporate Governance Report which is available on the Company’s website at www.borneo-oil.com.my.

Corporate Governance Overview Statement (cont'd)

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.

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.

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.

Separation of positions of Chairman and the Managing 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.

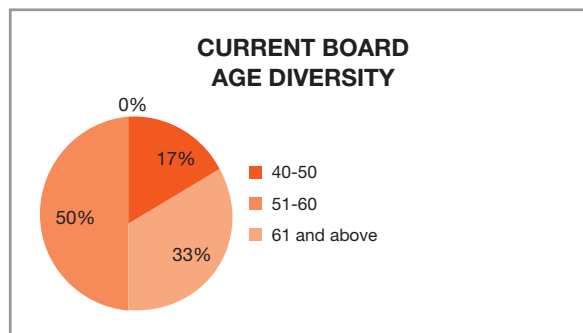
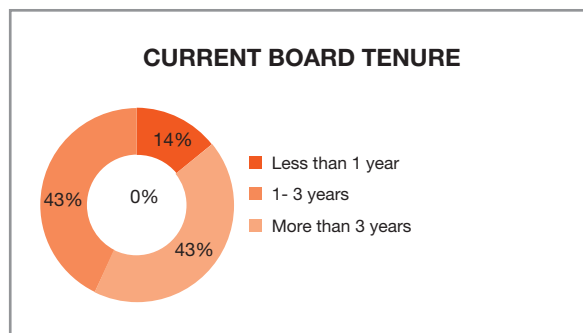
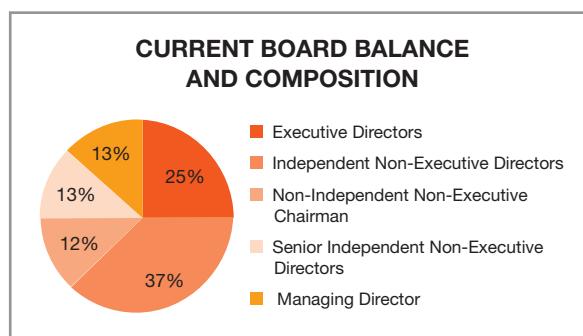
Corporate Governance Overview Statement (cont'd)

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

BOARD RESPONSIBILITIES (CONT'D)

Separation of positions of Chairman and the Managing Director (cont'd)

Non-Independent Non-Executive Chairman
Mr. Tan Kok Chor <i>(Appointed on 21 August 2001 and Redesignated on 8 June 2023)</i>
Managing Director
Datuk Joseph Lee Yok Min @ Ambrose <i>(Appointed on 27 March 2019 and Redesignated on 1 April 2022)</i>
Executive Directors
Ms. Georgia Suzanne Lingam @ Georgianne <i>(Appointed on 1 April 2022)</i>
Sri Ganesh A/L K Balasubramaniam <i>(Appointed on 1 April 2022)</i>
Senior Independent Non-Executive Director
Mr. Seroop Singh Ramday <i>(Appointed on 1 August 2014)</i>
Independent Non-Executive Directors
Ms. Susie Chung Kim Lan <i>(Appointed on 1 April 2022)</i>
Ms. Siti Ainee Hanum Binti Suhaidi <i>(Appointed on 27 July 2023)</i>
Mr. Michael Moo Kai Wah <i>(Resigned on 8 June 2023)</i>



Corporate Governance Overview Statement (cont'd)

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

BOARD MEETINGS

The Board meets at least five (5) times in a year and as and when it is necessary. Due notice of matters to be discussed are provided to the Board within a reasonable period. The proceedings, deliberations and conclusions made by the Board are properly recorded in the minutes of meetings kept by the Company Secretary 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.

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. Board Committee meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meeting.

Meetings are usually held on a hybrid mode. At times, Board Resolutions were circulated via email and other electronically means. 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 that requires the Board's review or consideration.

There were twelve (12) Board of Directors' Meetings held during the financial year ended 30 June 2023. Details of the attendance of the Directors at the Board of Directors' Meetings are as follows:-

MEMBERS OF THE BOARD	DESIGNATION	ATTENDANCE
Mr. Tan Kok Chor <i>(Redesignated on 8 June 2023)</i>	Non-Independent Non-Executive Chairman	12/12
Datuk Joseph Lee Yok Min @ Ambrose	Managing Director	12/12
Sri Ganesh A/L K Balasubramaniam	Executive Director	12/12
Ms. Georgia Suzanne Lingam @ Georgianne	Executive Director	12/12
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	12/12
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	12/12
Ms. Siti Ainee Hanum Binti Suhaidi <i>(Appointed on 27 July 2023)</i>	Independent Non-Executive Director	2/12
Mr. Michael Moo Kai Wah <i>(Resigned on 8 June 2023)</i>	Independent Non-Executive Director	11/12

Corporate Governance Overview Statement (cont'd)

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

COMPANY SECRETARIES

Qualified and Competent Company Secretaries

The Company complies with Practice 1.5 of the MCCG 2021 where the Board is supported by 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 the provisions of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016 and other relevant laws, rules, procedures and regulations affecting the Board and the Group.

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.

BOARD CHARTER

The Board Charter, which clearly sets out the roles and responsibilities of the Board, the Board Committees, Chairman, Managing Director ("MD") and Executive Director ("ED"), is available on the corporate website of Borneo Oil Berhad at <https://www.borneo-oil.com.my/> for easy access by the stakeholders and the public alike. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles and responsibilities.

Corporate Governance Overview Statement (cont'd)

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

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT

Continuing Education Program

All the Directors who were appointed have attended the Mandatory Accreditation Programme as required under the MMLR of Bursa Securities and they have also attended external training courses and programmes during the financial year 2023.

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:

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Mr. Tan Kok Chor	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
	2. Global Financial Markets and Instruments	19.09.2023
	3. Investment Management in an Evolving and Volatile World	21.09.2023
Datuk Joseph Lee Yok Min @ Ambrose	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
Sri Ganesh A/L K Balasubramaniam	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
	2. Corporate Valuation Modelling	07.08.2023
	3. Investment Management in an Evolving and Volatile World	21.09.2023
Ms. Georgia Suzanne Lingam @ Georgianne	1. ESG-Role of the Accountant and Financial Reporting	07.03.2023
	2. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
	3. Corporate Valuation Modelling	07.08.2023
	4. Integrating Environmental, Social and Governance (ESG) into Organisational Financial Reporting Framework	15.08.2023
	5. Global Financial Markets and Instruments	19.09.2023

Corporate Governance Overview Statement (cont'd)

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

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continuing Education Program (cont'd)

During the financial year under review, the Directors have attended the following training, webinars, and online conferences: (cont'd)

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Mr. Seroop Singh Ramday	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
	2. Integrating Environmental, Social and Governance (ESG) into Organisational Financial Reporting Framework	15.08.2023
	3. Global Financial Markets and Instruments	19.09.2023
Ms. Susie Chung Kim Lan	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023
	2. Global Financial Markets and Instruments	19.09.2023
	3. Investment Management in an Evolving and Volatile World	21.09.2023
Ms. Siti Ainee Hanum Binti Suhaidi (Appointed on 27 July 2023)	1. Mandatory Accreditation Programme (MAP) – ICDM Virtual Classroom	09.10.2023 and 10.10.2023
Mr. Michael Moo Kai Wah (Resigned on 8 June 2023)	1. Sustainability, Risk Management and Corporate Liability under Corruption and Bribery	14.03.2023

CODE OF CONDUCT AND WHISTLEBLOWING POLICY

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.

Corporate Governance Overview Statement (cont'd)

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

GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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.

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.

INSIDER TRADING

In line with the MMLR of Bursa Securities 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.

DIRECTORS' FIT AND PROPER POLICY

In line with Paragraph 15.01A of the MMLR of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the Nomination Committee ("NC") and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the Annual General Meeting ("AGM"). The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.borneo-oil.com.my.

SUSTAINABILITY

The Board is principally responsible for the governance of sustainability in the Company and has approved and endorsed policies pertaining to the Company's Sustainable policies, strategies, priorities and targets amongst the responsibility of the Board on sustainability are:-

- a) Review and approve Management's proposal on the strategic plan for the Group to bring objectivity and good judgement to the strategic planning process
- b) Ensure that the strategic plan for the Group supports long-term value creation and includes strategies on Environmental, Social and Governance ("ESG") and Economic, Environmental and Social ("EES") considerations underpinning sustainability

Corporate Governance Overview Statement (cont'd)

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

BOARD COMPOSITION

Board Composition and Balance

The Board currently comprises of seven (7) members and out of which consist of one (1) Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Managing Director. This composition fulfils the requirements as set out under MMLR of Bursa Securities, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion in the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, competency, professionalism, independence, foresight and good judgement to ensure that the Board and management team function effectively and is able to discharge its duties in the best interests of the Group and shareholders. The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. Their combined expertise and business experience provides insights and diversity of perspective to lead and guide the Group in an increasing complex and competitive environment. The profile of each Director is set out on page 9 to 15 in this Annual Report.

The presence of the Independent Non-Executive Directors promote objectivity and they have the competence necessary to advise the Board on its decisions. They provide an effective check and balance to the Board's decision making process. The Board's composition brings together an extensive group of experienced Directors from various backgrounds and they bring with them a wide range of skills and experience in areas relevant to managing and directing the Group's operations.

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.

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)

New candidates for Board Appointment

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

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 was one (1) new appointment of Director as recommended by NC, which is:-

Name of Director	Date of Appointment	Designation
Ms. Siti Ainee Hanum Binti Suhaidi	27 July 2023	Independent Non-Executive Director

Boardroom Diversity and Senior Management Team

The Company has adopted a policy on diversity of gender, ethnicity and age in Financial Year 2023. 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 2023, women directors form approximately 43% of the Board members. The age of the Directors ranges from 34 to 73 years old and above as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

Corporate Governance Overview Statement (cont'd)

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

BOARD COMPOSITION (CONT'D)

Boardroom Diversity and Senior Management Team (cont'd)

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.

Age Group	Percentage (%)
Less than 50 years old	28.57%
51 to 60 years old	28.57%
61 and above	42.86%

The current diversity in the race/ethnicity of the existing Directors are as follows:-

Ethnicity	Ratio	Percentage (%)
Bumiputera	1/7	14.29%
Chinese	3/7	42.85%
Indian	2/7	28.57%
Others	1/7	14.29%

NOMINATION COMMITTEE REPORT

The Nomination Committee ("NC") 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.

Name of Member	Designation	Role in NC
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Chairman
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

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 dependent Directors and made its recommendation to the Board.

Corporate Governance Overview Statement (cont'd)

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

NOMINATION COMMITTEE REPORT (CONT'D)

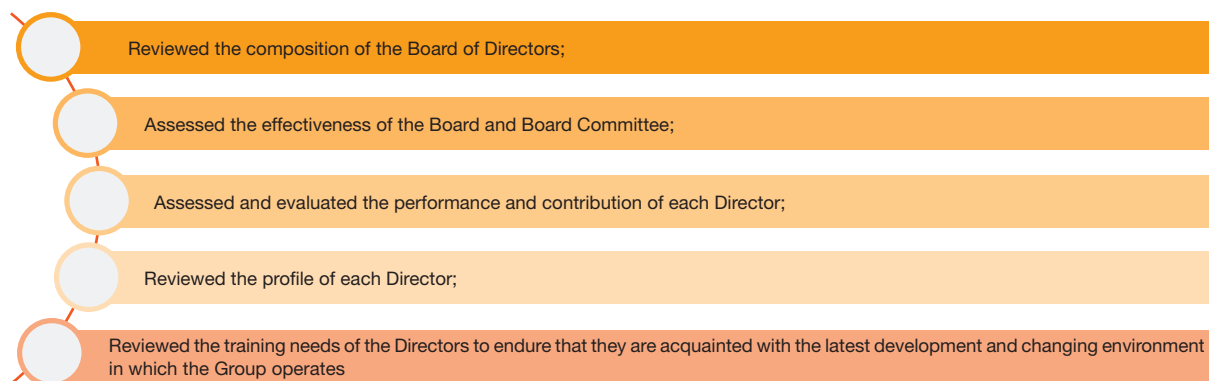
Board Appointment and Re-Appointment Process

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 nomination for appointment to the Board. In the case of a nomination 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.

In accordance with the MMLR of Bursa Securities and the Company's Constitution, one-third (1/3) 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 (3) 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.

Activities of the NC

During the financial year ended 30 June 2023, the NC had one (1) meeting and the following activities were carried out by the Committee:-



Corporate Governance Overview Statement (cont'd)

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

BOARD & DIRECTORS EFFECTIVENESS EVALUATION

Evaluation for Board, Board Committees and Individual Directors

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 Group's nomination process of Directors are as follows:-



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.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee ("RC") 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 RC 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.

Corporate Governance Overview Statement (cont'd)

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

REMUNERATION COMMITTEE REPORT (CONT'D)

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

Name of Member	Designation	Role in RC
Mr. Seroop Singh Ramday	Independent Non-Executive Director	Chairman
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member

Remuneration Procedures

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 held by the company.

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.

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the financial year ended 30 June 2023 are as follows:

Category	ED's RM	Non-ED's RM	Total RM
Fees	984,000	471,960	1,455,960
Salaries and other emoluments	284,160	–	284,160
Defined contribution plans - EPF, SOCSO and EIS contributions	27,334	–	27,334
Total	1,295,494	471,960	1,767,454

Corporate Governance Overview Statement (cont'd)

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

REMUNERATION COMMITTEE REPORT (CONT'D)

Remuneration Procedures (cont'd)

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the financial year ended 30 June 2023 are as follows:-

Name	By Group					By Company
	Fees RM	Salaries and other allowances RM	Defined contribution plans RM	Benefit-in-kind RM	Total RM	Fees RM
Datuk Joseph Lee Yok Min @ Ambrose	900,000	–	–	–	900,000	900,000
Georgia Suzanne Lingam @ Georgianne	60,000	140,160	10,911	–	211,071	60,000
Sri Ganesh A/L K Balasubramaniam	24,000	144,000	16,423	–	184,423	24,000
Seroop Singh Ramday	120,000	–	–	–	120,000	120,000
Tan Kok Chor	192,000	–	–	–	192,000	192,000
Susie Chung Kim Lan	60,000	–	–	–	60,000	60,000
Michael Moo Kai Wah (Resigned on 8 June 2023)	99,960	–	–	–	99,960	99,960
Total	1,455,960	284,160	27,334	–	1,767,454	1,455,960

Remuneration of Senior Management

The remuneration paid to the top five (5) Senior Management including salaries, other allowances and defined contribution plans 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	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	2
RM200,001 and above	2

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of the Company comprises three (3) 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 AC comprises of the following Directors:-

Name of Member	Designation	Role in AC
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Chairperson
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

The AC met 5 times during the financial year ended 30 June 2023. The activities of the AC during the year are described in the Audit Committee Report in this Annual Report on pages 51 to 55.

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.

The Company does not have any precedent or intention to appoint a former auditor as a member of the Audit Committee. Therefore, no such policy was implemented for the time being.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 51 to 55 of this Annual Report.

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 61 to 63 of this 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 B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

COMMUNICATION WITH STAKEHOLDERS

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; and
- (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.

The Minutes of the AGM 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.

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

CONDUCT OF GENERAL MEETINGS

The Company's 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 2023, 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)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Company's key focus during the year was to comprehend the Principles and Practices introduced in the MCCG 2021, for the subsequent application and disclosure in the annual report for the financial year ended 30 June 2023. Consequently, the Group's existing Board Charter, Terms of Reference of the Board Committees and Code of Conduct have been reviewed and revised to be in line with the MCCG 2021.

In 2023, the Group has applied most of the Practices under the MCCG 2021, with the exceptions of 4 Practices. Nevertheless, the Board endeavors to achieve full application and adoption in the future.

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 of Bursa Securities 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 23 October 2023.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

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 AGM 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 2023, 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 30.6.2023.

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.

Additional Compliance Information (cont'd)

AUDIT FEES AND NON-AUDIT FEES

The fees incurred for the services rendered to the Company and its subsidiaries by the Company's External Auditors, STYL Associates PLT for the financial year ended 30 June 2023 were as follows:

Type of fees	Company RM	Group RM
Audit fees	90,000	327,500
Non-audit fees	25,000	25,000

Non-audit fee payable to the External Auditor for the financial year ended 30 June 2023 by the Group comprises of fees for the review of fourth quarter interim financial information, Statement on Risk Management & Internal Control and Annual Report.

PROFIT GUARANTEES

There were no profit guarantees given by the Group during the financial year ended 30 June 2023.

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 financial year ended 30 June 2023.

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 2023.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests for the financial year ended 30 June 2023 under review.

Additional Compliance Information (cont'd)

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 12 December 2022 has been carried out in the financial year ended 30 June 2023.

- a. 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 2023, 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	5,000	-
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	23,975	-

- b. 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. On 26 January 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. 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 2023 is approximately RM36.33 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	12,919	10,781	2,138
2. gold exploration works at Hutan Simpan Bukit Ibam, Pahang	Within 36 months	10,000	10,000	-
3. Working capital expenses	Within 36 months	12,410	12,410	-
4. Estimated expenses in relation to the proposed subscription	Upon completion	1,000	1,000	-
Total:		36,329	34,191	2,138

Additional Compliance Information (cont'd)

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

- c. The Company had on 26 May 2022, announced the Proposed Private Placement of up to 10% of the total number of issued shares of Borneoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 1 July 2022, approved the listing and quotation of up to 1,052,794,847 placement shares to be issued pursuant to the Proposed Private Placement. On 13 December 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Placement, raising gross proceeds of RM22.40 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. Payment of trade and other payables	Within 36 months	8,961	8,961	–
2. Payment related to FFO segment relating to raw ingredient suppliers such as poultry and wheat flour	Within 36 months	4,480	4,480	–
3. Payment related to PIM segment for the construction works at the ILPP	Within 36 months	3,360	3,360	–
4. Purchase of diesel and spare parts for equipment used in the RSE segment	Within 36 months	1,120	1,120	–
5. Other expenses	Within 36 months	4,481	4,481	–
Total:		22,402	22,402	–

Additional Compliance Information (cont'd)

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

- d. The Company had on 24 February 2023, announced the Proposed Private Placement of up to 20% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 14 April 2023, approved the listing and quotation of up to 1,940,337,390 placement shares to be issued pursuant to the Proposed Private Placement.

On 5 May 2023, the ordinary resolution on the Proposed Private Placement as prescribed in the Notice of the Extraordinary General Meeting (“EGM”) of the Company dated 20 April 2023 was duly passed and approved by the shareholders of the Company by way of poll voting at the EGM of the Company.

On 27 June 2023, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. A total of 1,939,448,276 Bornoil Shares had been issued pursuant to the proposed subscription at an issue price ranging from RM0.0127 to RM0.0159 per Bornoil Share. As at to-date, a total of eight (8) tranches have been completed, and the Company has raised total proceeds of RM27.31 million from the Proposed Private Placement.

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. Working capital expenses	Within 12 months	27,160	23,874	3,286
2. Estimated expenses in relation to the Proposed subscription	Within 12 months	150	150	–
Total:		27,310	24,024	3,286

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 MMLR of Bursa Malaysia Securities Berhad.

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2023, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

AUDIT COMMITTEE REPORT



Ms. Susie Chung Kim Lan
(Independent and Non-Executive
Director)



Mr. Seroop Singh Ramday
(Senior Independent and
Non-Executive Director)



Ms. Siti Ainee Hanum Binti Suhaidi
(Independent and Non-Executive
Director)

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. Seroop Singh Ramday	(Senior Independent and Non-Executive Director)	Appointed on 24 April 2015 (initially as an Independent Non-Executive Director. Thereafter on 27 April 2018 redesignated as Senior Independent Non-Executive Director)
	Ms. Siti Ainee Hanum Binti Suhaidi	(Independent Non-Executive Director)	Appointed on 27 July 2023
	Mr. Michael Moo Kai Wah	(Independent Non-Executive Director)	Resigned on 8 June 2023
	Mr. Tan Kok Chor	(Independent Non-Executive Director)	Resigned on 27 July 2023

Audit Committee Report (cont'd)

COMPOSITION (CONT'D)

The present AC comprised exclusively of three (3) Non-Executive Directors, all being Independent Directors who are in compliance with Paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance.

The Audit Committee (“AC”) is chaired by Ms. Susie Chung Kim Lan, who is a Chartered Accountant. She holds membership in CPA Australia and is also a member of the Malaysian Institute of Accountants (“MIA”). The Company is also in compliance with the requirement of Paragraph 15.09(1)(a)(i) under the MMLR, which requires at least one (1) member of the Committee to be a qualified accountant.

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2023, five (5) AC meetings were held and the details of attendance of each member are as follows:-

Audit Committee	Director's Name	Status of Directorship	Meetings Attended
Chairperson	Ms. Susie Chung Kim Lan	Independent and Non-Executive Director (Appointed on 1 April 2022)	5/5
Member	Mr. Seroop Singh Ramday	Senior Independent and Non-Executive Director (Appointed on 24 April 2015) (initially as an Independent Non-Executive Director. Thereafter on 27 April 2018 redesignated as Senior Independent Non-Executive Director)	5/5
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director (Appointed on 27 July 2023)	2/5
Member	Mr. Tan Kok Chor	Independent and Non-Executive Director (Resigned on 27 July 2023)	5/5
Member	Mr. Michael Moo Kai Wah	Independent and Non-Executive Director (Resigned on 8 June 2023)	5/5

Audit Committee Report (cont'd)

FUNCTIONS OF AUDIT COMMITTEE

In fulfilling its primary objectives, the AC 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;

Risk Management and Internal Audit

1. 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 minimise losses and maximise opportunities;
2. To consider and approve the Annual Internal Audit Plan and programme and be satisfied as to the adequacy of coverage and audit methodologies employed;
3. 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;
4. 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;
5. 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 AC itself;
6. 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;
7. 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 Internal control processes as promulgated by the Statement of Risk management and Internal Control ("SORMIC");
8. To review any appraisal or assessment of the performance and to approve any appointment, resignation or termination of the outsourced internal auditor service provider;

Audit Committee Report (cont'd)

FUNCTIONS OF AUDIT COMMITTEE (CONT'D)

Statutory and Non-Statutory Audit

1. 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;
2. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;
3. To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;
4. To discuss on findings, problems and reservations arising from the interim and final statutory audits, External Auditors' 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;

Other Matters

1. To review the SORMIC and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the 2023 Annual Report; and
2. 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 2023, the AC, 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 2023 prior to submission to the Board of Directors for consideration and approval;
- Reviewed the SORMIC in respect of the financial year ended 30 June 2023 and the external auditors' report on the SORMIC prior to submission to the Board of Directors for consideration and approval;
- Reviewed the Audit Committee's Report in respect of the financial year ended 30 June 2023 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 AC.

Audit Committee Report (cont'd)

ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

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.

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 SB Supplies and Logistics Sdn. Bhd. ("SBSL"). Procurement and Inventory Management.

The professional fees incurred for the internal audit function in respect of the financial year ended 30 June 2023 for the Group amounted to RM18,500/-.

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 the financial year ended 30 June 2023 are as follows:-

Nominating Committee	Director’s Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	1/1
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	1/1

The NC has written terms of reference dealing with its authority and duties which include the selection and assessment of directors.

We are pleased to present the NC annual report on behalf of the board for the financial year ended 30 June 2023, which explains the committee’s activities for the year. This year the committee continued to focus on succession planning and ensuring the board has the correct balance of skills, knowledge, experience, and independence.

On 1 April 2022, we welcome one (1) new independent and non-executive director and two (2) new executive directors to the board to compliment and further enhance the depth and strength of the board, giving due consideration to diversity and inclusion. The new Independent and Non-Executive Director (Ms. Susie Chung) brings with her a vast amount of corporate and audit experience. On the other hand, focusing on succession planning, both the Executive directors have been promoted from the current senior management. They bring significant operational experience and knowledge to the board. In this connection, we have also brought on Board on 27 July 2023, Ms. Siti Ainee, a dynamic UK finance graduate, a successful entrepreneur with significant experience in International media and communications.

We are confident that the increasing diversity in the members with the mixed balance of skills and experience will continue to maintain productivity at the highest level in a rapidly evolving corporate environment and further enhance the overall performance of the board.

FUNCTIONS

The key functions of the NC include the following:-

- (a) Review annually the required mix of skills, experience and other qualities, including core competencies which Directors should bring to the Board whilst reviewing the structure, size and composition of the Board (including skills, knowledge and experience) and make recommendations for further recruitment to the Board or propose changes to the existing Board;
- (b) Review the leadership needs of the Company, both executive and non-executive, ensuring appropriate succession planning for Directors and other senior executives within the business;
- (c) Lead the process for Board appointments, ensuring they are conducted on merit and against objective criteria and taking into consideration that diversity is an important factor forming part of the selection criteria used to assess candidates to achieve a balance on the Board;

Nomination Committee Report (cont'd)

FUNCTIONS (CONT'D)

The key functions of the NC include the following:- (cont'd)

- (d) Make recommendations to the Board, including on appointment of Executive Directors and Non-Executive Directors to the Board, the re-appointment of Directors, the re-election of Directors at the Annual General Meeting and the membership of the Audit, Nomination, Remuneration Committees;
- (e) Ensure that an induction program is undertaken by any newly appointed member of the Board;
- (f) Ensure that an annual evaluation of the Board and its Committees is conducted and if deemed necessary, an external evaluation is conducted at least every three years;
- (g) Review annually the time required from the Non-Executive Directors, as well as consider the external commitments of all members of the Board;
- (h) Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness;
- (i) Undergo a transparent procedure for the proposing of 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;
- (j) Recommend suitable orientation, educational and training programs to continuously train and equip the existing and new Directors;
- (k) 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 objectively as expected from Independent Non-Executive Directors; and
- (l) 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 2023, the NC, in discharging its functions and duties, carried out the following activities:-

- a. Reviewed the composition of the Board and Board Committees;
- 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.

Nomination Committee Report (cont'd)

ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

The NC upon its annual assessment carried out for the financial year ended 30 June 2023, 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 qualified to hold their positions as Directors of the Company in view of their respective work experience, academic, and professional qualifications, and diverse 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 NC 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 ("MMLR") of Bursa Malaysia Securities Berhad, 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.

For Independent Non-Executive Directors who have served the Board for a cumulative term of more than nine (9) years, their justifications are as follows:-

- a. They fulfill the criteria under the definition on Independent Director as stated in the 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 2023 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 the financial year ended 30 June 2023 are as follows:-

Remuneration Committee	Director’s Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	1/1
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	1/1

The present 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 (“ED”);
- 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 ED, and are reflective of their experience and level of responsibilities;
- The remuneration of the 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 Directors’ fees and meeting allowances for Board or Board Committee Meetings they attended.

If required, the RC 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 independent remuneration consultants would be disclosed.

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 2023 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.

Remuneration Committee Report (cont'd)

SUMMARY OF THE WORK OF THE RC

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

- Review senior management performance and remuneration, taking into consideration current industry practices and economic circumstances;
- Reviewed the performance of the Executive Director and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments;
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for the Board's approval;
- Progress diversity, equity and inclusion agenda;
- Review governance and regulatory matters.

The level and mix of each individual Director's remuneration for the financial year ended 30 June 2023 is disclosed in page 41 to 42 of this Annual Report on Corporate Governance Overview Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control by the Board of Directors (“Board”) on the Group is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 (“MCCG”). This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2023. It covers all of the Group’s operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, a publication issued by Bursa Securities.

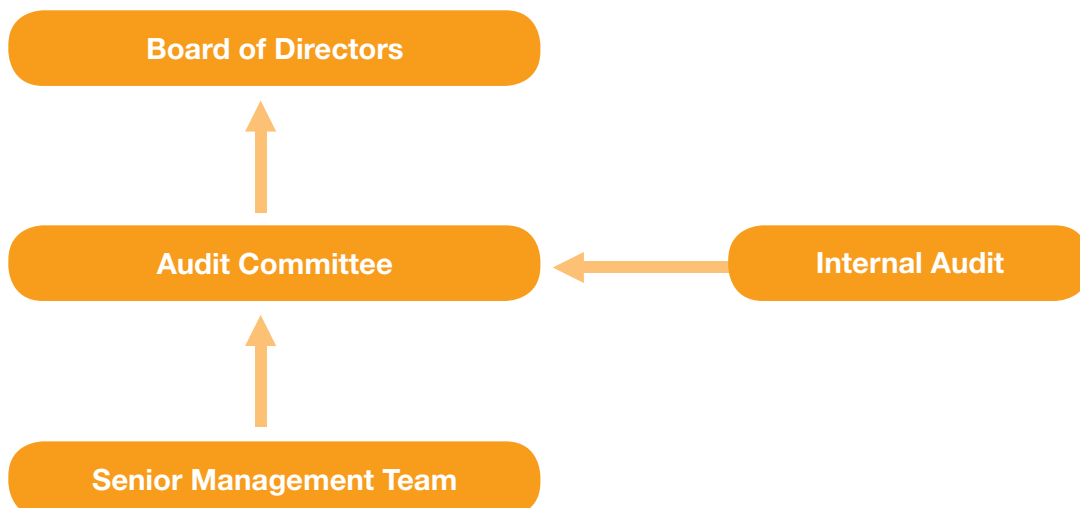
RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility for the Group in maintaining a sound system of risk management and internal control. This includes reviewing the adequacy and integrity of the system’s financial, operational, regulatory compliance and risk management procedures. In view of the inherent limitations in any system, the Board ensures that the risk management and internal control framework is designed to manage the Group’s key risk areas within an acceptable risk profile, rather than to eliminate the risk of non-adherence to achieve the Group’s business and corporate objectives. The Board continually reviews the framework to ensure that the risk management and internal control framework provides a reasonable but not absolute assurance against the occurrence of any material misstatement of management and financial information and records, financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the relevant and material risks encountered by the Group. The Board, through its Audit Committee (“AC”), regularly reviews the results of this process, including risk-mitigating measures taken by Management to address key risks identified. The Board confirms that this process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Group.

The AC assist the Board to oversee the management of all identified material risks including review of the adequacy and effectiveness of the Group’s risk management and internal control system to ensure that appropriate measures are carried out by Management to obtain the level of assurance required by the Board. Excluded from this Statement are those associated companies in which the Group does not have control.

RISK REPORTING STRUCTURE



Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT AND INTERNAL CONTROL

Functionally, the Group's risk management processes involve identifying, evaluating and managing significant risks in the organisation. It is the responsibility of all Executive Directors and the Management team to identify and manage in order to mitigate the business risks.

The internal control system is established to ensure there is a check and balance to facilitate the Audit Committee to discharge their duties and responsibilities. A sound internal control system is in place to safeguard the interests of minority shareholders and stakeholders. The present key elements of the Group's systems of internal control are:-

- The Group Management review of the financial results and forecasts for business units and formulation of action plans for operational and financial performance improvement;
- Board's reviews and discussions with the Management on significant financial and operating performances of the Group;
- AC reviews and consults with the Management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of the system of internal control from the Internal Auditors; and
- Management assurance that the Group's risk management and internal control systems have been in place and operating adequately at all times.

INTERNAL AUDIT

The Group has engaged an independent professional services firm, Valens Consult Services Sdn. Bhd., to carry out the internal audit function. The objective of the internal audit function is to review the adequacy and integrity of the internal control systems of key business units.

The AC reviews and approves the annual internal audit plan before the Internal Auditors carry out their functions. All audit findings are reported to the AC and areas of improvement and audit recommendations identified are communicated to the Management for further action.

During the financial year, the Internal Auditors conducted internal control reviews on certain key operating functions and procedures and recommended action plans for Management improvement. The audit reports containing audit findings and recommendations together with Management's responses thereto were circulated to all members of the AC. Areas of improvement identified were communicated to the Management for further action. All audit reports were reviewed by the AC and discussed at AC Meetings. Follow-up reviews are performed to ascertain the extent of Management's implementation of the recommended corrective action for improvements.

The cost incurred for the internal audit function in respect of the financial year ended 30 June 2023 was RM18,500/-.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia Securities and pursuant to the scope set out in the Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 30 June 2023.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control systems.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls of the Group.

CONCLUSION

The Board is of the view that the risk management and internal control systems that are in place for the year under review and up to the date of approval of this statement, are adequate and effective to safeguard shareholders’ investment and the Group’s assets.

There have been no significant breakdowns or weaknesses in the system of internal control of the Group for the financial year under review. The Group continues to take the necessary measures to ensure that the system of internal control is in place and functioning effectively.

This Statement on Risk Management and Internal Control was approved by the Board on 23 October 2023.

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT

BOB businesses operate in various diverse communities, and the Group strives to ensure that its presence in any environment will have a **positive impact** on surrounding communities so as to give the Company a continuing **social license** to operate. These aspirations may sometimes require a larger worldview beyond just achieving better profits but quantifying corporate success as the long-term good created through our corporate presence in any environment. These contributions encompass various infrastructure projects to upgrade rural community roads and bridges, which have greatly impacted the surrounding communities, in addition to the creation of work opportunities in less developed areas such as on the East Coast of Sabah.

The Group has upgraded and maintained more than 40 km of rural roads and constructed various bridges over Taliwas River and Upak River that were inaccessible during the rainy season due to constant flooding. The new bridge and concrete crossing have enabled the local communities and other plantations to benefit by enabling the road to be used all year round and, at the same time, reducing the distance to Lahad Datu town.



Newly Constructed Bridge over Taliwas River, Lahad Datu



Condition of the Road at Kampung Upak, Lahad Datu, Sabah and cement crossing



Condition of Upak River before the construction of new concrete road crossing

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



Construction Work at Sg. Upak River crossing



Heavy truck crossing through the Newly Constructed Taliwas Bridge



Road Upgrade and maintenance at Jalan Silam - Ulu Segama in progress



Road maintenance and upgrade of road Jalan Taliwas

Other than contribution in terms of infrastructure upgrades, the Group also participated and contributed in year-round programmes organised by the Group or in partnership with others, whereby BOB has contributed in terms of organisational expertise, funds, and employee participation. These programmes included support for charitable community projects, schools and government activities as part of the Group's unwavering commitment to support communities and contribute to the less fortunate in our society.

The BOB Group, together with others, provided financial assistance for underprivileged children in the form of sponsorships towards education and living expenses, purchase of bedsheets, towels, food items and other needs. The Group also participated in various blood donation campaigns, school and government led initiatives as part of its CSR contribution.

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

Pictures of CSR activities for the Period between 1 July 2022 to 30 June 2023 to various homes for underprivileged children, food programmes and education for the stateless and hardcore poor and details of BOB's contributions are listed as follows:-

18 FEBRUARY 2023
Pasti Darul Ilmi 2, Award Ceremony Event



1 APRIL 2023
Blood Donation Campaign, Kuching Chiang Chuan Association



19 MAY 2023
Sekolah Menengah Kebangsaan Mutiara, Labuan



18 JUNE 2023
Malaysian Red Crescent Society - Run to Save Life 3.0



24 JUNE 2023 | Little Caliphs Samariang Aman Hajj Simulation Program



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

6 JULY 2023 | Launching of SugarBun MENU RAHMAH



10 SEPTEMBER 2023 | Swim Art Club Kuching



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

24 JUNE 2023 | ST. MARIANNE HOSTEL, TAMPARULI

A newly constructed home for girls from rural area located in Kg. Bantangan, Tamparuli. The home is built to provide shelter for more than 70 people comprising mainly girls. The home was recently opened in January 2023 after completion of the building and currently has 13 girls. Most of the girls originate from other districts, such as Ranau and Kota Belud, and are managed by the Franciscan Sisters.



25 JUNE 2023 | ST. THERESA HOSTEL, KOTA MARUDU

A hostel for poor and needy children situated in Kota Marudu, Sabah. The home houses up to 60 children consisting of boys and girls, from primary school up to Secondary School. The Children come from the surrounding districts, whereby it is too far for the children to travel to school. The hostel also houses children from impoverished homes, single-parent homes, orphans and some who have been rescued from troubled homes.



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

1 JULY 2023 | ST. MARIA GORETTI BINAONG, KENINGAU

This home consists of up to 70 girls which have been placed there from surrounding areas. The home is run by the Franciscan Sisters and is also a refuge centre for the abused. There is also outreach into the surrounding areas to help poor families.



2 JULY 2023 | RUMAH KANAK-KANAK BONDULU GEREJA KATOLIK TOBOH, TAMBUNAN

This is a hostel for poor and needy children ranging from 6 years old to 18 years old, consisting of both girls and boys, managed by the Franciscan sisters.



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

8 JULY 2023 | DON BOSCO CHILDREN'S HOME, BUNDU TUHAN, RANAU, SABAH

Don Bosco, Bundu Tuhan



9 JULY 2023 | SAN DAMIANO HOSTEL, KIULU



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad to issue a Statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are required by the Companies Act 2016 ("CA 2016") to prepare financial statements which will give a true and fair view of the financial position of the Company and the Group as at the end of the financial year and of the financial performance and cash flows of the of the Company and the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have:-

- a) adopted appropriate accounting policies and applied them consistently;
- b) made reasonable and prudent judgements and estimates;
- c) ensured all applicable accounting standards have been complied with;
- d) prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group have adequate resources to continue in operational existence for the foreseeable future; and
- e) taken reasonable steps to preserve the interests of stakeholders, to safeguard the assets of the Company and the Group and to detect and prevent fraud and other irregularities.

The Directors are also responsible for ensuring that the Group keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group and to ensure that the financial statement comply with regulatory requirements. The Directors have also ensured timely release of quarterly and annual financial results of the Group to Bursa Malaysia Securities Berhad that enable the public and investors to be well informed of the Group's constant development.

The Directors are satisfied that, in preparing the financial statements of the Company and the Group for the year ended 30 June 2023, the Company and the Group have applied the appropriate and relevant accounting policies consistently; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

This Statement on Directors' responsibility is made in accordance with the resolution of the Board of Directors dated 23 October 2023.

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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 2023.

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 disclosed in Note 8 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 (loss)/profit for the financial year	(13,214,526)	48,278,834
Other comprehensive deficit, net of tax	(36,708,481)	–
Total comprehensive (deficit)/income for the financial year	(49,923,007)	48,278,834
Attributable to:-		
Owners of the parent	(49,923,007)	48,278,834

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 2023.

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 no 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 RM62,596,098/- from RM640,237,718/- to RM702,833,816/- by way of issuance of:-

- (i) 2,991,948,276 new ordinary shares via private placement at an average issue price of RM0.0177;
- (ii) 401,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0198; and
- (iii) 25,069,875 new ordinary shares from the exercise of warrants at the exercise price of RM0.0700.

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

Further details are disclosed in Note 21 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.

As of 30 June 2023, the Company held no issued and paid-up ordinary shares as treasury shares. Further details are disclosed in Note 22(e) 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 23(a) to the financial statements.

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

	/----- Number of Warrants C -----/			
	At 01.07.2022	Issued	Exercised	At 30.06.2023
Warrants C	1,734,679,850	-	(11,857,250)	1,722,822,600

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 23(b) to the financial statements.

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

	/----- Number of Warrants D -----/			
	At 01.07.2022	Issued	Exercised	At 30.06.2023
Warrants D	378,683,984	-	(13,212,625)	365,471,359

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	
SEROOP SINGH RAMDAY	
DATUK JOSEPH LEE YOK MIN @ AMBROSE *	
GEORGIA SUZANNE LINGAM @ GEORGIANNE *	
SRI GANESH A/L BALASUBRAMANIAM *	
SUSIE CHUNG KIM LAN	
SITI AINEE HANUM BINTI SUHAIDI	(Appointed on 27 July 2023)
CHAN KENG LEONG	(Resigned on 1 July 2022)
MICHAEL MOO KAI WAH	(Resigned on 8 June 2023)

* 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	
CHRISTOPHER CHIN CHEONG VUI	
SIN DARRELL	
PAUL WAYNE RAYE	
TING LAH CHING	
PRASHAD M. KOSHY @ MATHEW KOSHY	(Resigned on 13 March 2023)

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 2023 were as follows:-

	/----- Number of ordinary shares -----/			
	At 01.07.2022	Bought	Sold	At 30.06.2023
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	142,486,100	208,710,400	-	351,196,500
SRI GANESH A/L BALASUBRAMANIAM	1,400,000	-	-	1,400,000
<hr/>				
Indirect interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE ⁽¹⁾	1,287,771,335	-	(5,333,525)	1,282,437,810

	/----- Number of Warrants C -----/			
	At 01.07.2022	Bought	Exercised	At 30.06.2023
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	11,857,250	-	(11,857,250)	-
GEORGIA SUZANNE LINGAM @ GEORGIANNE	150,000	-	-	150,000

	/----- Number of Warrants D -----/			
	At 01.07.2022	Bought	Exercised	At 30.06.2023
The Company				
Direct interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	92,000	-	-	92,000
GEORGIA SUZANNE LINGAM @ GEORGIANNE	66,175	-	-	66,175
<hr/>				
Indirect interests				
DATUK JOSEPH LEE YOK MIN @ AMBROSE ⁽¹⁾	12,212,625	-	(12,212,625)	-

⁽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' Report (cont'd)

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 as shown under Directors' Remunerations) 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 37(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 details of the directors' remunerations for the financial year ended 30 June 2023 are set out as below:-

	Group RM	Company RM
Directors' remunerations		
- salaries, allowances and bonuses	541,020	-
- fees	1,491,960	1,455,960
- others	55,388	-
	<hr/> 2,088,368	<hr/> 1,455,960

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

The amounts paid and payable as remunerations of the auditors of the Group and of the Company for the financial year ended 30 June 2023 are as below:-

	Group RM	Company RM
Audit fees:-		
- Auditors of the Company	327,500	90,000
- Other auditors	13,307	-
	<hr/> 340,807	<hr/> 90,000
Non-audit fees:-		
- Auditors of the Company	25,000	25,000
	<hr/> 365,807	<hr/> 115,000

Directors' Report (cont'd)

SUBSIDIARIES

Details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events are disclosed in Note 42 to the financial statements.

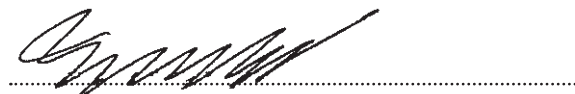
SUBSEQUENT EVENTS

Details of the subsequent events are disclosed in Note 43 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: 23 October 2023

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 87 to 206 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 2023 and of their financial performance and cash flows 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: 23 October 2023

STATUTORY DECLARATION


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

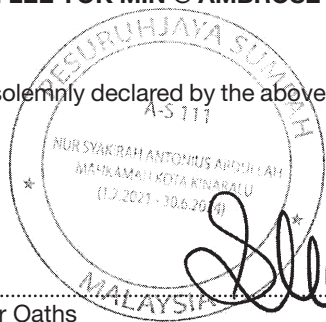
I, **DATUK JOSEPH LEE YOK MIN @ AMBROSE**, being the Director primarily responsible for the financial management of **BORNEO OIL BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 87 to 206 are correct, and I 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 23 October 2023.

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 2023 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 significant accounting policies, as set out on pages 87 to 206.

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 2023, 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 significant accounting policies in Note 3.4, significant accounting estimates and judgement in Note 4(b) and the disclosure in Note 7 to the financial statements.</p> <p>As of 30 June 2023, the carrying amount of the investment properties of the Group amounted to RM617,054,440/- and, during the financial year, the Group recognised a net gain of RM2,400,000/- 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 significant accounting policies in Note 3.18 and the disclosure in Note 30 to the financial statements.</p> <p>For the financial year ended 30 June 2023, the Group recognised RM84,986,581/- of revenue. Revenue is derived from the following segments:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right;">RM</th> </tr> </thead> <tbody> <tr> <td>Food and franchise operations</td> <td style="text-align: right;">56,089,327/-</td> </tr> <tr> <td>Property investment and management</td> <td style="text-align: right;">13,536,362/-</td> </tr> <tr> <td>Resources and sustainable energy</td> <td style="text-align: right;">15,324,892/-</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;">84,986,581/-</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	56,089,327/-	Property investment and management	13,536,362/-	Resources and sustainable energy	15,324,892/-	Head office and others	36,000/-		84,986,581/-	<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	56,089,327/-												
Property investment and management	13,536,362/-												
Resources and sustainable energy	15,324,892/-												
Head office and others	36,000/-												
	84,986,581/-												

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 significant accounting policies in Note 3.18(e), significant accounting estimates and judgement in Note 4(c) and the disclosures in Note 30 to the financial statements.</p> <p>As of 30 June 2023, the Group recognised RM13,436,362/- 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 letter of awards, approved purchase orders, sub-contractors claims and invoices to understand the basis of the estimates; - Reviewed budgeted costs by analysing and verifying the changes from priors years and conducted discussion with project manager; 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.

Independent Auditors' Report (cont'd)

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

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:- (cont'd)

- 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.

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 8 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



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

Petaling Jaya, Selangor

Date: 23 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	18,534,769	19,095,476	1,294,895	1,897,552
Right-of-use assets	6	11,759,828	9,215,458	35,413	141,652
Investment properties	7	617,054,440	614,654,440	–	–
Investment in subsidiaries	8	–	–	362,000,007	370,000,007
Investment in an associate	9	–	–	95,700,000	–
Other investments	10	186,556,993	158,588,222	185,647,995	158,076,810
Golf club membership	11	32,000	32,000	32,000	32,000
Intangible asset	12	–	–	–	–
Exploration expenditure	13	–	8,517,885	–	–
Goodwill on consolidation	14	8,583	8,583	–	–
Trade and other receivables	15	–	7,508,520	–	–
Amount owing by an associate	16	7,506,785	–	–	–
Total non-current assets		841,453,398	817,620,584	644,710,310	530,148,021
Current assets					
Inventories	17	27,997,449	34,405,885	–	–
Trade and other receivables	15	47,895,792	68,566,074	32,710,791	38,525,522
Amount owing by an associate	16	34,511,266	–	–	–
Amount owing by subsidiaries	18	–	–	293,364,237	279,140,749
Tax recoverables		351,213	826,582	2,376	2,376
Fixed deposits with licensed banks	19	1,598,314	1,876,367	–	–
Cash and bank balances	20	11,581,982	21,369,291	5,677,646	15,970,577
Total current assets		123,936,016	127,044,199	331,755,050	333,639,224
TOTAL ASSETS		965,389,414	944,664,783	976,465,360	863,787,245

Statements of Financial Position as at 30 June 2023 (cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY					
Share capital	21	702,833,816	640,237,718	702,833,816	640,237,718
Reserves	22	57,530,015	94,502,299	94,323,303	94,587,106
Retained earnings		127,554,578	140,769,104	172,765,834	124,487,000
TOTAL EQUITY		887,918,409	875,509,121	969,922,953	859,311,824
LIABILITIES					
Non-current liabilities					
Loans and borrowings	24	24,066,367	25,227,360	373,038	487,497
Lease liabilities	6	6,473,975	4,126,940	–	39,757
Deferred tax liabilities	27	17,246,059	17,006,059	–	–
Total non-current liabilities		47,786,401	46,360,359	373,038	527,254
Current liabilities					
Trade and other payables	28	22,086,505	15,228,256	3,462,672	396,579
Contract liability	29	–	1,343,133	–	–
Amount owing to subsidiaries	18	–	–	2,552,614	3,326,630
Loans and borrowings	24	5,929,955	5,073,611	114,459	109,503
Lease liabilities	6	1,461,057	1,150,303	39,624	115,455
Tax payables		207,087	–	–	–
Total current liabilities		29,684,604	22,795,303	6,169,369	3,948,167
TOTAL LIABILITIES		77,471,005	69,155,662	6,542,407	4,475,421
TOTAL EQUITY AND LIABILITIES		965,389,414	944,664,783	976,465,360	863,787,245

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	30	84,986,581	87,493,850	1,356,000	1,356,000
Cost of sales		(64,319,699)	(68,458,729)	–	–
Gross profit		20,666,882	19,035,121	1,356,000	1,356,000
Other income		79,226,198	66,575,643	66,387,612	114,087,580
Administrative and other operating expenses		(52,029,080)	(30,385,965)	(19,429,470)	(24,772,925)
Operating profit	31	47,864,000	55,224,799	48,314,142	90,670,655
Finance costs	33	(1,658,769)	(1,363,961)	(26,922)	(11,134)
Share of result of an associate		(59,062,988)	–	–	–
(Loss)/Profit before taxation		(12,857,757)	53,860,838	48,287,220	90,659,521
Taxation	34	(356,769)	237,707	(8,386)	(2,376)
(Loss)/Profit for the financial year		(13,214,526)	54,098,545	48,278,834	90,657,145
Other comprehensive (deficit)/income for the financial year:-					
Foreign currency translation		(71,469)	60,115	–	–
Share of other comprehensive deficit of an associate		(36,637,012)	–	–	–
		(36,708,481)	60,115	–	–
Total comprehensive (deficit)/income for the financial year		(49,923,007)	54,158,660	48,278,834	90,657,145

Statements of Comprehensive Income for the financial year ended 30 June 2023 (cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit attributable to:-					
Owners of the parent		(13,214,526)	54,098,545	48,278,834	90,657,145
Total comprehensive (deficit)/income attributable to:-					
Owners of the parent		(49,923,007)	54,158,660	48,278,834	90,657,145
Basic (loss)/earnings per share (sen)	35	(0.14)	0.67		
Diluted (loss)/earnings per share (sen)	35	(0.14)	0.67		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Attributable to Owners of the Company					Distributable Retained earnings RM	Total equity RM
	Share capital RM	Warrants reserve RM	Non-distributable ESOS reserve RM	Translation reserve RM	Other reserve RM		
Group							
At 1 July 2022	640,237,718	93,441,422	1,145,684	(84,807)	-	140,769,104	875,509,121
Total comprehensive deficit for the financial year:-							
Loss for the financial year	-	-	-	-	-	(13,214,526)	(13,214,526)
Other comprehensive deficit for the financial year	-	-	-	(71,469)	(36,637,012)	-	(36,708,481)
Total comprehensive deficit	-	-	-	(71,469)	(36,637,012)	(13,214,526)	(49,923,007)
Transactions with owners:-							
Issuance of new shares via private placement	49,516,490	-	-	-	-	-	49,516,490
Share-based payment	-	-	3,021,914	-	-	-	3,021,914
ESOS exercised	10,686,006	-	(2,647,006)	-	-	-	8,039,000
Warrant exercised	2,393,602	(638,711)	-	-	-	-	1,754,891
Total transactions with owners	62,596,098	(638,711)	374,908	-	-	-	62,332,295
At 30 June 2023	702,833,816	92,802,711	1,520,592	(156,276)	(36,637,012)	127,554,578	887,918,409

Statements of Changes in Equity for the financial year ended 30 June 2023 (cont'd)

	Attributable to Owners of the Company					Distributable Retained earnings RM	Total equity RM
	Share capital RM	Warrants reserve RM	Non-distributable Treasury shares RM	ESOS reserve RM	Translation reserve RM		
Group							
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:-							
Profit for the financial year	-	-	-	-	-	54,098,545	54,098,545
Other comprehensive income for the financial year	-	-	-	-	60,115	-	60,115
Total comprehensive income	-	-	-	-	60,115	54,098,545	54,158,660
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 ESOS exercised	1,267,162	-	-	1,561,846	-	-	1,561,846
				(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 for the financial year ended 30 June 2023 (cont'd)

	/----- Attributable to Owners of the Company -----/ /----- Non-distributable -----/ Share capital		Warrants reserve	ESOS reserve	Distributable Retained earnings	Total equity
	RM	RM	RM	RM	RM	RM
Company						
At 1 July 2022	640,237,718	93,441,422	1,145,684	124,487,000	859,311,824	
Profit and total comprehensive income for the financial year	-	-	-	48,278,834	48,278,834	
Transactions with owners:-						
Issuance of new shares via private placement	49,516,490	-	-	-	49,516,490	
Share-based payment	-	-	3,021,914	-	3,021,914	
ESOS exercised	10,686,006	-	(2,647,006)	-	8,039,000	
Warrant exercised	2,393,602	(638,711)	-	-	1,754,891	
Total transactions with owners	62,596,098	(638,711)	374,908	-	62,332,295	
At 30 June 2023	702,833,816	92,802,711	1,520,592	172,765,834	969,922,953	

Statements of Changes in Equity for the financial year ended 30 June 2023 (cont'd)

	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	
Company						
At 1 July 2021	618,967,800	93,441,422	(31,493,087)	-	33,829,855	714,745,990
Profit and total comprehensive income for the financial year	-	-	-	-	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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-				
(Loss)/Profit before taxation	(12,857,757)	53,860,838	48,287,220	90,659,521
Adjustments for:-				
Amortisation of right-of-use assets	1,458,266	1,479,055	106,239	106,239
Depreciation of property, plant and equipment	3,738,087	3,364,068	646,437	506,453
Dividend income	-	(2,295)	-	-
Employees' Share Option Scheme ("ESOS")	3,021,914	1,561,846	600,457	244,509
Fair value gain on:-				
- investment in quoted shares	(64,771,562)	(53,037,352)	(64,408,037)	(52,887,375)
- investment properties	(2,400,000)	(86,960)	-	-
Fair value discount on:-				
- amount owing by an associate	293,214	-	-	-
- retention receivables	(291,480)	(1,316,200)	-	-
- retention payables	-	56,680	-	-
Gain on disposal of:-				
- investment in quoted shares	(10,172)	(3,300,181)	-	(3,255,000)
- property, plant and equipment	(330,612)	(20,392)	-	-
Gain on lease modification	-	(19,019)	-	-
Gain on unrealised foreign exchange	(1,955,077)	(1,312,257)	(1,914,064)	(1,314,154)
Interest income	(112,262)	(170,121)	(63,571)	(131,143)
Interest expense	1,658,769	1,363,961	26,922	11,134
Reversal of provision for slow-moving inventories	(202,169)	(110,446)	-	-
Impairment losses/ (Reversal of impairment) on:-				
- property, plant and equipment	719,813	(319,204)	-	-
- investment in subsidiaries	-	-	8,000,000	20,000,000
- exploration expenditure	8,517,885	-	-	-
Operating (loss)/profit before working capital changes and balance carried forward	(63,523,143)	1,992,021	(8,718,397)	53,940,184

Statements of Cash Flows for the financial year ended 30 June 2023 (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES:- (cont'd)				
Operating (loss)/profit before working capital changes and balance brought forward	(63,523,143)	1,992,021	(8,718,397)	53,940,184
Adjustments for:- (cont'd)				
Impairment losses/ (Reversal of impairment) on:- (cont'd)				
- trade receivables	1,181,889	(2,832,894)	-	-
- other receivables	144,392	(2,309,876)	-	-
- amount owing by an associate	1,740,034	-	-	-
- amount owing by subsidiaries	-	-	4,326,850	(56,459,917)
Share of result of an associate	59,062,988	-	-	-
Written-off of:-				
- property, plant and equipment	99,643	162,641	3,439	-
- investment properties	-	243,710	-	-
- bad debts - trade receivables	-	2,514,623	-	-
- bad debts - other receivables	-	902,701	-	4,421
Waiver of rental	-	(300,617)	-	-
Waiver of debts	(1,940)	(20,746)	(1,940)	-
Changes in working capital:-				
Inventories	6,610,605	8,511,959	-	-
Trade and other receivables	(11,901,103)	18,087,409	(32,610,530)	(132,920)
Trade and other payables	6,860,163	160,570	3,068,033	16,930
Contract liability	(1,343,133)	1,769,293	-	-
Associate company	(35,382,835)	-	-	-
Tax paid	(36,452,440)	28,880,794	(33,932,545)	(2,631,302)
Tax refunded	(765,984)	(677,415)	(8,386)	(4,752)
	1,331,671	72,409	-	-
Net cash (used in)/generated from operating activities	(35,886,753)	28,275,788	(33,940,931)	(2,636,054)

Statements of Cash Flows for the financial year ended 30 June 2023 (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM				
INVESTING ACTIVITIES:-				
Advances to an associate	(8,668,464)	-	-	-
Advances to/(from) subsidiaries	-	-	(16,812,826)	35,833,837
Dividend income	-	2,295	-	-
Investment in an associate	(6,574,739)	-	(6,574,739)	-
Addition of exploration expenditure	-	(3,208,277)	-	-
Interest received	112,262	170,121	63,571	131,143
Withdrawal of fixed deposits with licensed banks	278,053	2,174,027	-	2,185,673
Proceeds from disposal of:-				
- property, plant and equipment	603,533	1,259,292	1	-
- quoted shares	41,672	7,630,591	-	7,161,000
- unquoted shares	700,000	-	-	-
Purchase of quoted shares	(12,066,519)	(63,101,137)	(12,048,714)	(62,435,293)
Purchase of property, plant and equipment	(1,847,960)	(4,144,623)	(47,220)	(135,959)
Net cash used in investing activities	(27,422,162)	(59,217,711)	(35,419,927)	(17,259,599)
CASH FLOWS FROM				
FINANCING ACTIVITIES:-				
Interest paid	(1,658,769)	(1,363,961)	(26,922)	(11,134)
Issuance of ordinary shares	49,516,490	20,002,756	49,516,490	20,002,756
ESOS exercised	8,039,000	851,000	8,039,000	851,000
Warrants exercised	1,754,891	-	1,754,891	-
Drawdown of term loans	-	10,000,000	-	-
Repayment of term loans	(1,064,648)	(982,733)	-	-
Repayment of hire purchase payables, net	(1,417,307)	(1,520,314)	(109,503)	-
(Repayment)/Drawdown of bankers' acceptances, net	(548,200)	1,099,200	-	-
Acquisition of treasury shares	-	(6,827,174)	-	(6,827,174)
Payment of lease liabilities	(1,344,847)	(771,376)	(115,588)	(108,866)
Net cash generated from financing activities	53,276,610	20,487,398	59,058,368	13,906,582

Statements of Cash Flows for the financial year ended 30 June 2023 (cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,032,305)	(10,454,525)	(10,302,490)	(5,989,071)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(58,737)	23,112	9,559	(37,073)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		20,084,606	30,516,019	15,970,577	21,996,721
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		9,993,564	20,084,606	5,677,646	15,970,577
ANALYSIS OF CASH AND CASH EQUIVALENTS:-					
Cash and bank balances		11,581,982	21,369,291	5,677,646	15,970,577
Bank overdrafts		(1,588,418)	(1,284,685)	-	-
		9,993,564	20,084,606	5,677,646	15,970,577
CASH OUTFLOWS FOR LEASES AS A LESSEE					
Included in net cash from operating activities					
Payment relating to short-term leases	31	114,172	232,001	-	-
Interest paid in relation to lease liabilities	33	263,459	368,749	4,412	11,134
Included in net cash from financing activities					
Payment of lease liabilities		1,344,847	771,376	115,588	108,866
Total cash outflows for leases		1,722,478	1,372,126	120,000	120,000

Statements of Cash Flows for the financial year ended 30 June 2023 (cont'd)

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

	Bankers' acceptances RM	Hire purchase payables RM	Term loans RM	Lease liabilities RM
Group				
At 1 July 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
Net changes from				
financing cash flows	(548,200)	(1,417,307)	(1,064,648)	(1,344,847)
Drawdown of hire purchase	-	2,421,773	-	-
Acquisition of new leases	-	-	-	4,075,103
Remeasurement	-	-	-	(72,467)
At 30 June 2023	1,091,000	3,990,096	23,326,808	7,935,032
Company				
At 1 July 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
Net changes from				
financing cash flows	-	(109,503)	-	(115,588)
At 30 June 2023	-	487,497	-	39,624

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 8 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, W.P. Labuan.

The principal places of business of the Company is located at Lot 180, Section 19, KTL D, 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 23 October 2023.

2. 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 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 4 to the financial statements.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.1 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 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)

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 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 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* - Disclosures 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 and International Tax Reform – Pillar Two Model Rules

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.2 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 2024

- Amendments to MFRS 16, *Leases* - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, *Presentation of Financial Statements* – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures* – Supplier Finance Arrangements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- MFRS 121, *The Effects of Changes in Foreign Exchange Rates* - Lack of Exchangeability

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, interpretations and amendments, where applicable from the annual period beginning on 1 July 2023 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2023.

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, interpretations and amendments 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)

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.

3.1 Basis of consolidation

(a) 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.

(b) 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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(c) 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.

(d) 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.

(e) Associate

Associate is entity, including unincorporated entity, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associate are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(f) 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.

(g) 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.

Unrealised gains arising from transactions with equity-accounted associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment and depreciation

A class of property, plant and equipment is a grouping of assets of a similar nature and use in an entity's operations.

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 3.13(b) 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 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 assets held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

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.

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.

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.

3.5 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 3.13(b) 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.

3.6 Intangible assets

(a) 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 accumulated impairment losses. The patents and rights are 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 patents and rights are written down to its recoverable amount.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Exploration expenditure

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

(a) Exploration and evaluation expenditure

Pre-acquisition costs prior to obtaining concession rights are expense 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Exploration expenditure (cont'd)

(b) 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.

3.8 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) 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 3.13(a) to the financial statements where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) 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 3.13(a) to the financial statements where the effective interest rate is applied to the amortised cost.

(ii) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(c) Fair value through profit or loss

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.

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, are subject to impairment assessment as disclosed in Note 3.13(a) to the financial statements.

Financial liabilities

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

(a) 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: *Financial Instruments*, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

(a) Fair value through profit or loss (cont'd)

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.

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.

(b) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

Regular way purchase or sale of financial assets

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

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.

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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Leases

(a) Definition of lease

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:-

- the control involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

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 and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) As a lessee

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 amortised 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, plant 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 their incremental borrowing rate as the discount rate.

The Group and the Company determine their 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Leases (cont'd)

(b) As a lessee (cont'd)

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

- fixed payments, including in-substance fixed payments less any incentives receivables;
- 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;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

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 revision of in-substance fixed lease payment, or 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, or if the Group and the Company change their assessment of whether they will exercise a purchase, extension or termination option.

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 that have a lease term of 12 months or less, 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Leases (cont'd)

(c) As a lessor

When the Group and the Company act as a lessor, they determine 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, they account for their interests in the head lease and the sub-lease separately. They assess 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.

If an arrangement contains lease and non-lease components, then the Group and the Company apply MFRS 15: *Revenue from Contracts with Customers* to allocate the consideration in the contract.

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

3.10 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Contract assets and contract liabilities

(a) 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 with Note 3.13(a) to the financial statements.

(b) 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.

3.12 Contract cost

(a) 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.

(b) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Contract cost (cont'd)

(b) Cost to fulfil a contract (cont'd)

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*.

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 3.13(b) 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.

3.13 Impairment

(a) 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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Impairment (cont'd)

(a) 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.

(b) Impairment of other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax asset and investment properties measured at fair value) 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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Impairment (cont'd)

(b) 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.

3.14 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.

3.15 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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 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.

3.17 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, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of obligation can be estimated reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost in profit or loss.

3.18 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.

(a) 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.

(b) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Revenue and other income (cont'd)

(c) 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.

(d) Franchisee fees income

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

(e) 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.

(f) 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.

(g) Management income

Management fee is recognised on an accrual basis.

(h) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Employee benefits

(a) 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.

(b) 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.

(c) 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 black-scholes 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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.

3.21 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 financial 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Income tax (cont'd)

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.

3.22 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.

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.

3.23 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Operating segments

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.

3.25 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 and of the Company.

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

3.26 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)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.26 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 the other investments 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).

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 Company tests investment in subsidiaries for impairment test when there is an indication exists in accordance with its accounting policy. Impairment is measured by comparing the carrying amount with its recoverable amount. The 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 8 to the financial statements.

Notes to the Financial Statements (cont'd)

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 an 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 7 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 on the contract profit or losses recognised.

Any changes in these accounting estimates will affect the carrying amounts of contract liability as disclosed in Note 29 to the financial statements.

(d) Valuation of inventories – rocks and minerals

Valuation of rocks and minerals is performed by 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 rocks and minerals.

The carrying amounts of the Group's inventories of rocks and mineral are disclosed in Note 17 to the financial statements.

(e) Fair value estimation of quoted shares

The Group and the Company carry their quoted shares at fair value through profit and loss, with changes in fair value being recognised in profit or loss. The fair value of the quoted shares is derived from quoted and observable market prices. For quoted shares measured at fair value, where the fair values cannot be derived from active markets, the Group and the Company engaged an independent valuation specialist to assess the fair value for these quoted shares.

The valuation technique used to determine the fair value of the quoted shares are disclosed in Note 10 to the financial statements.

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Buildings	Stone quarry	Factory	Coldroom	Equipment, furniture and fittings	Machinery and equipment	Motor vehicles	Quarters	Renovation	Construction in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 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	52,984,680
Additions	-	-	-	-	395,106	938,207	2,433,199	-	503,221	-	4,269,733
Disposals	-	-	-	-	(260,694)	(34,026)	(1,236,069)	-	-	-	(1,530,789)
Written off	-	-	-	-	(59,087)	(281,781)	-	-	-	-	(340,868)
Exchange differences	-	-	-	-	-	-	618	-	-	-	618
At 30 June 2023	1,319,540	1,000,000	6,474,887	1,212,519	6,171,877	17,915,083	10,744,242	7,217	7,363,419	3,174,600	55,383,384
Accumulated depreciation											
At 1 July 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
Charge for the financial year	26,391	20,000	129,498	121,252	589,051	1,605,385	697,163	722	548,625	-	3,738,087
Disposals	-	-	-	-	(7,661)	(14,139)	(1,236,068)	-	-	-	(1,257,868)
Written off	-	-	-	-	(29,026)	(212,199)	-	-	-	-	(241,225)
Exchange differences	-	-	-	-	-	-	594	-	-	-	594
At 30 June 2023	35,188	188,194	1,280,540	822,172	4,602,981	8,640,856	7,583,147	3,956	5,989,947	-	29,146,981
Accumulated impairment losses											
At 1 July 2022	-	831,806	5,323,845	-	-	826,170	-	-	-	-	6,981,821
Reversal	-	(20,000)	(129,498)	-	-	(169,706)	-	-	-	-	(619,204)
Addition	-	-	-	-	-	1,039,017	-	-	-	-	1,039,017
At 30 June 2023	-	811,806	5,194,347	-	-	1,695,481	-	-	-	-	7,701,634
Carrying amount											
At 30 June 2023	1,284,352	-	-	390,347	1,568,896	7,578,746	3,161,095	3,261	1,373,472	3,174,600	18,534,769

Notes to the Financial Statements (cont'd)

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

Group Cost	Buildings	Stone quarry	Factory	Coldroom	Equipment, furniture and fittings	Machinery and equipment	Motor vehicles	Quarters	Renovation	Construction in progress	Total
	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	(65,949)	(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)	(5,306)	-	-	(91,742)
Written off	-	-	-	(16,722)	(23,499)	(39,661)	-	-	(171,612)	-	(251,494)
Exchange differences	-	-	-	-	-	-	(866)	-	-	-	(866)
Reclassification	-	-	-	-	(2,674,972)	(3,548,793)	(352,984)	-	(23,904)	-	(6,600,653)
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)

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

	Equipment, furniture, fixture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Company Cost				
At 1 July 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
Additions	10,770	–	36,450	47,220
Disposals	–	(1)	–	(1)
Written off	(8,212)	–	–	(8,212)
At 30 June 2023	3,927,739	1,296,072	1,010,230	6,234,041
Accumulated depreciation				
At 1 July 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
Charge for the financial year	390,542	137,034	118,861	646,437
Written off	(4,773)	–	–	(4,773)
At 30 June 2023	3,261,237	747,931	929,978	4,939,146
Carrying amount				
At 30 June 2022	1,049,713	685,176	162,663	1,897,552
At 30 June 2023	666,502	548,141	80,252	1,294,895

Notes to the Financial Statements (cont'd)

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

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Motor vehicles	2,484,616	1,239,930	548,137	685,172
Machinery and equipment	2,936,642	3,058,691	–	–
	5,421,258	4,298,621	548,137	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 25 to the financial statements.

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost of property, plant and equipment purchased	4,269,733	7,229,623	47,220	732,959
Amount financed through hire purchase	(2,421,773)	(3,085,000)	–	(597,000)
Cash disbursed for purchase of property, plant and equipment	1,847,960	4,144,623	47,220	135,959

- (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/- (2022: RM2,686,000/-) is pledged with a financial institution to secure the term loans granted to the Group as disclosed in Note 26 to the financial statements.

- (d) During the financial year, the Group has recognised an impairment loss of RM1,039,017/- (2022: RM Nil) as the recoverable amount is less than the carrying amount.

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES
6.1 Right-of-use assets

	Leasehold buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Group Cost						
At 1 July 2022	6,063,091	667,743	1,476,406	807,201	7,536,674	16,551,115
Additions	-	455,602	484,369	177,073	2,958,059	4,075,103
Derecognition ¹	-	-	(11,752)	(99,895)	(328,957)	(440,604)
Remeasurement	-	-	(9,899)	-	(62,568)	(72,467)
At 30 June 2023	6,063,091	1,123,345	1,939,124	884,379	10,103,208	20,113,147
Accumulated amortisation						
At 1 July 2022	1,606,563	121,762	1,254,024	517,986	3,835,322	7,335,657
Charge for the financial year	121,262	56,719	349,413	146,053	784,819	1,458,266
Derecognition ¹	-	-	(11,752)	(99,895)	(328,957)	(440,604)
At 30 June 2023	1,727,825	178,481	1,591,685	564,144	4,291,184	8,353,319
Carrying amount						
At 30 June 2023	4,335,266	944,864	347,439	320,235	5,812,024	11,759,828

Notes to the Financial Statements (cont'd)

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

6.1 Right-of-use assets (cont'd)

	Leasehold buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Group Cost						
At 1 July 2021	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 amortisation						
At 1 July 2021	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

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)

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

6.1 Right-of-use assets (cont'd)

	Office RM
Company	
Cost	
At 1 July 2022/30 June 2023	531,195
Accumulated amortisation	
At 1 July 2021	283,304
Charge for the financial year	106,239
At 30 June 2022	389,543
Charge for the financial year	106,239
At 30 June 2023	495,782
Carrying amount	
At 30 June 2022	141,652
At 30 June 2023	35,413

The following are recognised in profit or loss in respect of right-of-use assets:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest on lease liabilities	263,459	368,749	4,412	11,134
Expenses relating to short-term leases	114,172	232,001	-	-
Rental income	61,000	60,000	-	-

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 term loan granted to the Group as disclosed in Note 26 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.

Notes to the Financial Statements (cont'd)

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

6.1 Right-of-use assets (cont'd)

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

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.

Extension options

Some leases of land, office, hostel and outlet 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.

6.2 Lease liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current liabilities	6,473,975	4,126,940	–	39,757
Current liabilities	1,461,057	1,150,303	39,624	115,455
Total lease liabilities	7,935,032	5,277,243	39,624	155,212

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 (2022: 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 31 to the financial statements.

Notes to the Financial Statements (cont'd)

7. INVESTMENT PROPERTIES

	2023 RM	Group 2022 RM
At fair value		
At 1 July	614,654,440	614,811,190
Written off	–	(243,710)
Changes in fair value	2,400,000	86,960
<hr/>		
At 30 June	617,054,440	614,654,440

Certain investment properties of the Group with carrying amount of RM13,625,000/- (2022: RM13,625,000/-) are pledged to financial institutions for loans and borrowings granted to the Group as disclosed in Note 24(a) and Note 26 respectively to the financial statements.

The investment properties consist of the following:-

	2023 RM	Group 2022 RM
At fair value		
Short term leasehold land	385,607,229	383,607,229
Long term leasehold land and buildings	228,322,211	227,922,211
Freehold condominium	3,125,000	3,125,000
<hr/>		
	617,054,440	614,654,440

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:-

	2023 RM	Group 2022 RM
Rental income	507,100	514,630

Notes to the Financial Statements (cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

- (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.
- (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)

7. INVESTMENT PROPERTIES (CONT'D)

(c) Method of valuation (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
<p>Comparison approach:- 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>	Price per square foot	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).
<p>Investment approach:- 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>	Natural reserves calculation and estimation	The estimated fair value would increase/(decrease) if the estimated volume of extraction and the price per marble block is higher/(lower).

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares		
Cost		
At 1 July	400,100,006	380,100,006
Additions	–	20,000,000
At 30 June	400,100,006	400,100,006
Accumulated impairment losses		
At 1 July	30,099,999	10,099,999
Additions	8,000,000	20,000,000
At 30 June	38,099,999	30,099,999
Carrying amount		
At 30 June	362,000,007	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
	2023 %	2022 %		
Direct subsidiaries				
Borneo Oil Corporation Sdn. Bhd.	100	100	Malaysia	Mining operations and related activities and trading of raw material
The Borneo Food Group 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. ^{1,2}	100	100	Singapore	Dormant

Notes to the Financial Statements (cont'd)

8. 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
	2023 %	2022 %		
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. ²	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.	100	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
Sabasco Chilli Sdn. Bhd. (Formerly known as 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. ²	100	100	Malaysia	Dormant
Winamewah Sdn. Bhd. ²	100	100	Malaysia	Dormant

Notes to the Financial Statements (cont'd)

8. 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
	2023 %	2022 %		
Indirect subsidiaries				
(cont'd)				
<i>Held through SB</i>				
<i>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</i>				
<i>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 2023 consist of material uncertainties related to going concern assumptions.

Impairment loss on investment in subsidiaries

At each reporting date, the Company conducts an impairment review of its investment in subsidiaries, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

During the year, the review gave rise to the recognition of impairment losses of investment in subsidiaries of RM8,000,000/- (2022: RM20,000,000/-). The impairment losses arose mainly because the subsidiaries have recorded a decline in the value of their assets.

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN AN ASSOCIATE

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares					
Cost					
At 1 July		–	–	–	–
Transfer from other investments	10	50,700,000	–	50,700,000	–
Additional investment	(a)	45,000,000	–	45,000,000	–
		95,700,000	–	95,700,000	–
Share of post-acquisition changes in net assets	(b)	(95,700,000)	–	–	–
At 30 June		–	–	95,700,000	–

Details of the associate are as follows:-

Name of company	Effective equity interest		Country of incorporation and place of business	Principal activities
	2023 %	2022 %		
Makin Teguh Sdn. Bhd. ¹	29.27	15.51	Malaysia	Manufacturing of clinker, cement and related products trading (sales and distribution) of clinker, cement and related products

¹ The audited financial statements and auditors' report for the financial year ended 30 June 2023 consist of material uncertainties related to going concern assumptions.

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN ASSOCIATE (CONT'D)

(a) Acquisition of additional 13.76% interest in Makin Teguh Sdn. Bhd.

On 25 July 2022, the Company has completed a Shares Sale Agreement (“SSA”) to acquire an additional 13.76% equity interest of 17,350,299 ordinary shares in Makin Teguh Sdn. Bhd. (“MTSB”) for a total cash consideration of RM45,000,000/-. Upon completion of the acquisition, MTSB had become an associate of the Group and of the Company with an aggregate shareholding of 36,899,049 ordinary shares representing 29.27% equity interest in MTSB.

(i) Fair value of the identifiable assets acquired

	RM
Assets	
Property, plant and equipment	449,477,362
Right-of-use assets	532,766
Investment properties	183,599,000
Investment in subsidiary	50,000
Other investments	2,606,684
Inventories	1,763,212
Trade and other receivables	454,495
Amount owing by related companies	140,859
Amount owing by subsidiaries	9,724,281
Fixed deposits with licensed banks	600,000
Cash and bank balances	574,215
Total assets	649,522,874
Liabilities	
Trade and other payables	35,759,927
Amount owing to related companies	869,972
Term loans	208,091,398
Lease liabilities	616,074
Deferred tax liabilities	78,524,113
Tax payables	218,357
Total liabilities	324,079,841
Net assets	325,443,033
Fair value of consideration transferred	95,700,000
Share of net assets at acquisition date	95,257,176
Goodwill arising on acquisition	442,824

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN ASSOCIATE (CONT'D)

(b) Summarised financial information of an associate

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate:

	Makin Teguh Sdn. Bhd. RM
Summarised statement of financial position	
As at 30 June 2023	
Non-current assets	259,722,368
Current assets	10,835,271
Non-current liabilities	(247,289,517)
Current liabilities	(68,075,413)
Net assets	(44,807,291)
Summarised statement of comprehensive income	
Financial year ended 30 June 2023	
Revenue	12,000,953
Loss for the financial year	(201,876,163)
Other comprehensive deficit for the year	(168,532,495)
Total comprehensive deficit for the year	(358,407,705)

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

	2023 RM	Group	2022 RM
Net assets	(44,807,291)		-
Effective ownership interest	29.27%		-
Share of net assets	(13,115,094)		-
Goodwill	442,824		-
Elimination of unrealised profit	(20,179)		-
Unrecognised share of losses	12,692,449		-
Carrying amount	-		-

The Group has not recognised its share of losses related to Makin Teguh Sdn. Bhd. amounting RM12,692,449/- in the current financial year as the Group has no obligation in respect of these losses.

Notes to the Financial Statements (cont'd)

10. OTHER INVESTMENTS

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Quoted shares	(a)				
At fair value through profit or loss					
At 1 July		107,888,221	45,362,960	107,376,810	45,242,960
Additions		12,066,519	12,401,137	12,048,714	11,735,293
Disposals		(31,500)	(4,290,420)	–	(3,866,010)
Change in fair value		64,771,562	53,037,352	64,408,037	52,887,375
Exchange differences		1,862,190	1,377,192	1,814,434	1,377,192
At 30 June		186,556,992	107,888,221	185,647,995	107,376,810
Unquoted shares	(b)				
At fair value through profit or loss					
At 1 July		50,700,000	–	50,700,000	–
Additions		700,000	50,700,000	–	50,700,000
Disposals		(700,000)	–	–	–
Transfer to investment in an associate	9	(50,700,000)	–	(50,700,000)	–
At 30 June		–	50,700,000	–	50,700,000
At fair value through other comprehensive income					
At 1 July/30 June		1	1	–	–
Total other investments		186,556,993	158,588,222	185,647,995	158,076,810

(a) Quoted shares

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 that are actively traded in an active market is derived from quoted and observable market prices. For non-actively traded quoted shares, the fair value is determined using revalued net asset valuation method (2022: transaction price) from an independent valuation specialist.

(b) Unquoted shares

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 determined based on adjusted net asset method.

Notes to the Financial Statements (cont'd)

11. GOLF CLUB MEMBERSHIP

	Group and Company	
	2023	2022
	RM	RM
Cost		
At 1 July/30 June	64,000	64,000
Accumulated impairment losses		
At 1 July/30 June	32,000	32,000
Carrying amount		
At 30 June	32,000	32,000

The Company conducts an impairment review of its golf club membership, principally based on the latest joining fee, which represents the directors' estimation of fair value less costs to sell.

12. INTANGIBLE ASSET

	Patents and rights RM
Group and Company	
Cost	
At 1 July 2022/30 June 2023	5,000,000
Accumulated amortisation	
At 1 July 2022/30 June 2023	5,000,000
Carrying amount	
At 1 July 2022/30 June 2023	-

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 (10) years.

Notes to the Financial Statements (cont'd)

13. EXPLORATION EXPENDITURE

	2023 RM	Group 2022 RM
Cost		
At 1 July	53,074,399	49,866,122
Additions	–	3,208,277
At 30 June	53,074,399	53,074,399
Accumulated impairment losses		
At 1 July	44,556,514	44,556,514
Additions	8,517,885	–
At 30 June	53,074,399	44,556,514
Carrying amount		
At 30 June	–	8,517,885

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 date 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.

During the financial year, the Group has recognised an impairment loss of RM8,517,885/- (2022: RM Nil) as the recoverable amount is less than the carrying amount.

Notes to the Financial Statements (cont'd)

14. GOODWILL ON CONSOLIDATION

	2023 RM	Group 2022 RM
Cost		
At 1 July/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/- (2022: RM8,583/-) has been allocated to the investment in Winamewah Sdn. Bhd..

15. TRADE AND OTHER RECEIVABLES

		2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Non-current					
Trade receivables	(a)	-	7,508,520	-	-
Current					
Trade receivables		7,734,795	26,107,940	-	-
Less: Accumulated for impairment losses		(3,623,336)	(2,441,447)	-	-
Less: Bad debts written off		-	(2,514,623)	-	-
Trade receivables, net	(a)	4,111,459	21,151,870	-	-
Other receivables		5,025,098	5,724,504	330,530	4,421
Less: Accumulated for impairment losses		(1,881,882)	(1,737,490)	-	-
Less: Bad debts written off		-	(902,701)	-	(4,421)
Other receivables, net	(b)	3,143,216	3,084,313	330,530	-
Deposits	(c)	34,764,874	40,738,390	32,380,261	38,525,522
Prepayments		5,876,243	3,591,501	-	-
		43,784,333	47,414,204	32,710,791	38,525,522
Total current receivables		47,895,792	68,566,074	32,710,791	38,525,522
Total receivables		47,895,792	76,074,594	32,710,791	38,525,522

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

The Group's credit period granted range from 30 days to 60 days (2022: 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:-

	2023 RM	Group 2022 RM
Ringgit Malaysia	4,065,210	28,611,377
Brunei Dollar	8,441	35,530
United States Dollar	37,808	13,483
	4,111,459	28,660,390

Included in trade receivables of the Group is an amount of RM Nil (2022: RM24,308,352/-) 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 RM Nil (2022: RM23,863,175/-) relating to a construction contract. Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	2023 RM	Group 2022 RM
Less than 1 year	–	16,354,655
More than 1 year and less than 2 years	–	7,508,520
	–	23,863,175

Analysis of retention sum on impairment loss and deferred payment terms with discount rate of Nil (2022: 2.88%) per annum, being the weighted average cost of capital of the Group is as follows:-

	2023 RM	Group 2022 RM
Nominal value	–	24,154,655
Discounted	–	(291,480)
	–	23,863,175

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

The ageing analysis of the Group's trade receivables (excluding retention sum) is as follows:-

	2023 RM	Group 2022 RM
Neither past due nor impaired	2,133,936	1,931,223
Past due not impaired		
1 to 30 days	428,639	2,368,407
31 to 60 days	962,949	178,810
61 to 90 days	283,994	225,779
More than 90 days	3,925,277	2,534,443
	5,600,859	5,307,439
Impaired	(3,623,336)	(2,441,447)
	4,111,459	4,797,215

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: *Financial Instruments*. 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)

15. TRADE AND OTHER 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 2021	5,274,341
Reversal of impairment loss during the year	(2,832,894)
<hr/>	
At 30 June 2022	2,441,447
Impairment loss during the year	1,181,889
<hr/>	
At 30 June 2023	3,623,336

(b) Other receivables

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	3,143,216	3,078,788	330,530	-
Australian Dollar	-	5,525	-	-
<hr/>				
	3,143,216	3,084,313	330,530	-

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

	Group RM
At 1 July 2021	4,047,366
Reversal of impairment loss during the year	(2,309,876)
<hr/>	
At 30 June 2022	1,737,490
Impairment loss during the year	144,392
<hr/>	
At 30 June 2023	1,881,882

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Deposits

Included in deposits of the Group and of the Company is an amount of RM32,000,000/- (2022: RM38,425,261/-) in relation to the acquisition of 20.00% (2022: 13.76%) equity interest in Makin Teguh Sdn. Bhd. from a third party. The remaining capital commitments are disclosed in Note 38 to the financial statements.

Included in deposits of the Group is an amount of RM180,000/- (2022: 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 38 to the financial statements.

Included in deposits of the Group is an amount of RM40,000/- (2022: Nil) in relation to the acquisition of 80% equity interest in Antares Ventures Sdn. Bhd. from third parties. The remaining capital commitments are disclosed in Note 38 to the financial statements.

16. AMOUNT OWING BY AN ASSOCIATE

	2023 RM	Group	2022 RM
Non-current			
Trade balances	7,506,785		-
Current			
Trade balances	27,582,836		-
Non-trade balances	8,668,464		-
Less: Accumulated for impairment losses	(1,740,034)		-
	34,511,266		-
Total	42,018,051		-

Included in amount owing by an associate of the Group is a retention sum of RM28,439,314/- (2022: Nil) relating to a construction contract. Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	2023 RM	Group	2022 RM
Less than 1 year	20,932,529		-
More than 1 year and less than 2 years	7,506,785		-
	28,439,314		-

Notes to the Financial Statements (cont'd)

16. AMOUNT OWING BY AN ASSOCIATE (CONT'D)

Analysis of retention sum on impairment loss and deferred payment terms with discount rate of 3.91% (2022: Nil) per annum, being the weighted average cost of capital of the Group is as follows:-

	2023 RM	Group 2022 RM
Nominal value	28,732,528	–
Discounted	(293,214)	–
	28,439,314	–

The reconciliation of amount owing by an associate's movements accumulated impairment losses of the Group is as follows:-

	Group RM
At 1 July 2022	–
Impairment loss during the year	1,740,034
At 30 June 2023	1,740,034

17. INVENTORIES

	2023 RM	Group 2022 RM
At net realisable value		
Gold stock	39,194	494,666
At cost		
Food and beverages and packing materials	4,995,392	5,340,228
Machinery and spare parts	1,708,882	1,710,895
Rocks and minerals	22,024,125	27,832,409
At 30 June	28,767,593	35,378,198
Provision for slow-moving inventories		
At 1 July	972,313	1,082,759
Reversal	(202,169)	(110,446)
At 30 June	770,144	972,313

Notes to the Financial Statements (cont'd)

17. INVENTORIES (CONT'D)

	2023 RM	Group 2022 RM
Carrying amount		
At 30 June		
- At net realisable value	39,194	494,666
- At cost	27,958,255	33,911,219
	27,997,449	34,405,885

During the financial year, the cost of inventories recognised as an expense in the Group amounted to RM43,225,080/- (2022: RM42,356,081/-).

18. AMOUNT OWING BY/(TO) SUBSIDIARIES

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

	2023 RM	Company 2022 RM
Amount owing by subsidiaries		
Non-trade balances	334,324,126	315,773,788
Less: Accumulated for impairment losses	(40,959,889)	(36,633,039)
	293,364,237	279,140,749
Amount owing (to) subsidiaries		
Non-trade balances	(2,552,614)	(3,326,630)

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

	Company RM
At 1 July 2021	93,092,956
Reversal of impairment loss during the year	(56,459,917)
	36,633,039
At 30 June 2022	36,633,039
Impairment loss during the year	4,326,850
	40,959,889
At 30 June 2023	40,959,889

Notes to the Financial Statements (cont'd)

19. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates of 1.04% to 3.00% (2022: 0.35% to 2.00%) per annum. Fixed deposits were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 24(b) to the financial statements.

20. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash on hand	124,845	113,459	12,413	13,185
Cash at banks	11,457,137	21,255,832	5,665,233	15,957,392
Total cash and bank balances	11,581,982	21,369,291	5,677,646	15,970,577

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	10,921,937	20,802,524	5,554,286	15,858,318
Australian Dollar	322,552	258,254	–	–
Singapore Dollar	279,139	254,201	123,360	112,259
United States Dollar	58,354	54,312	–	–
	11,581,982	21,369,291	5,677,646	15,970,577

Notes to the Financial Statements (cont'd)

21. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Ordinary shares				
Issued and fully paid:-				
At 1 July	8,233,117,079	640,237,718	7,450,289,529	618,967,800
Add:-				
Issuance of ordinary shares via private placement	2,991,948,276	49,516,490	745,827,550	20,002,756
ESOS exercised	401,000,000	10,686,006	37,000,000	1,267,162
Warrants exercised	25,069,875	2,393,602	-	-
At 30 June	11,651,135,230	702,833,816	8,233,117,079	640,237,718

During the financial year, the issued and paid-up capital of the Company was increased by RM62,596,098/- from RM640,237,718/- to RM702,833,816/- by way of issuance of:-

- (i) 2,991,948,276 new ordinary shares via private placement at an average issue price of RM0.0177;
- (ii) 401,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0198; and
- (iii) 25,069,875 new ordinary shares from the exercise of warrants at the exercise price of RM0.0700.

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

22. RESERVES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Warrants reserve	(a)	92,802,711	93,441,422	92,802,711	93,441,422
ESOS reserve	(b)	1,520,592	1,145,684	1,520,592	1,145,684
Translation reserve	(c)	(156,276)	(84,807)	-	-
Other reserve	(d)	(36,637,012)	-	-	-
Treasury shares	(e)	-	-	-	-
Total reserves		57,530,015	94,502,299	94,323,303	94,587,106

Notes to the Financial Statements (cont'd)

22. RESERVES (CONT'D)

(a) Warrants reserve

Warrants reserve represents the proceeds from the issuance of warrants which are 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 23 to the financial statements.

(b) 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 42(c) to the financial statements.

(c) 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.

(d) Other reserve

The other reserve comprises the Group's share of an associate post-acquisition other comprehensive income reserves as disclosed in Note 9(b) to the financial statements.

(e) 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			
	2023		2022	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
At 1 July	–	–	541,526,000	31,493,087
Purchase of treasury shares	–	–	203,710,000	6,827,174
Transfer of treasury shares as purchase consideration	–	–	(745,236,000)	(38,320,261)
At 30 June	–	–	–	–

Notes to the Financial Statements (cont'd)

23. WARRANTS

(a) 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:-

	Unit	Company		Unit	RM
		2023	2022		
At 1 July	1,734,679,850	93,441,422	93,441,422	1,734,679,850	93,441,422
Warrants exercised during the financial year	(11,857,250)	(638,711)	–	–	–
At 30 June	1,722,822,600	92,802,711	92,802,711	1,734,679,850	93,441,422

(b) 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 is as follows:-

	Unit	Company		Unit	RM
		2023	2022		
At 1 July	378,683,984	–	–	378,683,984	–
Warrants exercised during the financial year	(13,212,625)	–	–	–	–
At 30 June	365,471,359	–	–	378,683,984	–

Notes to the Financial Statements (cont'd)

24. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current					
Secured:-					
Bankers' acceptances	(a)	1,091,000	1,639,200	–	–
Bank overdrafts	(b)	1,588,418	1,284,685	–	–
Hire purchase payables	25	1,349,648	1,029,742	114,459	109,503
Term loans	26	1,900,889	1,119,984	–	–
		5,929,955	5,073,611	114,459	109,503
Non-current					
Secured:-					
Hire purchase payables	25	2,640,448	1,955,888	373,038	487,497
Term loans	26	21,425,919	23,271,472	–	–
		24,066,367	25,227,360	373,038	487,497
Total loans and borrowings		29,996,322	30,300,971	487,497	597,000

(a) Bankers' acceptances

Interest rates on bankers' acceptances of the Group at the end of the reporting period range from 3.09% to 4.23% (2022: 2.59% to 2.84%) 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 7 to the financial statements.

(b) Bank overdrafts

Interest rates on bank overdrafts of the Group at the end of the reporting period range from 5.80% to 6.80% (2022: 5.55% to 7.15%) 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 19 to the financial statements.

Notes to the Financial Statements (cont'd)

25. HIRE PURCHASE PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Minimum hire purchase payments:-					
- not later than one year		1,549,612	1,169,048	132,012	132,012
- later than one year but not later than five years		2,783,207	2,104,384	395,960	527,972
- later than five years		76,559	-	-	-
		4,409,378	3,273,432	527,972	659,984
Less: Future finance charges		(419,282)	(287,802)	(40,475)	(62,984)
		3,990,096	2,985,630	487,497	597,000
Analysis of present value of hire purchases payables:-					
Current	24				
Within the next twelve months		1,349,648	1,029,742	114,459	109,503
Non-current	24				
After the next twelve months					
- later than one year but not later than five years		2,640,448	1,955,888	373,038	487,497
Total hire purchase payables		3,990,096	2,985,630	487,497	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 0.52% to 5.79% and 3.39% to 3.46% respectively (2022: 0.55% to 6.65% and 2.11% respectively) per annum. The hire purchase payables are secured by way of charge over the leased assets as disclosed in Note 5(a) to the financial statements.

Notes to the Financial Statements (cont'd)

26. TERM LOANS

	Note	2023 RM	Group 2022 RM
Current	24		
Within the next twelve months		1,900,889	1,119,984
Non-current	24		
After the next twelve months			
- later than one year but not later than five years		8,867,192	8,489,446
- later than five years		12,558,727	14,782,026
		21,425,919	23,271,472
Total term loans		23,326,808	24,391,456

Interest rates on term loans of the Group at the end of the reporting period range from 3.44% to 4.65% (2022: 3.25% to 5.56%) 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 5(c), Note 6.1 and Note 7 respectively to the financial statements.

27. DEFERRED TAX LIABILITIES

	Note	2023 RM	Group 2022 RM
At 1 July		17,006,059	17,724,635
Recognised in profit or loss	34	240,000	(718,576)
At 30 June		17,246,059	17,006,059
Presented after appropriate offsetting as follows:-			
Deferred tax liabilities		17,246,059	17,006,059

Notes to the Financial Statements (cont'd)

27. DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax liabilities are made up of the following:-

	Property, plant and equipment	
	2023 RM	2022 RM
At 1 July	–	532,272
Recognised in profit or loss	–	(532,272)
<hr/>		
At 30 June	–	–
<hr/>		
	Revaluation on investment properties	
	2023 RM	2022 RM
At 1 July	17,006,059	17,192,363
Recognised in profit or loss	240,000	(186,304)
<hr/>		
At 30 June	17,246,059	17,006,059
<hr/>		

28. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	(a)	7,710,475	7,416,332	–	–
Other payables	(b)	6,635,177	3,839,235	320,666	338,458
Deposits	(c)	6,583,400	3,325,580	3,081,000	–
Accruals		1,157,453	647,109	61,006	58,121
		14,376,030	7,811,924	3,462,672	396,579
<hr/>				<hr/>	
Total		22,086,505	15,228,256	3,462,672	396,579
<hr/>				<hr/>	

Notes to the Financial Statements (cont'd)

28. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2022: 30 to 90 days). The currency exposure profile of trade payables is as follows:-

	2023 RM	Group 2022 RM
Ringgit Malaysia	7,685,301	6,997,210
United States Dollar	25,174	419,122
	7,710,475	7,416,332

Included in trade payables of the Group is a retention sum of RM Nil (2022: RM216,697/-) relating to construction contracts. Retention sum is unsecured, interest-free and is expected to be paid as follows:-

	2023 RM	Group 2022 RM
Less than 1 year	-	216,697

Analysis of retention sum on deferred payment terms with discount rate of Nil per annum, being the weighted average cost of capital of the Group is as follows:-

	2023 RM	Group 2022 RM
Nominal value	-	216,697

(b) Other payables

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	6,558,055	3,481,000	320,666	338,458
Brunei Dollar	-	294,545	-	-
Singapore Dollar	77,122	63,690	-	-
	6,635,177	3,839,235	320,666	338,458

Included in other payables of the Group is an amount of RM2,026,943/- (2022: RM2,168,282/-) of deferred income in relation to the franchise fees received from outlet franchisees.

Notes to the Financial Statements (cont'd)

28. TRADE AND OTHER PAYABLES (CONT'D)

(c) Deposits

Included in deposits of the Group is an amount of RM3,355,000/- (2022: RM3,180,000/-) received from outlet franchisees.

Included in deposits of the Group and of the Company is an amount of RM3,081,000/- (2022: RM Nil) refundable deposit received in relation to Employees' Share Option Scheme ("ESOS").

29. CONTRACT LIABILITY

	2023 RM	Group 2022 RM
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 relates to the advance consideration received from customers for construction contracts, which revenue is recognised overtime during the construction.

	2023 RM	Group 2022 RM
Represented by:-		
Contract liability		
Aggregate construction contract costs incurred to date	116,291,829	105,094,861
Add: Attributable profits	23,258,366	21,018,972
	139,550,195	126,113,833
Less: Progress billings	(139,550,195)	(127,456,966)
	–	(1,343,133)

Notes to the Financial Statements (cont'd)

30. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Major products and service lines				
Resources and sustainable energy	15,324,892	17,743,167	–	–
Fast food and restaurant operations	55,127,072	47,007,996	–	–
Franchise fees	512,475	416,133	–	–
Management fees	136,000	156,000	1,356,000	1,356,000
Machinery and spare parts	449,780	197,017	–	–
Construction services	13,436,362	21,973,537	–	–
Total revenue	84,986,581	87,493,850	1,356,000	1,356,000
Timing and recognition:-				
- Products transferred at point in time	71,037,744	65,104,180	1,356,000	1,356,000
- Products and services transferred over time	13,948,837	22,389,670	–	–
	84,986,581	87,493,850	1,356,000	1,356,000
Revenue from contracts with customers				
Other revenue	136,000	156,000	1,356,000	1,356,000
Total revenue	84,986,581	87,493,850	1,356,000	1,356,000
Primary geographical markets				
Malaysia	84,986,581	87,493,850	1,356,000	1,356,000

Notes to the Financial Statements (cont'd)

30. 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 franchisees.	Collected upon signing of franchise 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.
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)

30. REVENUE (CONT'D)

Transaction price allocated to remaining performance obligations

As of 30 June 2023, the aggregate amount of the transaction price allocated to remaining performance obligations is RM16,449,805/-. 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.

31. OPERATING PROFIT

Operating profit has been arrived at:-

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
After charging:-					
Amortisation of right-of-use assets		1,458,266	1,479,055	106,239	106,239
Auditors' remuneration:-					
- Company's auditors					
- statutory audit					
- current year		327,500	307,000	90,000	84,000
- overprovision in previous year		-	(2,650)	-	-
- other services		25,000	23,000	25,000	23,000
- Other auditors					
- statutory audit		13,307	17,235	-	-
Depreciation of property, plant and equipment		3,738,087	3,364,068	646,437	506,453
Directors' remunerations	32	2,088,368	2,057,827	1,455,960	1,640,960
Employee Share Option Scheme ("ESOS")		3,021,914	1,561,846	600,457	244,509
Fair value discount on:-					
- amount owing by an associate		293,214	-	-	-
- retention payables		-	56,680	-	-

Notes to the Financial Statements (cont'd)

31. OPERATING PROFIT (CONT'D)

Operating profit has been arrived at:- (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
After charging:- (cont'd)					
Impairment losses on:-					
- property, plant and equipment		1,039,017	-	-	-
- investment in subsidiaries		-	-	8,000,000	20,000,000
- exploration expenditure		8,517,885	-	-	-
- trade receivables		1,181,889	-	-	-
- other receivables		144,392	-	-	-
- amount owing by an associate		1,740,034	-	-	-
- amount owing by subsidiaries		-	-	4,326,850	-
Liquidated damages		-	750,000	-	-
Rental of premises ¹		114,172	232,001	-	-
Rental of machineries		174,491	229,458	-	-
Staff costs:-					
- salaries, wages and bonuses		10,410,634	8,708,890	605,439	565,120
- Employees' Provident Fund and Social Security Contribution		1,241,858	1,022,448	67,597	54,958
- other related staff costs		1,093,093	633,083	203,665	105,673
Written-off of:-					
- property, plant and equipment		99,643	162,641	3,439	-
- investment properties		-	243,710	-	-
- bad debts - trade receivables		-	2,514,623	-	-
- bad debts - other receivables		-	902,701	-	4,421

¹ The Group leases hostel and machinery with contract term of one (1) year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements (cont'd)

31. OPERATING PROFIT (CONT'D)

Operating profit has been arrived at:- (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
And crediting:-					
Dividend income		–	2,295	–	–
Fair value gain on:-					
- investment in quoted shares	64,771,562	64,771,562	53,037,352	64,408,037	52,887,375
- investment properties	2,400,000	2,400,000	86,960	–	–
- retention receivables	291,480	291,480	1,316,200	–	–
Government subsidy ²	–	–	55,988	–	–
Gain on disposal of:-					
- investment in quoted shares	10,172	10,172	3,300,181	–	3,255,000
- property, plant and equipment	330,612	330,612	20,392	–	–
Gain on lease modification	–	–	19,019	–	–
Gain on realised foreign exchange	10,384	10,384	12,237	–	39,990
Gain on unrealised foreign exchange	1,955,077	1,955,077	1,312,257	1,914,064	1,314,154
Interest income	112,262	112,262	170,121	63,571	131,143
Rental income	578,100	578,100	574,630	–	–
Reversal of impairment losses on:-					
- property, plant and equipment	319,204	319,204	319,204	–	–
- trade receivables	–	–	2,832,894	–	–
- other receivables	–	–	2,309,876	–	–
- amount owing by subsidiaries	–	–	–	–	56,459,917
Reversal of provision for slow moving inventories	202,169	202,169	110,446	–	–
Waiver of rental	–	–	300,617	–	–
Waiver of debts	1,940	1,940	20,746	1,940	–

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)

32. DIRECTORS' REMUNERATIONS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors				
- salaries, allowances and bonuses	541,020	336,330	-	-
- fees	1,020,000	1,299,000	984,000	1,254,000
- others	55,388	35,537	-	-
	1,616,408	1,670,867	984,000	1,254,000
Non-Executive Directors				
- fees	471,960	386,960	471,960	386,960
Total directors' remunerations	2,088,368	2,057,827	1,455,960	1,640,960

33. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses on:-				
- bank overdrafts	86,839	64,791	-	-
- bankers' acceptances	45,465	27,307	-	-
- hire purchase payables	129,716	228,363	22,510	-
- term loans	1,133,290	674,751	-	-
- lease liabilities	263,459	368,749	4,412	11,134
Total finance costs	1,658,769	1,363,961	26,922	11,134

Notes to the Financial Statements (cont'd)

34. TAXATION

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Income tax					
- current year		661,676	447,472	-	-
- (over)/under accrual in prior years		(544,907)	33,397	8,386	2,376
		116,769	480,869	8,386	2,376
Deferred tax	27				
- current year		240,000	28,690	-	-
- over accrual in prior years		-	(747,266)	-	-
		240,000	(718,576)	-	-
		356,769	(237,707)	8,386	2,376

A reconciliation of income tax expenses applicable to (loss)/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	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before taxation	(12,857,757)	53,860,838	48,287,220	90,659,521
Taxation at applicable tax rate of 24%	(3,085,862)	12,926,601	11,588,933	21,758,285
Tax effects arising from:-				
- expenses not deductible for tax purposes	12,340,716	15,581,103	279,478	5,190,326
- income not subject to tax	(15,716,249)	(30,002,758)	(15,457,929)	(27,368,747)
- deferred tax assets not recognised	7,283,020	1,985,312	3,589,518	420,136
- utilisation of deferred tax assets previously not recognised	(159,949)	(24,146)	-	-
- deferred tax liabilities on valuation gain	240,000	10,050	-	-
- (over)/under accrual in prior years:-				
- income tax	(544,907)	33,397	8,386	2,376
- deferred tax	-	(747,266)	-	-
Tax expenses for the financial year	356,769	(237,707)	8,386	2,376

Notes to the Financial Statements (cont'd)

34. TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	5,209,257	6,508,672	668,723	1,049,959
Unutilised capital allowance carry forward	(2,416,225)	(1,566,824)	(55,011)	(22,266)
Unabsorbed business losses carry forward	(27,799,879)	(25,037,728)	(2,215,496)	-
Other temporary differences	(113,207,546)	(88,439,048)	(79,059,888)	(66,733,038)
	(138,214,393)	(108,534,928)	(80,661,672)	(65,705,345)
Potential deferred tax assets not recognised	(33,171,454)	(26,048,383)	(19,358,801)	(15,769,283)

35. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (loss)/earnings per share

	2023 RM	Group 2022 RM
	Net (loss)/profit attributable to owners of the parent	(13,214,526)
Number of shares as at 1 July	8,233,117,079	7,450,289,529
Issuance of ordinary shares via private placement	974,379,718	601,182,261
ESOS exercised	310,752,329	10,764,384
Warrants exercised	8,791,627	-
Weighted average number of ordinary shares as at 30 June	9,527,040,753	8,062,236,174
Basic (loss)/earnings per ordinary share (sen)	(0.14)	0.67

The basic (loss)/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 (loss)/earnings per share

There is no dilution in the (loss)/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 (loss)/earnings per share.

Notes to the Financial Statements (cont'd)

36. CONTINGENT LIABILITIES

The Company provides corporate guarantees amounting up to RM32,159,461/- (2022: RM31,715,288/-) 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 RM15,300,000/- (2022: RM600,000/-) 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.

37. 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) Associate;
- (iv) Related company in which the Group has financial interests; and
- (v) 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Subsidiaries				
Management fees	-	-	1,320,000	1,320,000
Consultancy fees	-	-	(39,343)	(37,365)
Among subsidiaries				
Purchase of property, plant and equipment	711	84,603	-	-
Sales of property, plant and equipment	(711)	(84,603)	-	-
Sales of goods/services	915,905	659,102	-	-
Purchase of goods/services	(915,905)	(659,102)	-	-
Rental income	188,000	168,000	-	-
Rental expenses	(188,000)	(168,000)	-	-
Consultancy fees income	1,290,322	1,191,171	-	-
Consultancy fees	(1,290,322)	(1,191,171)	-	-
Management fees income	24,000	-	-	-
Management fees	(24,000)	-	-	-

Notes to the Financial Statements (cont'd)

37. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Associate				
Construction services	13,436,362	–	–	–
Sale of goods	9,871,112	–	–	–
Purchase of goods	(79,762)	–	–	–
Rental income	160,000	–	–	–
Management fees income	100,000	–	–	–
Related party				
Construction services	–	21,973,537	–	–
Sale of goods	–	6,198,765	–	–
Purchase of goods	–	(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	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, allowances and bonuses	541,020	336,330	–	–
Fees	1,020,000	1,299,000	984,000	1,254,000
Others	55,388	35,537	–	–
	1,616,408	1,670,867	984,000	1,254,000

Notes to the Financial Statements (cont'd)

38. CAPITAL COMMITMENTS

As of the reporting period, the Group and the Company have the following capital commitments:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Acquisition of third parties' ordinary shares				
Contracted and provided for	1,620,000	8,194,739	–	6,574,739
Provided but not contracted for	8,760,000	–	8,000,000	–
Acquisition of land				
Approved but not contracted for	10,500,000	–	–	–
	20,880,000	8,194,739	8,000,000	6,574,739

39. 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 ¹;
- (c) Property investment and management; 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)

39. SEGMENT REPORTING (CONT'D)

Group 2023	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	56,089,327	13,536,362	15,324,892	-		84,986,581
Inter-segment sales	1,919,733	457,865	20,000	458,041	(2,855,639)	(a)	-
Total revenue	1,955,733	56,547,192	13,556,362	15,782,933	(2,855,639)		84,986,581
Results							
Segment results	(3,015,145)	2,263,354	(2,998,768)	1,551,585	(164,000)	(a)	(2,362,974)
Amortisation of right-of-use assets	(106,239)	(1,135,013)	(32,559)	(333,684)	149,229	(a)	(1,458,266)
Depreciation of property, plant and equipment	(660,162)	(1,108,148)	(151,845)	(1,817,932)	-	(a)	(3,738,087)
Finance costs	(26,921)	(450,140)	(7,136)	(1,197,213)	22,641	(a)	(1,658,769)
Income tax expenses	(8,386)	(172,524)	(40,000)	(135,859)	-		(356,769)
Interest income	63,571	35,761	369	12,561	-		112,262
Other non-cash expenses	52,077,202	597,797	(6,273,854)	(9,068,228)	17,978,148	39(i)	55,311,065
Share of results of an associate	-	-	-	(59,062,988)	-		(59,062,988)
Loss for the financial year							(13,214,526)

Notes to the Financial Statements (cont'd)

39. SEGMENT REPORTING (CONT'D)

	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
Group 2023							
Assets							
Segment assets	881,437,589	49,764,948	564,558,207	379,447,179	(910,169,722)	(b)	965,038,201
Tax recoverable	2,376	-	183,674	352,723	(187,560)		351,213
Consolidated total assets							965,389,414
Other information							
Additions to property, plant and equipment	47,220	904,320	1,027,649	2,291,254	(710)	(a)	4,269,733
Additions to right-of-use assets	-	5,020,985	27,712	484,369	(1,457,963)	(b)	4,075,103
Liabilities							
Segment liabilities	6,675,234	21,736,349	389,339,687	90,134,067	(485,798,832)	(c)	22,086,505
Tax payable	-	207,087	-	-	-		207,087
Loans and borrowings	487,497	4,879,963	280,000	24,348,862	-		29,996,322
Deferred tax liabilities	-	-	13,714,391	3,531,668	-		17,246,059
Lease liabilities	39,624	8,351,032	26,599	1,073,949	(1,556,172)	(c)	7,935,032
Consolidated total liabilities							77,471,005

Notes to the Financial Statements (cont'd)

39. 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
Amortisation of right-of-use assets	(106,239)	(1,143,811)	(32,372)	(333,214)	136,581	(a)	(1,479,055)
Depreciation of property, plant and equipment	(520,177)	(1,134,826)	(145,481)	(1,563,584)	-	(a)	(3,364,068)
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)	39(i)	59,793,532
Profit for the financial year							54,098,545

Notes to the Financial Statements (cont'd)

39. 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

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)

39. 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:-

	2023 RM	2022 RM
Fair value discount on:-		
- amount owing by an associate	293,214	-
- retention payables	-	56,680
Fair value gain on:-		
- investment in quoted shares	(64,771,562)	(53,037,352)
- investment properties	(2,400,000)	(86,960)
- retention receivables	(291,480)	(1,316,200)
Gain on disposal of:-		
- investment in quoted shares	(10,172)	(3,300,181)
- property, plant and equipment	(330,612)	(20,392)
Gain on lease modification	-	(19,019)
Impairment losses on/(Reversal of impairment losses):-		
- property, plant and equipment	719,813	(319,204)
- exploration expenditure	8,517,885	-
- trade receivables	1,181,889	(2,832,894)
- other receivables	144,392	(2,309,876)
- amount owing by an associate	1,740,034	-
Reversal of provision for slow-moving inventories	(202,169)	(110,446)
Written-off of:-		
- property, plant and equipment	99,643	162,641
- investment properties	-	243,710
- bad debts - trade receivables	-	2,514,623
- bad debts - other receivables	-	902,701
Waiver of rental	-	(300,617)
Waiver of debts	(1,940)	(20,746)
	(55,311,065)	(59,793,532)

Notes to the Financial Statements (cont'd)

39. 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 30 to the financial statements.

	Non-current assets	
	2023	2022
	RM	RM
Malaysia	841,451,805	817,618,347
Australia	1,593	2,237
	841,453,398	817,620,584

Major customer

The following are major customer with revenue equal or more than 15% of the Group's total revenue:-

	Revenue		Segment
	2023	2022	
	RM	RM	
Customer A	14,692,640	28,172,302	Property investment and management & resources and sustainable energy

40. 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)

40. 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)

Group 2023	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
Financial assets					
Other investments	186,556,993	186,556,992	1	-	-
Amount owing by an associate	42,018,051	-	-	42,018,051	-
Trade and other receivables	42,019,549	-	-	42,019,549	-
Fixed deposits with licensed banks	1,598,314	-	-	1,598,314	-
Cash and bank balances	11,581,982	-	-	11,581,982	-
	283,774,889	186,556,992	1	97,217,896	-
Financial liabilities					
Trade and other payables	22,086,505	-	-	-	22,086,505
Loans and borrowings	29,996,322	-	-	-	29,996,322
Lease liabilities	7,935,032	-	-	-	7,935,032
	60,017,859	-	-	-	60,017,859

Notes to the Financial Statements (cont'd)

40. 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)

Group 2022	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
Financial assets					
Other investments	158,588,222	158,588,221	1	-	-
Trade and other 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					
Trade and other 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

Notes to the Financial Statements (cont'd)

40. 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				
2023				
Financial assets				
Other investments	185,647,995	185,647,995	-	-
Trade and other receivables	32,710,791	-	32,710,791	-
Amount owing by subsidiaries	293,364,237	-	293,364,237	-
Cash and bank balances	5,677,646	-	5,677,646	-
	517,400,669	185,647,995	331,752,674	-
Financial liabilities				
Trade and other payables	3,462,672	-	-	3,462,672
Amount owing to subsidiaries	2,552,614	-	-	2,552,614
Loans and borrowings	487,497	-	-	487,497
Lease liabilities	39,624	-	-	39,624
	6,542,407	-	-	6,542,407

Notes to the Financial Statements (cont'd)

40. 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	-	-
Trade and other 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				
Trade and other 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

Notes to the Financial Statements (cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net (gains)/losses arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net (gains)/losses on:-				
Financial assets at amortised cost	(112,262)	(170,121)	(63,571)	(131,143)
Financial asset at fair value through profit or loss	(64,771,562)	(53,037,352)	(64,408,037)	(52,887,375)
Financial liabilities at amortised cost	1,658,769	1,363,961	26,922	11,134
	(63,225,055)	(51,843,512)	(64,444,686)	(53,007,384)
Net (gains)/losses on impairment of financial assets:-				
Financial assets at amortised cost	3,066,315	(1,725,446)	4,326,850	(56,455,496)

(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.

Notes to the Financial Statements (cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk

The Group's exposures to credit risk arises mainly from receivables, amount owing by an associate 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.

Trade receivables

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 are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables 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 are represented by the carrying amounts in the statements of financial position.

As at 30 June 2023, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM915,933/- (2022: RM2,093,675/-) due from three (3) trade receivables respectively which represents 22% (2022: 44%) 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

The Group uses simplified matrix approach to measure the ECLs of trade receivables 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)

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Expected credit losses ("ECL") assessment for trade receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables:-

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2023			
Trade receivables - current			
Current (not past due)	2,133,936	234,688	1,899,248
1 to 30 days past due	428,639	42,110	386,529
31 to 60 days past due	962,949	101,749	861,200
61 to 90 days past due	283,994	28,315	255,679
	3,809,518	406,862	3,402,656
Credit impaired			
More than 90 days past due	3,925,277	3,216,474	708,803
	7,734,795	3,623,336	4,111,459
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

Notes to the Financial Statements (cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Movements in the allowance for impairment losses in respect of trade receivables

During the financial year, the Group recognised ECLs of RM1,181,889/- (2022: recognised a reversal of ECLs of RM2,832,894/-) for trade receivables as disclosed in Note 15(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 ECLs of RM144,392/- (2022: recognised a reversal of ECLs of RM2,309,876/-) for other receivables as disclosed in Note 15(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 RM32,159,461/- (2022: RM31,715,288/-) 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.

Notes to the Financial Statements (cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Inter-company balances

The Group provides unsecured advances to its associate. The Group monitors the results of the associate regularly.

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 Group and the Company recognised ECLs of RM1,740,034/- (2022: RM Nil) and RM4,326,850/- (2022: recognised a reversal of ECLs of RM56,459,917/-) respectively, for inter-company loans and advances as disclosed in Note 16 and Note 18 to the financial statements respectively.

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)

40. 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:-

	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
Group						
2023						
Financial liabilities						
Trade and other payables	22,086,505	-	22,086,505	22,086,505	-	-
Bankers' acceptances	1,091,000	3.09% - 4.23%	1,091,000	1,091,000	-	-
Bank overdrafts	1,588,418	5.80% - 6.80%	1,588,418	1,588,418	-	-
Hire purchase payables	3,990,096	0.52% - 5.79%	4,409,378	1,549,612	2,783,207	76,559
Term loans	23,326,808	3.44% - 4.65%	28,852,258	3,106,426	12,425,703	13,320,129
Lease liabilities	7,935,032	3.47% - 4.90%	9,440,420	1,629,677	4,074,226	3,736,517
	60,017,859		67,467,979	31,051,638	19,283,136	17,133,205

Notes to the Financial Statements
(cont'd)

40. 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)

Group 2022	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
Financial liabilities						
Trade and other 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

Notes to the Financial Statements (cont'd)

40. 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)

	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
Company						
2023						
Financial liabilities						
Trade and other payables	3,462,672	-	3,462,672	3,462,672	-	-
Amount owing to subsidiaries	2,552,614	-	2,552,614	2,552,614	-	-
Hire purchase payables	487,497	3.39% - 3.46%	527,972	132,012	395,960	-
Lease liabilities	39,624	4.90%	40,000	40,000	-	-
Financial guarantees	-	-	47,459,461	47,459,461	-	-
	6,542,407		54,042,719	53,646,759	395,960	-

Notes to the Financial Statements (cont'd)

40. 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)

	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
Company						
2022						
Financial liabilities						
Trade and other 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 guarantees	-	-	32,315,288	32,315,288	-	-
	4,475,421		36,928,481	36,360,509	567,972	-

Notes to the Financial Statements (cont'd)

40. 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 fixed 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.

	2023		2022	
	Effective interest rate %	Carrying amounts RM	Effective interest rate %	Carrying amounts RM
Group				
Financial asset				
Fixed deposits with licensed banks	1.04 - 3.00	1,598,314	0.35 - 2.00	1,876,367
Financial liabilities				
Bankers' acceptances	3.09 - 4.23	1,091,000	2.59 - 2.84	1,639,200
Bank overdrafts	5.80 - 6.80	1,588,418	5.55 - 7.15	1,284,685
Hire purchase payables	0.52 - 5.79	3,990,096	0.55 - 6.65	2,985,630
Term loans	3.44 - 4.65	23,326,808	3.25 - 5.56	24,391,456
Lease liabilities	3.47 - 4.90	7,935,032	3.47 - 4.90	5,277,243
Company				
Financial liabilities				
Hire purchase payables	3.39 - 3.46	487,497	2.11	597,000
Lease liabilities	4.90	39,624	4.90	155,212

Notes to the Financial Statements (cont'd)

40. 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 2023 RM	(Increase)/ Decrease in Profit or Loss 2022 RM
Increase in interest rate by 5%	(946,779)	(975,693)
Decrease in interest rate by 5%	946,779	975,693

(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 and Singapore. 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)

40. 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.

	Group	
	Increase/ (Decrease) in Profit or Loss 2023 RM	Increase/ (Decrease) in Profit or Loss 2022 RM
USD/RM - strengthened 5%	2,698	(13,350)
- weakened 5%	(2,698)	13,350
AUD/RM - strengthened 5%	12,257	10,024
- weakened 5%	(12,257)	(10,024)
BRD/RM - strengthened 5%	321	(9,843)
- weakened 5%	(321)	9,843
SGD/RM - strengthened 5%	7,677	7,239
- weakened 5%	(7,677)	(7,239)

(v) Other price risk

The Group's exposure to other price risk arises mainly from other investments. 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:-

	Group	
	Increase/ (Decrease) in Profit or Loss 2023 RM	Increase/ (Decrease) in Profit or Loss 2022 RM
Increase in price by 10%	14,178,331	12,052,705
Decrease in price by 10%	(14,178,331)	(12,052,705)

Notes to the Financial Statements (cont'd)

40. 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								
2023								
Financial assets								
Other investments	185,105,815	-	1,451,178	-	-	-	186,556,993	186,556,993
Retention sum (amount owing by an associate)	-	-	-	-	-	28,732,528	28,732,528	28,439,314
Financial liability								
Hire purchase payables	-	-	-	-	-	4,409,378	4,409,378	3,990,096

Notes to the Financial Statements (cont'd)

40. 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	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	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)

40. 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	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
Company								
2023								
Financial asset								
Other investments	184,196,817	-	1,451,178	-	-	-	185,647,995	185,647,995
Financial liability								
Hire purchase payables	-	-	-	-	-	527,972	527,972	487,497
2022								
Financial asset								
Other investments	99,495,907	-	-	-	-	58,580,903	158,076,810	158,076,810
Financial liability								
Hire purchase payables	-	-	-	-	-	659,984	659,984	597,000

Notes to the Financial Statements (cont'd)

40. 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	Revalued net asset valuation method and adjusted net asset method

41. 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)

41. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio of the Group and of the Company is as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade and other payables	22,086,505	15,228,256	3,462,672	396,579
Contract liability	–	1,343,133	–	–
Amount owing to subsidiaries	–	–	2,552,614	3,326,630
Loans and borrowings	29,996,322	30,300,971	487,497	597,000
Lease liabilities	7,935,032	5,277,243	39,624	155,212
Total debts	60,017,859	52,149,603	6,542,407	4,475,421
Total equity	887,918,409	875,509,121	969,922,953	859,311,824
Capital and total debts	947,936,268	927,658,724	976,465,360	863,787,245
Gearing ratio	6.3%	5.6%	0.7%	0.5%

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Private placement

On 13 December 2022, the Company has completed a private placement of up to 10% of the total number of issued shares of the Company (“Bornoil Shares”) to third parties at the average subscription price of RM0.0205 per Placement Shares. A total of 1,052,500,000 new Bornoil Shares (“Placement Shares”) have been issued pursuant to the Proposed Private Placement. The Company had raised gross proceeds of RM22,402,000/- through the Proposed Private Placement.

On 27 June 2023, the Company has completed a private placement of up to 20% of the total number of issued shares of the Company (“Bornoil Shares”) to third parties at the average subscription price of RM0.0140 per Placement Shares. A total of 1,939,448,276 new Bornoil Shares (“Placement Shares”) have been issued pursuant to the Proposed Private Placement. The Company had raised gross proceeds of RM27,309,900/- through the Proposed Private Placement.

(b) Acquisition of additional 13.76% interest in Makin Teguh Sdn. Bhd.

On 25 July 2022, the Company has completed a Shares Sale Agreement (“SSA”) to acquire additional 13.76% equity interest of 17,350,299 ordinary shares in Makin Teguh Sdn. Bhd. (“MTSB”) for a total cash consideration of RM45,000,000/-.

Notes to the Financial Statements (cont'd)

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(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. As of the financial year ended all ESOS options have been exercised.

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

On 9 November 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 been exercised.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	09.11.2022
2. Exercise price of the ESOS Options offered	RM0.018
3. Number of ESOS Options offered	93,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.020
5. Number of ESOS Options offered to the Directors of the Company	Nil
6. Vesting period of the ESOS Options offered	N/A

On 23 November 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 been exercised.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	23.11.2022
2. Exercise price of the ESOS Options offered	RM0.018
3. Number of ESOS Options offered	45,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.020
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)

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(c) Employees' Share Option Scheme ("ESOS") (cont'd)

On 6 March 2023, 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.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	06.03.2023
2. Exercise price of the ESOS Options offered	RM0.017
3. Number of ESOS Options offered	10,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.020
5. Number of ESOS Options offered to the Directors of the Company	Nil
6. Vesting period of the ESOS Options offered	N/A

On 19 June 2023, 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.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	19.06.2023
2. Exercise price of the ESOS Options offered	RM0.013
3. Number of ESOS Options offered	245,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.015
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)

43. SUBSEQUENT EVENTS

(a) Acquisition of additional 20% interest in Makin Teguh Sdn. Bhd.

On 27 July 2023, the Company has entered into a Shares Sale Agreement (“SSA”) to acquire 20% equity interest of 25,215,767 ordinary shares in Makin Teguh Sdn. Bhd. (“MTSB”) for a total cash consideration of RM40,000,000/-.

(b) Acquisition of leasehold land

On 20 July 2023, SB Resorts Sdn. Bhd., a subsidiary of the Company, has entered into a Sale and Purchase Agreement (“SPA”) with Segama Ventures Sdn. Bhd., to acquire a leasehold land, for a total consideration of RM10,500,000/-. The completion of the SPA is pending the fulfillment of the conditions precedent of the SPA.

(c) Employees’ Share Option Scheme (“ESOS”)

On 6 July 2023, 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.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	06.07.2023
2. Exercise price of the ESOS Options offered	RM0.013
3. Number of ESOS Options offered	83,000,000
4. Closing market price of Borneoil Shares on the date of the Offer	RM0.015
5. Number of ESOS Options offered to the Directors of the Company	Nil
6. Vesting period of the ESOS Options offered	N/A

44. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year’s presentation.

LIST OF PROPERTIES

List of Properties held by the Group as at 30 June 2023 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 30.04.2047	13.08 acres	Nil	2,616	28.06.2023
2	Kg. Mansiang, Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	5.70 acres	Nil	451	28.06.2023
3	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	23.15 acres	Nil	14,469	28.06.2023
4	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	16.90 acres	Nil	875	28.06.2023
5	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	15.00 acres	Nil	881	28.06.2023
6	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	9.30 acres	Nil	500	28.06.2023
7	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	11.70 acres	Nil	7,312	28.06.2023
8	Tombongan, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.67 acres	Nil	2,534	28.06.2023
9	Kg. Kiansom, Kota Kinabalu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2069	20.78 acres	Nil	12,988	28.06.2023
10	Kg Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	6.75 acres	Nil	396	28.06.2023
11	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	2.76 acres	Nil	178	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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 30.04.2047	5.65 acres	Nil	1,130	28.06.2023
13	Kg. Mansiang, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	3.89 acres	Nil	252	28.06.2023
14	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.95 acres	Nil	8,094	28.06.2023
15	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 28.02.2033	2.65 acres	Nil	140	28.06.2023
16	Kg. Kundasang, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2081	1.57 acres	Nil	312	28.06.2023
17	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.66 acres	Nil	822	28.06.2023
18	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	14.59 acres	Nil	2,978	28.06.2023
19	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2086	14.41 acres	Nil	360	28.06.2023
20	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	11.28 acres	Nil	282	28.06.2023
21	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.63 acres	Nil	365	28.06.2023
22	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.80 acres	Nil	395	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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 30.07.2046	14.36 acres	Nil	359	28.06.2023
24	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.28 acres	Nil	381	28.06.2023
25	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.69 acres	Nil	366	28.06.2023
26	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.79 acres	Nil	394	28.06.2023
27	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.88 acres	Nil	371	28.06.2023
28	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	16.53 acres	Nil	412	28.06.2023
29	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.84 acres	Nil	396	28.06.2023
30	Pulau Gaya, Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring 31.01.2042	2.05 acres	Nil	1,421	28.06.2023
31	Pulau Gaya Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 31.01.2042	5.16 acres	Nil	3,579	28.06.2023
32	1 unit Waikiki Condominium HC-1202, Kota Kinabalu, Sabah	Condominium	Leasehold, 999 years expiring 15.03.2925	4,550 sq ft	39 years	3,125	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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	28.06.2023
34	Sg. Metah, Kinabatangan District, Sandakan, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2073	100.07 acres	Nil	2,500	28.06.2023
35	Kampung Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.79 acres	Nil	29,600	28.06.2023
36	Ulu Segama, Lahad Datu	Quarry land	Leasehold, 99 years expiring 31.12.2072	71.47 acres	Nil	185,000	28.06.2023
37	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2046	3.00 acres	Nil	1,873	28.06.2023
38	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.07.2046	1.45 acres	Nil	905	28.06.2023
39	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.24 acres	Nil	18,286	28.06.2023
40	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.17 acres	Nil	18,202	28.06.2023
41	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.12 acres	Nil	18,158	28.06.2023
42	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	16.51 acres	Nil	19,822	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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	Shoplots	Leasehold, 99 years expiring 27.11.2055	9,800 sq ft	56 years	10,499	28.06.2023
44	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.47 acres	Nil	169	28.06.2023
45	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.68 acres	Nil	174	28.06.2023
46	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	7.65 acres	Nil	153	28.06.2023
47	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.69 acres	Nil	174	28.06.2023
48	Kampung Silad, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 30.11.2042	18.08 acres	Nil	361	28.06.2023
49	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 31.08.2047	5.00 acres	Nil	99	28.06.2023
50	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.06.2046	13.58 acres	Nil	27,162	28.06.2023
51	Silam Road Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 28.02.2042	16.16 acres	Nil	808	28.06.2023
52	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2072	11.51 acres	Nil	230	28.06.2023
53	Kampung Kilimu Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 01.06.2042	11.76 acres	Nil	2,940	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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 30.06.2043	7.91 acres	Nil	158	28.06.2023
55	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.03.2047	16.90 acres	Nil	336	28.06.2023
56	Bakapit, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.03.2047	13.93 acres	Nil	417	28.06.2023
57	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.33 acres	Nil	26,662	28.06.2023
58	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.38 acres	Nil	26,762	28.06.2023
59	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.41 acres	Nil	26,826	28.06.2023
60	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.25 acres	Nil	26,518	28.06.2023
61	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.19 acres	Nil	26,390	28.06.2023
62	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.90 acres	Nil	27,804	28.06.2023
63	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 28.02.2048	13.29 acres	Nil	26,578	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2023 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 31.08.2048	9.43 acres	Nil	1,886	28.06.2023
65	Kg Sarang, Kota Belud, Sabah	Vacant land	Leasehold, 30 years expiring 31.08.2048	14.18 acres	Nil	2,836	28.06.2023
66	Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 99 years expiring 31.12.2096	464.10 acres	Nil	12,000	28.06.2023
67	KKIP Selatan, Kota Kinabalu, Sabah	Factory	Leasehold, 99 years expiring 31.12.2096	759.9 sq ft	13 years	1,115	02.05.2018
68	Modern Light Industrial Estate, Muar Tuang Land, Kuching (Lot 40, Lot 41, Lot 42)	Shoplots	Leasehold, 99 years expiring 19.04.2071	35,564 sq ft	7 years	2,227	27.01.2016
69	Kg Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2051	1.80 acres	Nil	1,200	28.06.2023
70	Kg Tanjung Aru, District of Kota Kinabalu, Sabah	Double storey Semi detached house	Leasehold, 99 years expiring 22.07.2064	4,120 sq ft	45 years	1,200	28.06.2023
71	Bandar Sri Perdana, Jalan Silam, District of Lahad Datu, Sabah.	3-storey corner office Shoplot	Leasehold, 99 years	4,398 sq ft	12 years	993	15.10.2021
72	Lot No. 49, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	7,104 sq ft	3 years	370	04.02.2021
73	Lot No. 40, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	6,493 sq ft	3 years	489	02.03.2022
74	Lot No. B10, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	6,493 sq ft	3 years	914	02.03.2022

STATEMENT OF SHAREHOLDINGS

AS AT 29TH SEPTEMBER 2023

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	183	0.80	6,752	-
100 to 1,000	1,011	4.40	490,817	-
1,001 to 10,000	3,801	16.55	23,185,424	0.19
10,001 to 100,000	10,641	46.33	533,809,393	4.46
100,001 to less than 5% of Issued Shares	7,332	31.92	10,155,234,594	84.84
5% and above of Issued Shares	1	-	1,258,408,250	10.51
TOTAL	22,969	100.00	11,971,135,230	100.00

DIRECTOR'S SHAREHOLDINGS AS AT 29TH SEPTEMBER 2023

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Mr. Tan Kok Chor	-	-	-	-
2. Datuk Joseph Lee Yok Min @ Ambrose	597,196,500	4.988	1,282,437,810	10.713
3. Mr. Seroop Singh Ramday	-	-	-	-
4. Ms. Georgia Suzanne Lingam @ Georgianne	-	-	-	-
5. Ms. Susie Chung Kim Lan	-	-	-	-
6. Mr. Sri Ganesh A/L K Balasubramaniam	1,400,000	0.012	-	-
7. Ms. Siti Ainee Hanum Binti Suhaidi	-	-	-	-
TOTAL	598,596,500	5.000	1,282,437,810	10.713

Statement of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 29TH SEPTEMBER 2023

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	10.51
2	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Victoria Capital Sdn Bhd)	450,084,300	3.76
3	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	289,590,000	2.42
4	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Gonawin Sdn Bhd)	280,791,400	2.35
5	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	280,000,000	2.34
6	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	273,000,000	2.28
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	214,490,000	1.79
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Awang Daud Bin Awang Putera)	203,158,000	1.70
9	AMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	163,000,000	1.36
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	160,000,000	1.34
11	QUECK HAN TIONG	156,000,000	1.30
12	KENANGA NOMINEES (ASING) SDN BHD (Pledged Securities Account for Advance Opportunities Fund I)	153,846,100	1.29
13	TA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	110,000,000	0.92
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chu Sheng Taur)	100,000,000	0.84
15	TING LAH CHING	93,690,000	0.78
16	CHIEW SOON HUI	91,649,700	0.77
17	TAN SOH GEK	79,569,500	0.66
18	LIM HOCK YET	79,500,000	0.66
19	KENANGA NOMINEES (ASING) SDN BHD (Pledged Securities Account for Advance Opportunities Fund)	76,923,076	0.64
20	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kim Lan)	75,000,000	0.63

Statement of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 29TH SEPTEMBER 2023 (CONT'D)

NO.	NAME	NO. OF SHARES	%
21	JAMES HO THAU YOOUNG	72,542,200	0.61
22	H'NG CHEOW SEN	71,000,000	0.59
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	70,000,000	0.58
24	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	70,000,000	0.58
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Sim Hui Leng)	67,000,000	0.56
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	67,000,000	0.56
27	LIEW KUAT KIONG	67,000,000	0.56
28	KHOO YONG AI	64,050,000	0.54
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for TNTT Realty Sdn Bhd)	62,350,000	0.52
30	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Ting Lah Ching)	61,750,000	0.52
		5,261,392,526	43.96

SUBSTANTIAL SHAREHOLDERS AS AT 29TH SEPTEMBER 2023

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	10.51	-	-

STATEMENT OF WARRANT C (2015/2025) HOLDINGS

AS AT 29TH SEPTEMBER 2023

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	148	3.77	8,459	–
100 to 1,000	80	2.04	39,358	–
1,001 to 10,000	430	10.96	2,829,139	0.16
10,001 to 100,000	1,698	43.26	86,830,621	5.04
100,001 to less than 5% of issued warrants	1,568	39.94	1,516,115,023	88.01
5% and above of issued warrants	1	0.03	117,000,000	6.79
TOTAL	3,925	100.00	1,722,822,600	100.00

DIRECTOR'S WARRANT C SHAREHOLDING AS AT 29TH SEPTEMBER 2023

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Mr. Tan Kok Chor	–	–	–	–
2. Datuk Joseph Lee Yok Min @ Ambrose	–	–	–	–
3. Mr. Seroop Singh Ramday	–	–	–	–
4. Ms. Georgia Suzanne Lingam @ Georgianne	150,000	0.009	–	–
5. Ms. Susie Chung Kim Lan	–	–	–	–
6. Mr. Sri Ganesh A/L K Balasubramaniam	–	–	–	–
7. Ms. Siti Ainee Hanum Binti Suhaidi	–	–	–	–
TOTAL	150,000	0.009	–	–

Statement of Warrant C (2015/2025) Holdings (cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 29TH SEPTEMBER 2023

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.79
2	TIE MING CHUON	79,695,800	4.63
3	TIE MING CHUNG	62,083,500	3.60
4	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for UOB Kay Hian Pte Ltd)	60,238,500	3.50
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tie Ming Chung)	46,627,900	2.71
6	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Teong Beng)	43,526,400	2.53
7	TAN SOH GEK	36,842,300	2.14
8	KHOO YONG AI	27,450,000	1.59
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Hui Lee)	22,809,800	1.32
10	LEONG WAI SHIN	22,018,100	1.28
11	PHILIP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd)	18,000,000	1.04
12	PUBLIC NOMINESS (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	18,000,000	1.04
13	JEREMY KHO HUI JAQ	17,849,850	1.04
14	HWANG YEE FAN	17,500,000	1.02
15	YAP BAN LEONG	13,416,300	0.78
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	12,577,575	0.73
17	CHONG MOW CHAI	11,000,000	0.64
18	PESHNA SHANTI A/P PRABHAKARAN	10,793,800	0.63
19	BONG NAM JONG	10,000,000	0.58
20	CHEN LING LING	10,000,000	0.58

Statement of Warrant C (2015/2025) Holdings (cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 29TH SEPTEMBER 2023 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
21	KHOO BUCK CHEW	9,000,000	0.52
22	YONG SIEW KIT	8,968,500	0.52
23	CHONG MOW CHAI	8,660,900	0.50
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chew Boon Kian)	8,500,000	0.49
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Yin Seng)	8,100,000	0.47
26	NG HIANG CHEK	7,500,000	0.44
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Terry Yap Kwi Fah)	7,310,300	0.42
28	CHEN LING LING	7,000,000	0.41
29	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Jin Foh)	7,000,000	0.41
30	TEOH HANG SWE @ JOHN TEOH HANG SOON	7,000,000	0.41
		736,469,525	42.76

SUBSTANTIAL WARRANT C (2015/2025) HOLDERS AS AT 29TH SEPTEMBER 2023

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.79

STATEMENT OF WARRANT D (2017/2027) HOLDINGS

AS AT 29TH SEPTEMBER 2023

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	1,203	14.54	53,357	0.01
100 to 1,000	1,652	19.97	720,854	0.20
1,001 to 10,000	3,320	40.13	13,181,509	3.61
10,001 to 100,000	1,576	19.05	52,040,908	14.24
100,001 to less than 5% of issued warrants	522	6.30	276,724,731	75.72
5% and above of issued warrants	1	0.01	22,750,000	6.22
TOTAL	8,274	100.00	365,471,359	100.00

DIRECTOR'S WARRANT D SHAREHOLDING AS AT 29TH SEPTEMBER 2023

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Mr. Tan Kok Chor	-	-	-	-
2. Datuk Joseph Lee Yok Min @ Ambrose	92,000	0.025	-	-
3. Mr. Seroop Singh Ramday	-	-	-	-
4. Ms. Georgia Suzanne Lingam @ Georgianne	66,175	0.018	-	-
5. Ms. Susie Chung Kim Lan	-	-	-	-
6. Mr. Sri Ganesh A/L K Balasubramaniam	-	-	-	-
7. Ms. Siti Ainee Hanum Binti Suhaidi	-	-	-	-
TOTAL	158,175	0.043	-	-

Statement of Warrant D (2017/2027) Holdings (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 29TH SEPTEMBER 2023

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.22
2	LIM CHIN KIONG	9,783,900	2.68
3	CHEN MEE ING	7,648,600	2.09
4	PUA SOON HUAT	4,550,000	1.24
5	KHOO YONG AI	4,337,500	1.19
6	HUONG LEE KANG	3,755,000	1.03
7	ER LING HONG	3,715,000	1.02
8	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Teong Beng)	3,436,600	0.94
9	TAN SOH GEK	3,264,125	0.89
10	YEE CHIN CHIN	3,137,400	0.86
11	PUA SOON HUAT	3,125,100	0.86
12	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Huang Chiong Hee)	3,049,000	0.83
13	WONG LING BIU	3,000,000	0.82
14	TAN CHING CHUA	2,989,800	0.82
15	CHOO SIEW HOO	2,939,700	0.80
16	APEX NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chen Teck Long)	2,900,000	0.79
17	NIK FAIRUL ZAMRI BIN MOHD PAUZI	2,750,000	0.75
18	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	2,583,037	0.71
19	AFFIN HWANG NOMINEES (ASING) SDN BHD (Pledged Securities Account for Mohamed Yazid Merzouk)	2,500,000	0.68
20	SAFWAN BIN JOHARI	2,300,000	0.63

Statement of Warrant D (2017/2027) Holdings (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 29TH SEPTEMBER 2023 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
21	ADRIAN QUAH	2,275,900	0.62
22	PUA SOON HUAT	2,240,000	0.61
23	HUONG CHIONG HEE	2,131,800	0.58
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Low Ah Bah)	2,029,000	0.56
25	CHUA AH HOO	2,000,012	0.55
26	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Sin Yen)	2,000,000	0.55
27	LEE CHEE KIAN	2,000,000	0.55
28	LOW WOEI CHANG	1,860,600	0.51
29	APEX NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lai Wai Yee)	1,700,000	0.47
30	ROSMAWATI BINTI MAHMUD	1,660,900	0.45
		114,412,974	31.30

SUBSTANTIAL WARRANT D (2017/2027) HOLDERS AS AT 29TH SEPTEMBER 2023

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.22

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth (39th) Annual General Meeting (“AGM”) of **BORNEO OIL BERHAD** (“Bornoil” or “the Company”) will be held at Kinabalu Room, Level 5, Sabah International Convention Centre, Tanjung Lipat, Jalan Tun Fuad Stephens, 88400 Kota Kinabalu on Tuesday, 19 December 2023 at 9.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESSES:-

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note (i)
2. To re-elect the following Directors who retire by rotation pursuant to Clause 143 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
 - (a) Mr. Tan Kok Chor **Ordinary Resolution 1**
 - (b) Mr. Seroop Singh Ramday **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) Siti Ainee Hanum Binti Suhaidi **Ordinary Resolution 3****Please refer to Explanatory Note (iii)**
4. To approve the payment of Directors’ fees amounting to RM471,960.00 to Non-Executive Directors for the financial year ended 30 June 2023.
Please refer to Explanatory Note (iv) **Ordinary Resolution 4**
5. To approve the Directors’ fees and benefits of up to an amount of RM2,000,000 payable from the 20 December 2023 until the next 40th AGM of the Company, or at any adjournment thereof. **Ordinary Resolution 5**
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 6**
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. Seroop Singh Ramday, 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”.** **Ordinary Resolution 7**
Please refer to Explanatory Note (v)

Notice of Annual General Meeting (cont'd)

(b) **Renewal of authority to allot and issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016:-**

Ordinary Resolution 8

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being **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 on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND FURTHER THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 16 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

Please refer to Explanatory Note(vi)

(c) **Proposed Renewal of Authority for Share Buy-Back**

Ordinary Resolution 9

“That subject to compliance with Sections 112, 113 and 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;

Notice of Annual General Meeting (cont'd)

AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorized to:-

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased as Treasury Shares, to be distributed as Share dividends to the shareholders and/or resold on the market of Bursa Securities and/or transferred for the purposes of or under an employees' share scheme and/or transferred as purchase consideration; or
- (iii) retain part of the Shares so purchased as Treasury Shares and cancel the remainder; or
- (iv) deal with the Shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

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".

Please refer to Explanatory Note(vii)

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 2023

Notice of Annual General Meeting (cont'd)

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 the 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 authorised.

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 8 December 2023. 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 respectively to conduct the polling/e-voting 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 2023

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 & 2 : Retirement and rotation of Directors

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.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Ordinary and Special Businesses:- (cont'd)

iii. Ordinary Resolution 3 : 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.

iv. Ordinary Resolution 4 : Directors' fees

Section 230(1) of the Companies Act 2016 which came into effect on 31 January 2018, 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 5 on payment of Directors' fees for Non-Executive Directors in respect of the financial year ended 30 June 2023.

Note : The Executive Directors are also receiving Director's fees amounting to RM984,000.00 for the financial year ended 30 June 2023.

v. Ordinary Resolution 7 : Continuation in office as Independent Non-Executive Director

The proposed Ordinary Resolution No 7, if passed, and subject to the passing of Resolution will allow Mr. Seroop Singh Ramday 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 2023 Annual Report of the Company.

Resolution 7 if passed, will authorized Mr. Seroop Singh Ramday to continue in office as INED.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Ordinary and Special Businesses:- (cont'd)

vi. Ordinary Resolution 8: Authority to Allot Shares pursuant to Section 75 and Section 76 of the Companies Act 2016

The proposed Resolution 8, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting. This general mandate is a renewal of the mandate that was approved by the Shareholders at the 38th Annual General Meeting held on 12 December 2022. The renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for fund raising exercises including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital and/ or acquisitions. As at the date of this notice of meeting, no shares have been issued pursuant to the general mandate granted at the 38th AGM of the Company.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 16 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016 which will result in a dilution to their shareholding percentage in the Company

vii. Ordinary Resolution 9 : Proposed Renewal of Share Buy Back Authority

Ordinary Resolution 9, 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 Share Buy Back Statement in relation to the Proposed Renewal of Authority for share buy-back dated 31 October 2023 which is dispatched together with the Company's 2023 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-NINTH (39TH) ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. Pursuant to Clause 143 of the Constitution of the Company, Mr. Tan Kok Chor and Mr. Seroop Singh Ramday are subject to retirement by rotation and 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 39th Annual General Meeting ("AGM") of the Company:-
 - (a) Siti Ainee Hanum Binti Suhaidi
3. No individuals are standing for election as Directors at the forthcoming 39th 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 39th AGM are set out in the Company's Annual Report 2023 as follows :
 - (i) Directors' profile on pages 9 to 15
 - (j) Details of the Directors' interests in the securities of the Company as at 30 June 2023 are disclosed in the Directors' shareholding on page 77
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 8 December 2023, 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 8 tabled under Ordinary Business as per the Notice of 39th Annual General Meeting of the Company dated 31 October 2023 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 12 December 2022.

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.

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BORNEO OIL BERHAD
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 39th Annual General Meeting (“AGM”) of the Company to be held at Kinabalu Room, Level 5, Sabah International Convention Centre, Tanjung Lipat, Jalan Tun Fuad Stephens, 88400 Kota Kinabalu on Tuesday, 19 December 2023 at 9.00 a.m or any adjournment thereof.

*My/our proxy is to vote as indicated below: -

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Tan Kok Chor as a Director.		
2.	To re-elect Mr. Seroop Singh Ramday as a Director.		
3.	To re-elect Ms. Siti Ainee Hanum Binti Suhaidi as a Director.		
4.	To approve the payment of Directors’ fees amounting to RM471,960.00 to Non-Executive Directors for the financial year ended 30 June 2023.		
5.	To approve the Directors’ fees and benefits of up to an amount of RM2,000,000 payable from 20 December 2023 until the next Annual General Meeting.		
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.		
7.	To approve the re-appointment and retention of Mr. Seroop Singh Ramday as the Independent Non-Executive Director.		
8.	Renewal of Authority to allot and issue Shares pursuant to Section 75 & 76 of the Companies Act 2016.		
9.	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 _____, 2023

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 8 December 2023 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 39th Annual General Meeting("AGM") dated 31 October 2023.

Fold this flap for sealing

Then fold here

AFFIX
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.