

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Jati Tinggi Group Berhad (“**JTG**” or “**the Company**”) is dedicated to upholding and sustaining good corporate governance practices across the Company and its subsidiary (“**the Group**”). This dedication is aimed at promoting business prosperity and corporate accountability, with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders. This commitment aligns with the principles and practices as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”), the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the Corporate Governance Guide.

The Board is pleased to set out below the Corporate Governance Overview Statement which describes the manner in which the Group has applied the following principles of the MCCG during the financial year ended 30 November 2024 (“**FYE2024**”):

- A. Board leadership and effectiveness;
- B. Effective audit and risk management; and
- C. Integrity in corporate reporting and meaningful relationship with stakeholders.

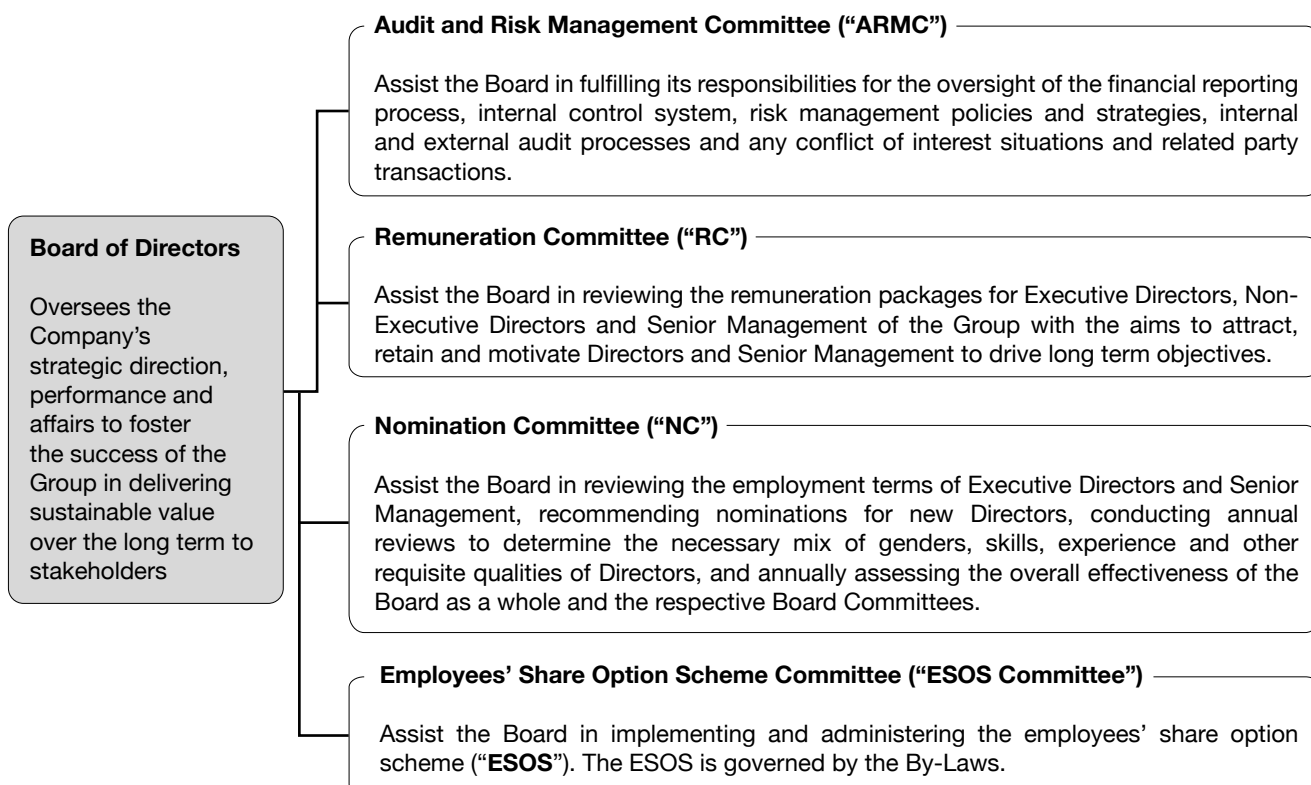
This Corporate Governance Overview Statement should be read together with the Corporate Governance Report 2024 (“**CG Report**”) which is available on the Company’s corporate website at www.jatitinggi.com as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

The Group is led and managed by an effective and experienced Board, comprising members with a wide range of experience and qualifications.

The Board is supported by the following four (4) Board Committees with delegated responsibilities to oversee the Group’s affairs and authorised to act on behalf of the Board in accordance with their respective Terms of Reference (“**TOR**”):



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

The role of the Board Committees is to advise and make recommendations to the Board. Notwithstanding, the ultimate responsibility for the final decision on all matters lies with the Board. The Chairman/Chairperson of these Board Committees will provide highlights to the Board, and any further deliberation is made at the Board level, if required.

Separation of the Chairman and Managing Director Roles

The Board is led by an Independent Non-Executive Chairman, Datuk Ir. Mohd Aminuddin Bin Mohd Amin. He is responsible for providing leadership and instilling good corporate governance and effectiveness of the Board. The positions of the Chairman of the Board and the Managing Director are held by different persons. This is to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision making.

The Managing Director, Dato' Seri Lim Yeong Seong is responsible for the overall strategy and corporate direction of the Group, and implementing business strategies to grow the Group and business.

The Board maintains the perspective that the Chairman of the Board should not be involved in any Board Committees. This is to uphold checks and balances as well as objectivity. Having the Chairman of the Board who also sits on Board Committee(s) gives rise to the risk of self-review and may impair the objectivity of the Chairman. Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCCG.

Company Secretaries

The Board is supported by two (2) external competent Company Secretaries, whom are either a member of the Malaysian Institute of Chartered Secretaries and Administrators or a licensed secretary by Registrar of Companies. Both the Company Secretaries are qualified under Section 235(2) of the Companies Act 2016 ("CA 2016") and are experienced in discharging their duties and responsibilities to the Board.

The Company Secretaries also attend all Board, Board Committees and general meetings, and ensure that the meetings are properly convened. Further, all deliberations and decisions are properly minuted and filed.

All Directors have unrestricted access to the advice and services of the Company Secretaries to ensure the effective functioning of the Board and its Board Committees, to be in line with the Board policies and procedures at all times as well as comply with laws, rules, corporate governance best practices, procedures and regulations affecting the Company.

Other roles of the Company Secretaries include coordinating with the Management on the preparation of the Board papers and ensuring the Board procedures and applicable rules are observed. The Company Secretaries are further responsible in maintaining the records of the Board as well as disseminating relevant information in a timely manner to ensure the Board is up to date with the evolving regulatory requirements.

The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance through continuous training.

Board Charter

The Board has adopted a Board Charter that serves as a structured guide on matters relating to the Board. The Board Charter is designed to provide guidance and clarity to Directors and Management with regards to the roles of the Boards and its Board Committees, the role of the Chairman and Independent Directors, Managing Director, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. It also serves as a reference point for Board activities.

The Board will review and update the Board Charter from time to time to reflect the changes to the Company's policies and procedures to ensure the Board Charter remains consistent with the Board's objectives, current laws and practices. The Board Charter was last reviewed and revised in October 2022 and is available on the Company's corporate website at www.jatitinggi.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Charter (Cont'd)

The Board has also put in place the following policies:

(a) **Code of Conduct and Ethics for Directors**

The Company had set out a Code of Conduct and Ethics (“**Code**”) for its Directors to provide the fundamental guiding principles and standards applicable to the Directors where such principles and standards are founded on high standards of professional and ethical practices. This Code will be assessed periodically by the Board in alignment with the Company’s needs.

(b) **Whistleblowing Policy**

The Board had formalised a Whistleblowing Policy as the Group places high value on the level of trust and integrity. Therefore, the Whistleblowing Policy provides an avenue for all Directors, officers and employees of the Company to disclose or report any improper conduct and to provide protection for those who report such allegations. The Board will review the Whistleblowing Policy annually and make modification if required or appropriate.

(c) **Anti-Corruption Ethics and Compliance Policy (“Anti-Corruption Policy”)**

The Board had established an Anti-Corruption Policy on 10th October 2022 that sets out the Group’s principles and stance and adequate procedures against corruption and/or bribery activities in the conduct of its businesses. The Anti-Corruption Policy applies to all individuals working at all levels and grades, including Directors, Senior Managers, Managers, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers, interns, agents, sponsors, suppliers, customers, any third parties and any other person associated with the Group. This Anti-Corruption Policy is to outline the responsibilities of the Group and its employees and to provide guidance in observing and upholding the Group’s position on bribery and corruption. The Anti-Corruption Policy will be assessed periodically in alignment with the Group’s needs.

(d) **Directors’ Fit and Proper Policy**

The Directors’ Fit and Proper Policy (“**FAP Policy**” or “**the Policy**”) was established and adopted to guide the NC and the Board in their review and assessment of candidates that are to be appointed on the Board as well as the Directors who are seeking for re-election, which are to be assessed individually and collectively. The NC will review the Policy regularly to ensure it remains relevant and appropriate. Any amendments or revisions required shall be recommended to the Board for approval.

(e) **Conflict of Interest Policy**

The Company has adopted a Conflict of Interest Policy on 6 December 2023 to ensure that actual, potential and perceived conflict of interest are identified and managed effectively. This policy applies to all Directors and employees (including employees on contract terms, temporary staff and those on internship or secondment, as well as consultants engaged by JTG on a full-time basis) of the Group. The Directors are aware that they have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of such transactions at Board or general meetings convened to consider the matter. The Audit and Risk Management Committee reviews all related party transactions and conflict of interest situation that arose, persist or may arise within the Group that may challenge the Group’s integrity. This Policy will be reviewed periodically in alignment with the Group’s needs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Charter (Cont'd)

The Board has also put in place the following policies: (Cont'd)

(f) Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with the Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy. The Board is committed to staying abreast with the sustainability issues associated with the ever-evolving operating environment which are relevant to its business.

The Board evaluates its understanding of sustainability issues critical to the Company's performance as part of its annual performance evaluation. The Company's sustainability initiatives are set out in the Sustainability Statement in this Annual Report.

PART II – BOARD COMPOSITION

Board Balance

The current composition of the Board comprises eight (8) Directors with two (2) Executive Directors and six (6) Independent Non-Executive Directors, as follows:

Name	Designation and Directorate	Gender
Datuk Ir. Mohd Aminuddin Bin Mohd Amin	Independent Non-Executive Chairman	Male
Dato' Seri Lim Yeong Seong	Managing Director	Male
Chin Jiunn Shyong	Executive Director/ Chief Operating Officer	Male
Dato' Ir. Lim Yew Soon	Independent Non-Executive Director	Male
Loo May Len	Independent Non-Executive Director	Female
Poon Lai Kit	Independent Non-Executive Director	Female
Dato' Che Nazli Binti Jaapar*	Independent Non-Executive Director	Female
Dato' Sri Dr. Mohd Nizom Bin Sairi*	Independent Non-Executive Director	Male

* Appointed as Independent Non-Executive Directors on 1 February 2024.

The Board currently maintains at least 30% women directors on the Board in line with the Practice 5.9 as set out in MCCG. Gender diversity policy was adopted by the Group on 10 October 2022 which is intended for the Group to promote diversity in the Boardroom and workforce of the Group. The Board is supportive of gender diversity and will endeavour to have greater women representation on the Board based on effective blend of required skills, experience, expertise and knowledge in areas identified and the needs of the Group. The NC reviews this policy from time to time to assess its effectiveness. Any revisions to this policy as recommended by the NC will be submitted to the Board for consideration and approval.

The current Board composition also complies with Rule 15.02 of the Listing Requirements which requires at least one-third (1/3) of the Board comprises Independent Directors.

A brief profile of each Director is presented in the Directors' Profile section of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Independence of the Board

The current Board has a well-balanced composition with an effective mix, ensuring that there is an effective and fair representation and also a balance of power and authority on the Board. The Independent Directors make up more than half of the Board and exceeds the minimum as mandated by the Listing Requirements which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

Election and Re-election

In accordance with the Company's Constitution, an election of Directors shall take place each year. At the Annual General Meeting ("**AGM**") of the Company where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. All Directors including an MD shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

At the forthcoming AGM of the Company, Datuk Ir. Mohd Aminuddin Bin Mohd Amin ("**Datuk Amin**"), Dato' Ir. Lim Yew Soon and Madam Loo May Len (collectively referred to as "**Retiring Directors**") shall retire from office and being eligible for re-election in accordance with the Constitution of the Company. The details of the Directors standing for re-election are disclosed in the Board of Directors' profile section of the Annual Report.

Proposals for the annual re-election of Directors are recommended by the NC to the Board prior to the shareholders' approval at the AGM of the Company, based on the annual evaluation and the Directors' fit and proper assessment conducted by the NC.

The NC had conducted the fit and proper assessment and reviewed each of the Retiring Directors who are standing for re-election at the Company's forthcoming third AGM ("**3rd AGM**"). Based on the outcome of the assessment, the NC agreed that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the Listing Requirements.

The Board concurred with the findings of the NC, recommends and supports the re-election of the Retiring Directors who are seeking for re-election pursuant to Clause 77(3) of the Company's Constitution at the forthcoming 3rd AGM.

Board Meeting

The Board shall meet at least four (4) times a year with additional meetings to be convened as and when required. Meetings of the Board and Board Committees are scheduled in advance to facilitate the Directors in planning. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting.

Relevant Board Papers are usually circulated to all Directors at least seven (7) days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Board Meeting (Cont'd)

The Board conducted six (6) Board meetings during the FYE2024. Attendance of the Directors at the Board and Board Committees meetings during FYE2024 are as follows:

Type of Meetings	Board of Directors	ARMC	NC	RC
Name of Directors	No. of Meetings Attended			
Datuk Ir. Mohd Aminuddin Bin Mohd Amin	6/6	N/A	N/A	N/A
Dato' Seri Lim Yeong Seong	6/6	N/A	N/A	N/A
Chin Jiunn Shyong	6/6	N/A	N/A	N/A
Dato' Ir. Lim Yew Soon	6/6	4/5	1/1	1/1
Loo May Len	6/6	5/5	1/1	1/1
Poon Lai Kit	6/6	5/5	1/1	1/1
Dato' Che Nazli Binti Jaapar [^]	4/4	4/4	N/A	N/A
Dato' Sri Dr. Mohd Nizom Bin Sairi [^]	4/4	4/4	N/A	N/A

[^] Appointed as Independent Non-Executive Directors and Members of ARMC on 1 February 2024.

- The ESOS Committee was established on 20 January 2025 and hence there was no meeting held during FYE2024.

Overall, the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

Directors' Continuous Professional Development

The NC has taken on the responsibility of evaluating and determining the specific and continuous training needs of the Directors on a regular basis. The Directors are aware of their duty to undergo appropriate training from time to time to enhance their knowledge in order to ensure that they are equipped to carry out their duties effectively.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as required by the Listing Requirements.

During FYE2024, the Directors have attended the following training programmes and are in compliance with Rule 15.08 of the Listing Requirements:

Name of Directors	Title Seminars/Conferences Attended
Datuk Ir. Mohd Aminuddin Bin Mohd Amin	• Mandatory Accreditation Programme Part II - Leading for Impact ("MAP Part II")
Dato' Seri Lim Yeong Seong	• ESG & Sustainability • Empowering energy transition and technology • MAP Part II
Chin Jiunn Shyong	• MAP Part II

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Directors' Continuous Professional Development (Cont'd)

During FYE2024, the Directors have attended the following training programmes and are in compliance with Rule 15.08 of the Listing Requirements: (Cont'd)

Name of Directors	Title Seminars/Conferences Attended
Dato' Ir. Lim Yew Soon	<ul style="list-style-type: none"> • MAP Part II • Non-executive Directors Duties in Corporate Governance Compliance & Conflict of Interest • Audit Oversight Board (Suruhanjaya Sekuriti) - Sustainability & Climate Change, etc
Loo May Len	<ul style="list-style-type: none"> • Driving Sustainable Growth: ESG Strategies for Malaysian Businesses • IFCA's Navigating E-Invoicing Compliance • The AI Effect on Accountants : For Better or Worse? • Implementation of E-Invoicing for Construction & Property sector • Navigating Bursa Malaysia's Enhanced Sustainability Reporting Framework • MAP Part II • KPMG Board Leadership Centre Exclusive – Cybersecurity Oversight • IFRS Sustainability Standards • Malaysia Tax Budget 2025
Poon Lai Kit	<ul style="list-style-type: none"> • Budget 2024 • Form EA & E • Overview of E-invoicing and Implementation Assessment • MAP Part II • Comprehensive guide to Myinvoice Portal
Dato' Che Nazli Binti Jaapar	<ul style="list-style-type: none"> • Ernst & Young C-Suite Forum 2024 • Malaysia Tax Executive Conference • 4th Malaysia Tax Policy Forum • Ernst & Young Tax Professional 2024 • FY2025 Tax Malaysia Townhall • Sharing session on AI Tax Lab • Ernst & Young Budget and Tax Conference • Chartered Tax Institute of Malaysia (CTIM) Budget Seminar • MAP Part II
Dato' Sri Dr. Mohd Nizom Bin Sairi	<ul style="list-style-type: none"> • National Tax Conference 2024 • MAP Part II

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III – NOMINATION

The Board established the NC on 10 October 2022. The NC is governed by its TOR approved by the Board which is available on the Company's website.

The Board through its NC, regularly assesses the optimum size, required mix of genders, skills, experience, independence and diversity required collectively for the Board to effectively fulfil its role. The appointment of Board members is reviewed by the NC and made via a formal and transparent process. In making these recommendations, the NC considers and recommends to the Board an appropriate balance of skills, expertise, attributes, and core competencies that the Directors would bring to the Board.

For FYE2024, the NC comprises solely Independent Non-Executive Directors as follows:

NC	Designation
Poon Lai Kit, Chairperson	Independent Non-Executive Director
Dato' Ir. Lim Yew Soon, Member	Independent Non-Executive Director
Loo May Len, Member	Independent Non-Executive Director

The Board has established a FAP Policy which provides a guide to the NC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Director who seek for re-election at the AGM.

The NC has carried out the following activities during the FYE2024:-

- (i) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.
- (ii) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.
- (iii) Assessed the independence of the Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in Listing Requirements.
- (iv) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of the Directors.
- (v) Reviewed the performance of the ARMC, NC and RC.
- (vi) Reviewed and recommended to the Board the re-election of Directors at the second AGM ("**2nd AGM**") of the Company pursuant to the Company's Constitution.
- (vii) Reviewed and recommended to the Board the nomination of new directors and as a member of the Board Committees.
- (viii) Reviewed the Directors' training programme for the FYE2024.
- (ix) Reviewed and recommended to the Board the revised Directors' Fit and Proper Policy in accordance with the Rule 15.01A of the Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III – NOMINATION (Cont'd)

The NC has carried out the following activities during the FYE2024 (Cont'd):-

Based on the outcome of the assessment for FYE2024, the Board is satisfied that the current mix of skills and experience of the Board and the respective Board Committees as a whole had met the requirements of the Company and the overall performance of the Board, the Board Committees and the members of the Board was effective and satisfactory. The results form the basis of recommending the relevant Directors for re-election at the forthcoming 3rd AGM.

PART IV – REMUNERATION

The RC was established on 10 October 2022 to attract and retain the Directors and Senior Management of the Company. The RC is governed by its TOR approved by the Board which is available on the Company's corporate website at www.jatitinggi.com.

The RC comprises exclusively of Independent Non-Executive Directors as follows:

RC	Designation
Dato' Ir. Lim Yew Soon, Chairman	Independent Non-Executive Director
Poon Lai Kit, Member	Independent Non-Executive Director
Loo May Len, Member	Independent Non-Executive Director

The RC meeting is held as and when required, but at least once a year. One (1) RC meeting was held during FYE2024. The RC has carried out the following activities during the FYE2024:

- Reviewed and recommended to the Board for shareholders' approval on the directors' fee and benefit payables (including allowances) for the FYE2024 and for the period from 1 December 2024 until the date of the next AGM in year 2025.
- Reviewed and recommended to the Board the remuneration package for the MD and Executive Director for the FYE2024.
- Reviewed and recommended to the Board the bonus for the EDs and Key Management for the financial year ended 30 November 2023 ("FYE2023").

The Board, through RC has established a Directors Remuneration Policy Framework that outlines the principles and guidelines adopted by the RC in discharging its responsibilities with regards to remuneration of Directors of the Group.

The remuneration of Executive Directors is designed to link rewards to the Company's performance. Based on the current structure and size of the companies, the Company performance shall be referring to the consolidated profit before tax of the just ended financial year. With the Executive Directors' scope of duties and responsibilities, the RC adopts the guideline in JTG in the review of annual bonus and salary increment of the Executive Directors.

All Directors are to be accorded annual director's fee in their capacity as a Board member and the amount shall reflect the expected responsibilities of Directors of a public listed company, taking into consideration prevailing market rates for companies of similar nature or size. The remuneration of Independent Non-Executive Directors is determined in accordance with level of responsibilities assumed in the board committees and their experiences.

The remuneration for Directors, which comprises of directors' fees, salaries, bonuses and allowances as well as other benefits-in-kind, must be recommended by the RC and subsequently be approved by the Board, subject to the provisions of the Constitution. The directors' fees must be further approved or endorsed by the shareholders in a general meeting. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART IV – REMUNERATION (Cont'd)

The payment of director's fees and meeting allowances for the Company's Directors are as follows:

Position	Full Financial Year Director Fee (RM)
Chairman of the Board	48,000
Directors	36,000

All Independent Directors shall be entitled to a meeting allowance of RM500 per meeting.

The remuneration of the Directors on a named basis for FYE2024 are disclosed in the CG Report which is available on the Company's corporate website at www.jatitinggi.com.

The Managing Director, Executive Director/COO, Chief Financial Officer and Commercial Senior Manager form the key senior management team. Due to confidentiality and sensitivity of information, the Board is of the opinion that the detailed disclosure of remuneration of the top four (4) key senior management on a named basis would not be in the best interest of the Group given the industry's competitiveness. Alternatively, the disclosure of key senior management remuneration received during the financial year is categorised within the disclosure band as follows:

Range of Remuneration	Group
	No. of Key Senior Management* Officer*
RM150,001 to RM200,000	1
RM250,001 to RM300,000	1
RM400,001 to RM450,000	1
RM600,001 to RM650,000	1

Note:

* inclusive of the Managing Director and one (1) Executive Director/COO. Their remuneration on a named basis for FYE2024 are disclosed in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

The ARMC comprises exclusively of Independent Non-Executive Directors. Collectively, the ARMC members are financially literate, possess commercial expertise skills and experience to enable them to discharge their duties and responsibilities pursuant to the ARMC's TOR.

The ARMC has responsibility for oversight of the Company's financial statements, related party transactions, conflict of interest situations, internal control system, risk management policies and strategies, the Company's relationship with its External and Internal Auditors, and the effectiveness of audit procedures both internally and externally.

A full ARMC Report enumerating its membership and a summary of its activities during the financial year is set forth in the ARMC Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART I – ARMC (Cont'd)

The Board has the overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance with the applicable financial reporting standards.

ARMC plays a crucial role in assisting the Board to scrutinise the information for disclosure to shareholders to ensure the accuracy, adequacy, validity and timeliness of the financial statements.

ARMC is relied upon by the Board to, among others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. ARMC also undertakes to provide oversight on the risk management framework of the Group.

None of the members of ARMC/Board were a former audit partner involved in auditing of the Group. In order to uphold utmost independence, the Board has no intention to appoint any former audit partner as a member of the ARMC/Board.

ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and review and evaluate factors relating to the independence of the External Auditors. The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.

The External Auditors of the Company, Messrs Crowe Malaysia PLT, have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

ARMC, having assessed the External Auditor's performance and suitability based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity, will recommend to the Board for re-appointment of Messrs Crowe Malaysia PLT as External Auditors for the financial year ending 30 November 2025. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 3rd AGM.

The Board and the Group have established a transparent and appropriate relationship with the Internal and External Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness. The Board had delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

The Board has formalised the risk management standard procedures to enable the Management to identify, evaluate, manage, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address and mitigate the risks.

The Board is assisted by ARMC in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group. To maintain total independence in the management of the Group's internal control environment and ensure compliance with the Listing Requirements, the internal audit function is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn Bhd, an independent consulting firm who is free from any relationships or conflict of interest that could impair their objectivity and independence. The Internal Auditors reports directly to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Senior Management. Further details of the internal audit function are set out in the ARMC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the ARMC meetings and brought to the attention of the Board by the Chairperson of the ARMC. Further details on the Risk Management and Internal Control of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Board values the importance of dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner. Quarterly results, announcements, annual reports and circulars serve as the primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development. The Company's corporate website at www.jatitinggi.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

PART II – CONDUCT OF GENERAL MEETINGS

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholders' communication. These include the supply of comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

The AGM remains a principal forum used by the Group for communication with its shareholders. Shareholders are encouraged to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the meeting. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

For the FYE2023, the Company served notice of its 2nd AGM held on 31 May 2024, at least 28 days before the meeting, fully complied with the requirement under CA 2016 and the Listing Requirements. Together with the Notice of AGM, the Company attached the information on administrative details such as details of the meeting, shareholders' right to attend the meeting, their right to appoint a proxy and information as to who may act as a proxy. All resolutions set out in the Notice of the 2nd AGM of the Company was voted by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The minutes of the 2nd AGM was published on the Company's website for shareholders' information.

The notice for convening the forthcoming 3rd AGM of the Company to be held on 29 May 2025 will be circulated to the shareholders at least 28 days before the AGM, which gives shareholders sufficient time to go through the Annual Report and make the necessary attendance and voting arrangements.

The forthcoming 3rd AGM will be conducted physically at 1st Floor, Function Room, Sungai Long Golf & Country Club, 11 ¼ Miles, Jalan Cheras, 43000 Kajang Selangor.

The minutes of the 3rd AGM will be available on the Company's corporate website at www.jatitinggi.com within 30 business days from the 3rd AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

PART II – CONDUCT OF GENERAL MEETINGS (Cont'd)

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Company has in all material aspects satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the CG Report.

This CG Overview Statement together with the CG Report were approved by the Board on 20 March 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) was established on 10 October 2022 to assist the Board of Directors (“**the Board**”) in discharging its statutory duties and responsibilities which include, among others, providing additional assurance to the Board by giving an objective and independent review of financial, operational, administrative and risk controls and procedures, including establishing and maintaining internal controls, reinforce the independence of the External Auditors of Jati Tinggi Group Berhad (“**JTG**” or “**the Company**”) and its subsidiary (“**the Group**” collectively), evaluate the quality of the internal audit function and oversee compliance with laws and regulations together with observance of a proper code of conduct.

Pursuant to Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Board is pleased to present the ARMC Report which lays out the activities held for the financial year ended 30 November 2024 (“**FYE2024**”).

The ARMC is guided by its Terms of Reference, which can be accessed from the Company’s corporate website at www.jatitinggi.com.

COMPOSITION

The ARMC comprises of five (5) members, all of whom are Independent Non-Executive Directors, which is in compliance with the requirements of Rule 15.09 of the Listing Requirements and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

The members of the ARMC comprises the following Directors:

Name of ARMC Members	Designation	Directorate
Loo May Len	Chairperson	Independent Non-Executive Director
Dato’ Ir. Lim Yew Soon	Member	Independent Non-Executive Director
Poon Lai Kit	Member	Independent Non-Executive Director
Dato’ Che Nazli Binti Jaapar*	Member	Independent Non-Executive Director
Dato’ Sri Dr. Mohd Nizom Bin Sairi*	Member	Independent Non-Executive Director

* Appointed as Members of the ARMC on 1 February 2024.

The ARMC also meets the Listing Requirements which requires that at least one member of the Committee must fulfill the financial expertise requisite of Rule 15.09(1)(c) of the Listing Requirements.

The Chairperson of the Committee, Ms Loo May Len, is a member of and a Chartered Accountant with the Malaysian Institute of Accountants (“**MIA**”) and a Fellow Member of the Chartered Institute of Management Accountants (CIMA). The ARMC members come from different professional and business backgrounds with three (3) members having accounting background of which two (2) are members of the MIA. None of the members were former key audit partners of the Company’s existing External Auditors.

ATTENDANCE OF MEETINGS

The ARMC conducted five (5) meeting during the FYE2024. The details of members’ attendance are as follows:

Name of Committee Members	Meeting Attendance
Loo May Len, Chairperson	5/5
Dato’ Ir. Lim Yew Soon, Member	4/5
Poon Lai Kit, Member	5/5
Dato’ Che Nazli Binti Jaapar, Member*	4/4
Dato’ Sri Dr. Mohd Nizom Bin Sairi, Member*	4/4

* Appointed as Members of the ARMC on 1 February 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

ATTENDANCE OF MEETINGS (CONT'D)

Meetings may be attended by additional Board members and staff members upon invitation from the ARMC. The ARMC has the authority to call meetings with the External Auditors, Internal Auditors, or both without the presence of executive Board members or staff, if necessary.

The Company Secretaries took minutes at each ARMC meeting and tabled them for confirmation and adoption at the following ARMC meeting. They were then brought to the Board for notation. The outcome of each ARMC meeting will be reported by the ARMC Chairperson to the Board.

SUMMARY OF WORKS CARRIED OUT BY THE ARMC

The summary of the activities undertaken by the ARMC during FYE2024, amongst others, included the following:

1. Financial Reporting
 - (a) Reviewed the unaudited quarterly financial results of the Company and the Group and the relevant announcement in relation thereto, to ensure the report complies with the Listing Requirements and applicable approved accounting standards, prior to the recommendation to the Board for consideration, approval and subsequent release to Bursa Securities.
 - (b) Reviewed the audited financial statements of the Company and the Group for the financial year ended 30 November 2023 prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.
2. External Audit
 - (a) Reviewed and deliberated the Audit Planning Memorandum for FYE2024 to ensure appropriate focus on the key risk areas.
 - (b) Reviewed and deliberated the Audit Review Memorandum, covering significant audit findings, potential key audit matters, significant deficiencies in internal control, status of audit and the independence and objectivity of the External Auditors.
 - (c) Reviewed the performance, independence and objectivity of the External Auditors. The External Auditors also confirmed that they are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA in relation to their audit for the FYE2024 to the ARMC.
 - (d) Reviewed the audit fees and non-audit fees prior to the Board's approval.
 - (e) Had private sessions with the External Auditors during the financial year, i.e. 24 January and 24 October 2024 respectively without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.
 - (f) The Board at its meeting had approved the ARMC's recommendation to re-appoint Crowe Malaysia PLT as External Auditors of the Company and the Group for the financial year ending 30 November 2025, subject to the shareholders' approval to be sought at the forthcoming third Annual General Meeting.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORKS CARRIED OUT BY THE ARMC (Cont'd)

The summary of the activities undertaken by the ARMC during FYE2024, amongst others, included the following: (Cont'd)

3. Internal Audit

- (a) Reviewed the Internal Audit Plan presented by the Internal Auditors.
- (b) Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the Management's responses and the necessary recommendations.
- (c) Reviewed and discussed the effective implementation of the action plans taken by the Management in response to audit findings and weaknesses identified during the audit review.
- (d) Reviewed and approved the adoption of Internal Audit Charter.
- (e) Reviewed and assessed the adequacy of the scope, functions, independence, framework and methods employed and competency as well as resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.
- (f) Had private sessions with the Internal Auditors on 24 April 2024 and 26 July 2024 respectively, without the presence of the Executive Directors and Management for discussion on internal audit related matters.

4. Related Party Transactions

- (a) Monitor the related party transaction and conflict of interest situations entered and/or to be entered by the Group to ensure the transactions entered into were at arm's length basis and based on normal commercial terms and not more favourable to the related parties than those generally available to the public.
- (b) Reviewed the Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to submitting the same to the Board for consideration and approval. The said circular was subsequently issued on 29 March 2024.

5. Others

- (a) Reviewed if there is any related party transactions and conflict of interest/potential conflict of interest situation of the Group, including the policies and procedures set out to ensure the transactions made are fair, reasonable and were in the best interest of the Group.
- (b) Reviewed the Statement on Risk Management and Internal Control, ARMC Report, Corporate Governance Overview Statement and Corporate Governance Report prior to recommendation for Board's approval for inclusion into the Annual Report 2023.
- (c) Reviewed the Risk Profile report of the Group.

INTERNAL AUDIT FUNCTION

The Group recognised that internal auditing is an important management tool and is one of the ways the Management of the Group maintain the integrity, efficiency and effectiveness of its financial, operational, information systems, anti-corruption, whistle-blowing and governance processes and other management control systems. The ARMC approved the Internal Audit Charter on 24 January 2024 defining the scope, responsibilities, and authority of the Internal Audit Function.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

The Group's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**" or "**the Internal Auditors**"). The Internal Auditors report directly to the ARMC on the adequacy and effectiveness of the risk management and internal control systems of the Group. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence.

Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews will be conducted according to the approved risk-based internal audit plan which addresses the critical business processes, internal control gaps, effectiveness, and adequacy of the existing state of internal control and recommends possible improvements to the internal control process.

(1) Summary of Internal Audit works for the FYE2024:

During the financial year under review, the activities undertaken by the outsourced Internal Auditors are summarised as follows:

- (a) Performed audit according to the audit plan approved by the ARMC.
- (b) Carried out reviews in accordance with the risk-based internal audit plan review and approval of the ARMC. Details of the reviews carried out are as follows:

Name of entity audited	Audited areas
Jati Tinggi Holding Sdn Bhd	(i) Project Management (ii) Management of subcontractors
Jati Tinggi Group Berhad and its subsidiary	(i) Human Resources Management (ii) Internal Regulatory Monitoring and Compliances

- (c) Performed follow-up reviews in assessing the progress of the agreed Management's action plan and report to the Management and ARMC.

Findings from the internal audit reviews were discussed with the Management and subsequently presented to the ARMC, together with the Management's response and proposed action plans. There are no material issues highlighted by Sterling during the financial year under review.

(2) Total costs incurred for FYE2024

The total cost incurred for the outsourced internal audit function for the FYE2024 was RM45,000.

(3) Review of Internal Audit Function

The ARMC and the Board were satisfied with the performance of the Internal Auditors for the FYE2024.

The ARMC is of the opinion that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

This ARMC Report was approved by the Board on 20 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**the Board**”) is pleased to provide Jati Tinggi Group Berhad and its subsidiary (“**Group**”)’s Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of its risk management and internal control of the Group during the financial year ended 30 November 2024 (“**FYE2024**”). This Statement has been prepared pursuant to Rule 15.26 (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), Guidance Note 11 of the Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**Guidelines**”).

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness. The Board has delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the Audit and Risk Management Committee (“**ARMC**”).

The ARMC was established to oversee the risk management matters within the Group, the roles and responsibilities of the ARMC include amongst others, developing and recommending the Group’s risk management framework and policies, reviewing and assessing the adequacy and effectiveness of the risk management structure, approved risk policies and processes.

Due to inherent limitations in any risk management and internal control system, such a system put into effect by the Management is designed to manage rather than eliminate risks that may impede the achievement of the Group’s business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Management is responsible for implementing the Group’s policies and procedures on risk management and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

1. RISK MANAGEMENT

The Board regards the management of risks as an integral aspect of the daily operations of the Group. The Group had established Risk Management Standard Procedures to empower people across the organisation in assessing and managing risks with appropriate strategies in an enterprise-wide context. All risk management activity is intended to align with corporate aims, objectives and priorities, aiming to protect and enhance the Group’s standing. Risk analysis will be integrated into strategic planning, business planning and investment project appraisal procedures. This risk management approach is intended to provide assurance on the reliability of systems and form the key means for the Board to gain its direct assurance. Managers and staff at all levels are responsible for identifying, evaluating, managing or reporting risks, and they will be equipped to fulfil these responsibilities. The reporting structure, roles and responsibilities of the Board, Board Committees and Operational/Functional Unit Managers are clearly defined to provide guidance to the Management.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate internal control is implemented to mitigate the risks faced by the Group. The key risk categories during the financial year under review encompassed legal and regulatory, operational, and financial.

During the FYE2024, the status of the Group’s major risk such as finance, business development, project management, legal, contract and project risk management is evaluated and deliberated by each department and subsequently, submitted the Risk Profile Report to the ARMC on half yearly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT (CONT'D)

The ARMC discussed and reviewed the Risk Profile Report half yearly and deliberate on the significant risks affecting the Group. Risk profiles, control procedures and status of action plans are presented and deliberated in the ARMC meetings. The recommendation and deliberations by the ARMC are minuted in the Minutes of the ARMC meetings and tabled to the Board for notation, if any.

The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks of the Group. The Board shall from time to time re-evaluate the existing risk management practices, where appropriate and necessary.

2. INTERNAL AUDIT SYSTEM

The Board, in its efforts to provide adequate and effective internal control, has appointed an independent consulting firm, Sterling Business Alignment Consulting Sdn Bhd ("**Sterling**" or "**the Internal Auditors**") to review the adequacy and integrity of its internal control system. The Internal Auditors reports directly to the ARMC during the ARMC meeting.

The ARMC is chaired by an Independent Non-Executive Director, and its members comprise solely of Independent Non-Executive Directors. The Internal Auditors is free from any relationships or conflicts of interest, which could impair the objectivity and independence of the internal audit function. The Internal Auditors does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the outsourced internal audit function is effective and able to function independently.

Findings from the internal audit review conducted were discussed with the Management and subsequently presented together with the Management's response and proposed action plans, to the ARMC for their review and approval.

During the financial year under review, Sterling had conducted two audits and follow-ups in accordance to their audit plan, which is outlined below:

Audit Period	Reporting Month	Audited Areas
December 2023 – February 2024	April 2024	- Project Management - Management of subcontractors
March 2024 – May 2024	July 2024	Follow-up status review on previously reported findings
June 2024 – August 2024	October 2024	- Human Resources Management - Internal Regulatory Monitoring and Compliances
September 2024 – November 2024	January 2025	Follow-up status review on previously reported findings

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

3. KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are as follows:

> **The Board and ARMC**

The Board and the ARMC meet at least four (4) times annually, with additional meetings to be convened whenever necessary to ensure that the Directors maintain full and effective control of all significant and operational issues.

> **Organisation Structure and Authorisation Procedures**

The Group has a formally defined organisation structure that sets out lines of accountability. The delegation of authority is documented and sets out the decisions that need to be taken and the appropriate authority levels of management, including matters that require the Board's approval. Key financial and procurement matters of the Group required authorisation from the relevant level of management.

> **Information and Communication**

Information critical to the achievement of the Group's business objectives is communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

> **Monitoring and Review**

Management accounts containing key financial results and operational performance are presented to the Management for monitoring and review. The quarterly financial statements are presented to the Board for their review, consideration and approval.

> **Anti-Corruption Ethics and Compliance Policy**

The Group has adopted an Anti-Corruption Ethics and Compliance Policy to ensure that proper safeguards exist to mitigate the risks of corruption and to prevent contravention of any requirement under Section 17A(5) of the Malaysian Anticorruption Commission Act ("**MACC Act**"). The Anti-Bribery and Corruption Policy is applicable to all Directors and employees of the Group and any third parties associated with the Group. This represents the Group's effort to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

> **Whistleblowing Policy**

The Group has established a Whistleblowing Policy to allow its employees to have a channel to report and disclose any non-compliance or illegal activities within the Group. The policy is made available on the Company's website.

ASSURANCE FROM THE MANAGEMENT

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their reviews were performed in accordance with Audit and Assurance Practice Guide 3 (AAPG3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by, the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control systems are functioning satisfactorily throughout the financial year under review up to the date of this Statement and have not resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the Group's annual report. Nevertheless, the Board shall continue to take the appropriate and necessary measures to improve the Group's risk management and internal control systems in meeting the Group's corporate objectives.

This statement was approved by the Board on 20 March 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

(A) Initial Public Offering (“IPO”)

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 20 December 2023 in conjunction with its Initial Public Offering (“**IPO**”), where the Company undertook, amongst others, a public issue of 66,800,000 new ordinary shares in the Company at an issue price of RM0.27 per share, raising gross proceeds of RM18.04 million (“**Listing Proceeds**”).

The status of utilisation of the Listing Proceeds as at 28 February 2025 were as follows: -

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Estimated timeframe for utilisation	Extended timeframe for utilisation
Repayment of bank borrowings	7,000	7,000	-	Within 12 months	-
General working	7,336	7,336	-	Within 18 months	-
Capital expenditure	200	200 ⁽¹⁾	-	Within 12 months	Additional 6 months ⁽¹⁾
Estimated listing	3,500	3,500	-	Within 3 months	
Total	18,036	18,036	-		

Note:

⁽¹⁾ As the timeframe for utilisation of the proceeds raised from the IPO allocated for capital expenditure has lapsed on 19 December 2024, the Board has approved and extended the timeframe for utilisation for a further term of 6 months (up to 19 June 2025). As at 28 February 2025, the Company has fully utilised the balance RM200,000 proceeds raised from the IPO allocated for capital expenditure.

(B) PRIVATE PLACEMENT

On 12 November 2024, the Company announced to undertake a private placement of up to 39,180,000 new ordinary shares in JTG, representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later (“**Private Placement**”).

As at 28 February 2025, no new shares were allotted and issued pursuant to the mandate granted to the Directors at the 2nd AGM which will lapse at the conclusion of the 3rd AGM.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Group and the Company for the financial year ended 30 November 2024 (“**FYE2024**”) are as follows:

	The Group RM	The Company RM
Audit fee	97,000	42,000
Non-Audit fees*	13,000	13,000

Note:

* Non-audit fees comprise the review of Annual Report and Statement on Risk Management and Internal Control.

ADDITIONAL COMPLIANCE INFORMATION

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and/or its subsidiary involving Directors' and/or major shareholders' interest which were still subsisting as at the end of FYE2024 or which were entered into since the end of the previous financial year except as disclosed in the financial statements.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Save for the RRPT as disclosed in Note 34 to the financial statements, there was no other transactions entered into with the related parties during FYE2024. The details of the proposed renewal of shareholders' mandate for the RRPTs are set out in the Circular to Shareholders dated 28 March 2025 which is available on Bursa Securities' website and the Company's website.

5. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

At the Extraordinary General Meeting held on 20 January 2025, the shareholders had approved the establishment of ESOS of up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible employees, executive directors and non-executive directors of the Company and its subsidiary ("**Group**") (excluding dormant subsidiary(ies)). The ESOS is governed by the ESOS By-Laws and is to be in force for a period of 3 years effective from 21 March 2025.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (“**the Act**”) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company, and their financial results and cash flows for the financial year.

In preparing the financial statements for the financial year ended 30 November 2024, the Directors have:

- (i) adopted and consistently applied the appropriate accounting policies;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) ensured that the applicable approved accounting standards in Malaysia and provisions of the Act are complied with; and
- (iv) ensured the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia. The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and as well as other irregularities.

The Statement was approved by the Board of Directors on 20 March 2025.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 November 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary is set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) for the financial year	9,666,384	(621,718)
Attributable to:-		
Owners of the Company	9,666,384	(621,718)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM26,000,050 to RM44,036,050 (before deducting share issuance expenses of RM972,083) by the issuance of 66,800,000 new ordinary shares at an issue price of RM0.27 per ordinary share, as part of the listing scheme of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, 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 value as shown in the accounting records of the Group and of the Company, have 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 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 methods 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:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT

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 AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Seri Lim Yeong Seong
Chin Jiunn Shyong
Datuk Ir. Mohd Aminuddin Bin Mohd Amin
Dato' Ir. Lim Yew Soon
Loo May Len
Poon Lai Kit
Dato' Che Nazli Binti Jaapar (Appointed on 1.2.2024)
Dato' Sri Dr Mohd Nizom Bin Sairi (Appointed on 1.2.2024)

The names of directors of the Company's subsidiary who served during the financial year until the date of this report are similar to those disclosed above.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

< ----- Number of Ordinary Shares ----- >

	At 1.12.2023	Allotted/ Bought	Sold	At 30.11.2024
The Company				
<i>Direct Interests</i>				
Dato' Seri Lim Yeong Seong	75,000,480	-	(21,000,000)	54,000,480
Chin Jiunn Shyong	25,000,160	-	(7,000,000)	18,000,160
Datuk Ir. Mohd Aminuddin Bin Mohd Amin	-	750,000	(750,000)	-
Dato' Ir. Lim Yew Soon	-	750,000	(100,000)	650,000
Loo May Len	-	200,000	-	200,000
Poon Lai Kit	-	100,000	-	100,000

Indirect Interests

Dato' Seri Lim Yeong Seong*	200,000,000	-	-	200,000,000
Chin Jiunn Shyong^	225,000,160	-	(7,000,000)	218,000,160

* Deemed interest by virtue of his direct substantial shareholding in Broad River Capital Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

^ Deemed interest by virtue of the shares held by his spouse pursuant to Section 59(11)(c) of the Companies Act 2016 and his shareholding in Broad River Capital Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of their shareholdings in the Company, Dato' Seri Lim Yeong Seong and Chin Jiunn Shyong are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) 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 interests as disclosed in Note 34(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Salaries, bonuses and other benefits	1,267,005	315,355
Defined contribution benefits	81,510	-
	<u>1,348,515</u>	<u>315,355</u>

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARY

The details of the subsidiary's name, place of incorporation, principal activities and percentage of issued share capital held by the Company in the subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiary did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

DIRECTORS’ REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors’ remuneration for the financial year are as follows:

	The Group RM	The Company RM
Audit fees	97,000	42,000
Non-audit fees	13,000	13,000
	<hr/> 110,000 <hr/>	<hr/> 55,000 <hr/>

Signed in accordance with a resolution of the directors dated 20 March 2025.

Dato’ Seri Lim Yeong Seong

Chin Jiunn Shyong

STATEMENT BY DIRECTORS

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

We, Dato' Seri Lim Yeong Seong and Chin Jiunn Shyong, being two of the directors of Jati Tinggi Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 92 to 152 are drawn up in accordance with 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 of 30 November 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 20 March 2025.

Dato' Seri Lim Yeong Seong

Chin Jiunn Shyong

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lee Tuck Wai, being the Chief Financial Officer primarily responsible for the financial management of Jati Tinggi Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 152 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lee Tuck Wai, NRIC Number: 641126-10-7365
at Kuala Lumpur
in the Federal Territory
on this 20 March 2025.

Lee Tuck Wai

Before me
Shaiful Hilmi Bin Halim
License No.: W 804
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF JATI TINGGI GROUP BERHAD

(Incorporated in Malaysia)

Registration No: 202101043655 (1443955 - H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jati Tinggi Group Berhad, which comprise the statements of financial position as at 30 November 2024 of the Group and of the Company, and the statements of profit or loss and other 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 material accounting policy information, as set out on pages 92 to 152.

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 November 2024, and of their financial performance and their 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.

Key Audit Matters

Key audit matters are those matters that, 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.

INDEPENDENT AUDITORS' REPORT

TO MEMBERS OF JATI TINGGI GROUP BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101043655 (1443955 - H)

Key Audit Matters (Continued)

Revenue recognition Refer to Note 27 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue from construction contracts amounting to approximately RM127.63 million represent 99.7% of the Group's revenue for the financial year ended 30 November 2024.</p> <p>Revenue from construction contracts is recognised over time in the period in which the services are rendered using the output by reference to the construction progress based on the physical proportion of construction work certified by professional consultants.</p> <p>This is an area of focus given that significant judgement by the management is required in determining the progress towards complete satisfaction of the performance obligation.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • conducted and understand the internal control procedures by performing walkthrough test; • reviewed major contracts at contract inception and identify their distinct performance obligations; and • evaluated the revenue from construction contracts has been rendered by reference to the construction progress based on the physical proportion of the construction work certified by professional consultants.

INDEPENDENT AUDITORS' REPORT

TO MEMBERS OF JATI TINGGI GROUP BERHAD (CONT'D)

(Incorporated in Malaysia)
Registration No: 202101043655 (1443955 - H)

Key Audit Matters (Continued)

Recoverability of trade receivables Refer to Note 11 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 November 2024, the Group's trade receivables (including related party) amounted to approximately RM100.38 million net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets.</p> <p>We focused on this area due to the magnitude of the amount involved and judgements are required to assess the allowance for impairment losses of trade receivables.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none">• reviewed ageing analysis of trade receivables and tested the reliability thereof;• reviewed subsequent cash collections for major receivables and overdue amounts;• tested the adequacy of the Group's allowance for impairment losses on trade receivables by assessing management's policy; and• reviewed the adequacy of the Group's disclosure in this area.

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF JATI TINGGI GROUP BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101043655 (1443955 - H)

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 information included in 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF JATI TINGGI GROUP BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101043655 (1443955 - H)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF JATI TINGGI GROUP BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101043655 (1443955 - H)

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

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

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

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

OTHER MATTERS

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 content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

20 March 2025

Chong Wei-Chnoong
03525/08/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2024

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary	5	-	-	26,000,000	26,000,000
Plant and equipment	6	2,312,648	2,537,059	-	-
Investment property	7	-	-	-	-
Right-of-use assets	8	65,695	528,531	-	-
Intangible assets	9	10,811	140,538	-	-
		<u>2,389,154</u>	<u>3,206,128</u>	<u>26,000,000</u>	<u>26,000,000</u>
CURRENT ASSETS					
Inventories	10	462,755	441,325	-	-
Trade receivables	11	99,166,131	83,935,908	-	-
Other receivables, deposits and prepayments	12	9,823,535	10,408,107	-	505,380
Amount owing by a related party	13	1,216,877	1,216,877	-	-
Amount owing by a subsidiary	14	-	-	13,719,649	-
Contract assets	15	3,109,500	-	-	-
Current tax assets		-	183,222	-	-
Fixed deposits with licensed banks	16	12,116,820	3,734,331	-	-
Cash and bank balances		<u>8,487,155</u>	<u>19,741,159</u>	<u>316,416</u>	<u>50</u>
		134,382,773	119,660,929	14,036,065	505,430
Asset classified as held for sale	17	-	8,248,522	-	-
TOTAL ASSETS		<u>136,771,927</u>	<u>131,115,579</u>	<u>40,036,065</u>	<u>26,505,430</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2024 (CONT'D)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18(a)	43,063,967	26,000,050	43,063,967	26,000,050
Invested capital	18(b)	-	-	-	-
Merger deficit	19	(25,000,000)	(25,000,000)	-	-
Retained profits/ (Accumulated losses)		47,675,413	38,009,029	(3,229,896)	(2,608,178)
TOTAL EQUITY		65,739,380	39,009,079	39,834,071	23,391,872
NON-CURRENT LIABILITIES					
Lease liabilities	20	659,987	645,139	-	-
Term loans	21	351,791	-	-	-
		1,011,778	645,139	-	-
CURRENT LIABILITIES					
Trade payables	22	43,954,923	53,496,154	-	-
Other payables and accruals	23	2,649,100	5,272,114	201,994	553,217
Amount owing to related parties	13	126,916	475,161	-	-
Amount owing to a subsidiary	14	-	-	-	2,560,341
Lease liabilities	20	422,945	790,990	-	-
Term loans	21	90,969	7,561,356	-	-
Banker's acceptances	24	5,314,746	7,315,000	-	-
Trade financing	25	16,332,737	15,520,034	-	-
Bank overdraft	26	498,211	1,030,552	-	-
Current tax liabilities		630,222	-	-	-
		70,020,769	91,461,361	201,994	3,113,558
TOTAL LIABILITIES		71,032,547	92,106,500	201,994	3,113,558
TOTAL EQUITY AND LIABILITIES		136,771,927	131,115,579	40,036,065	26,505,430

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	27	128,013,975	115,040,171	-	-
COST OF SALES		(108,624,646)	(99,472,794)	-	-
GROSS PROFIT		19,389,329	15,567,377	-	-
OTHER INCOME		9,105,340	1,866,594	817,914	-
ADMINISTRATIVE EXPENSES		(8,792,048)	(8,441,017)	(1,311,632)	(1,518,736)
OTHER EXPENSES		(799,034)	(842,626)	-	-
FINANCE COSTS		(1,986,835)	(2,303,618)	-	-
NET IMPAIRMENT (LOSSES)/GAIN ON FINANCIAL ASSETS	28	(3,742,905)	76,179	-	-
PROFIT/(LOSS) BEFORE TAXATION	29	13,173,847	5,922,889	(493,718)	(1,518,736)
INCOME TAX EXPENSE	30	(3,507,463)	(2,000,000)	(128,000)	-
PROFIT/(LOSS) AFTER TAXATION		9,666,384	3,922,889	(621,718)	(1,518,736)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		9,666,384	3,922,889	(621,718)	(1,518,736)
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:					
Owners of the Company		9,666,384	3,922,889	(621,718)	(1,518,736)
EARNINGS PER SHARE (SEN)					
Basic	31	2.49	1.21		
Diluted	31	2.49	1.21		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

The Group	Note	Share Capital RM	Invested Capital RM	Merger Deficit RM	Retained Profits RM	Total Equity RM
At 1.12.2022		50	1,000,000	-	34,086,140	35,086,190
Profit after taxation/Total comprehensive income for the financial year						
Contributions by and distributions to owners of the Company:						
- Issuance of shares	18	26,000,000	(1,000,000)	(25,000,000)	-	-
Balance at 30.11.2023/1.12.2023		26,000,050	-	(25,000,000)	38,009,029	39,009,079
Profit after taxation/Total comprehensive income for the financial year						
Contributions by and distributions to owners of the Company:						
- Issuance of shares	18	18,036,000	-	-	-	18,036,000
- Share issuance expenses	18	(972,083)	-	-	-	(972,083)
Balance at 30.11.2024		43,063,967	-	(25,000,000)	47,675,413	65,739,380

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

(CONT'D)

The Company	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1.12.2022		50	(1,089,442)	(1,089,392)
Loss after taxation/Total comprehensive expenses for the financial year		-	(1,518,736)	(1,518,736)
Issuance of shares	18	26,000,000	-	26,000,000
Balance at 30.11.2023/1.12.2023		26,000,050	(2,608,178)	23,391,872
Loss after taxation/Total comprehensive expenses for the financial year		-	(621,718)	(621,718)
Issuance of shares	18	18,036,000	-	18,036,000
Share issuance expenses	18	(972,083)	-	(972,083)
Balance at 30.11.2024		43,063,967	(3,229,896)	39,834,071

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	13,173,847	5,922,889	(493,718)	(1,518,736)
Adjustments for:-				
Amortisation of intangible assets	129,727	129,727	-	-
Depreciation of investment property	-	86,210	-	-
Depreciation of plant and equipment	774,910	767,064	-	-
Depreciation of right-of-use assets	529,097	686,948	-	-
Impairment losses on:				
- trade receivables	3,623,271	72,348	-	-
- other receivables	119,634	-	-	-
Interest expense	1,986,835	2,303,618	-	-
Plant and equipment written off	6,820	11	-	-
Gain on disposal of investment property	(7,372,500)	-	-	-
(Gain)/Loss on disposal of plant and equipment	(115,999)	72,300	-	-
Gain on lease modification	-	(839)	-	-
Interest income	(284,194)	(91,420)	(817,914)	-
Reversal of impairment loss on:				
- trade receivables	-	(148,527)	-	-
Operating profit/(loss) before working capital changes	12,571,448	9,800,329	(1,311,632)	(1,518,736)
Increase in inventories	(21,430)	(422,755)	-	-
(Increase)/Decrease in trade and other receivables	(18,388,556)	(10,760,535)	505,380	(65,045)
Increase in contract assets	(3,109,500)	-	-	-
(Decrease)/Increase in trade and other payables	(12,164,245)	6,408,214	(351,223)	393,392
(Decrease)/Increase in amount owing to related parties	(348,245)	289,468	-	-
CASH (FOR)/FROM OPERATIONS	(21,460,528)	5,314,721	(1,157,475)	(1,190,389)
Income tax paid	(2,694,019)	(2,535,930)	(128,000)	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(24,154,547)	2,778,791	(1,285,475)	(1,190,389)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

(CONT'D)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR)					
INVESTING ACTIVITIES					
Interest received		284,194	91,420	30,211	-
Net advances to a subsidiary		-	-	(13,540,000)	-
Net proceeds from disposal of an investment property		15,621,022	-	-	-
Purchase of plant and equipment	32(a)	(107,320)	(94,892)	-	-
Proceeds from disposal of plant and equipment		116,000	198,850	-	-
Increase in pledge fixed deposits with licensed banks		(8,382,489)	(257,155)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		7,531,407	(61,777)	(13,509,789)	-
CASH FLOWS FROM					
FINANCING ACTIVITIES					
Interest paid		(1,986,835)	(2,303,618)	-	-
Net proceeds from issuance of ordinary shares		17,063,917	-	17,063,917	-
Net (repayment)/drawdown of banker's acceptances	32(b)	(2,000,254)	1,735,000	-	-
Net drawdown on trade financing	32(b)	812,703	4,408,619	-	-
Net drawdown on term loans	32(b)	499,525	-	-	-
Repayment of lease liabilities	32(b)	(869,458)	(961,924)	-	-
Repayment of term loans	32(b)	(7,618,121)	(261,218)	-	-
(Repayment to)/Advances from a subsidiary	32(b)	-	-	(1,952,287)	1,190,389
NET CASH FROM FINANCING ACTIVITIES		5,901,477	2,616,859	15,111,630	1,190,389
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,721,663)	5,333,873	316,366	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		18,710,607	13,376,734	50	50
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(d)	7,988,944	18,710,607	316,416	50

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Unit 521, 5th Floor, Lobby 6,
Block A, Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : No. 23 & 25, Jalan Temenggung 13/9,
Seksyen 9, Bandar Mahkota Cheras,
43200 Cheras,
Selangor Darul Ehsan.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 March 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary is set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Plant and Equipment and Right-of-Use Assets

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its plant and equipment, investment property and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 8 to the financial statements respectively.

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives and related amortisation charges for the intangible assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its intangible assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of intangible assets as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Plant and Equipment, Right-of-Use Assets and Intangible Assets

The Group determines whether an item of its plant and equipment, right-of-use assets and intangible assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of plant and equipment, right-of-use assets and intangible assets as at the reporting date are disclosed in Notes 6, 8 and 9 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 15 to the financial statements respectively.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by a subsidiary as at the reporting date are disclosed in Notes 12 and 14 to the financial statements respectively.

(g) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amount of contract assets as at the reporting date is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets At Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.4 INVESTMENT IN A SUBSIDIARY

Investment in a subsidiary which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.5 PLANT AND EQUIPMENT

All items of plant and equipment are initially measured at cost.

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

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Furniture and fittings	10%
Office equipment	10%
Tools and equipment	10%
Motor vehicles	20%
Plant and machinery	10%
Computer systems	30%
Renovation	10%
Container	10%
Signboard	10%

4.6 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

Software	5 years
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.9 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the output by reference to the construction progress based on the physical proportion of construction work certified by professional consultants. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

4.10 OTHER INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Lease Income

Lease income from investment properties is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

5. INVESTMENT IN A SUBSIDIARY

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At 1 December	26,000,000	-
Addition during the financial year	-	26,000,000
At 30 November	<u>26,000,000</u>	<u>26,000,000</u>

Details of the subsidiary is as follows:

Name of subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal activities
		2024	2023	
Subsidiary of the Company				
Jati Tinggi Holding Sdn. Bhd.	Malaysia	100%	100%	Provision of underground and overhead utilities engineering services and solutions, substation engineering, procurement, construction and commissioning ("EPCC") and trading of equipment for substations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

6. PLANT AND EQUIPMENT

The Group	At 1.12.2023 RM	Additions RM	Disposal RM	Write Off RM	Depreciation Charges RM	At 30.11.2024 RM
<i>Carrying Amount</i>						
Furniture and fittings	162,165	5,400	-	-	(54,088)	113,477
Office equipment	126,367	26,090	-	(6,820)	(32,430)	113,207
Tools and equipment	430,336	-	-	-	(58,059)	372,277
Motor vehicles	976,077	502,280	(1)	-	(387,276)	1,091,080
Plant and machinery	425,753	10,500	-	-	(63,297)	372,956
Computer systems	190,519	13,050	-	-	(115,070)	88,499
Renovation	206,567	-	-	-	(62,556)	144,011
Container	14,655	-	-	-	(1,606)	13,049
Signboard	4,620	-	-	-	(528)	4,092
	2,537,059	557,320	(1)	(6,820)	(774,910)	2,312,648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

6. PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.12.2022 RM	Additions RM	Disposal RM	Write Off RM	Reclassification RM	Depreciation Charges RM	At 30.11.2023 RM
2023							
<i>Carrying Amount</i>							
Furniture and fittings	218,292	-	-	-	-	(56,127)	162,165
Office equipment	150,822	11,348	-	(11)	-	(35,792)	126,367
Tools and equipment	761,310	21,190	(271,150)	-	-	(81,014)	430,336
Motor vehicles	156,508	333,030	-	-	773,540	(287,001)	976,077
Plant and machinery	503,116	-	-	-	-	(77,363)	425,753
Computer systems	339,037	17,114	-	-	-	(165,632)	190,519
Renovation	269,122	-	-	-	-	(62,555)	206,567
Container	3,497	12,210	-	-	-	(1,052)	14,655
Signboard	5,148	-	-	-	-	(528)	4,620
	2,406,852	394,892	(271,150)	(11)	773,540	(767,064)	2,537,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

6. PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2024			
Furniture and fittings	633,363	(519,886)	113,477
Office equipment	657,508	(544,301)	113,207
Tools and equipment	580,584	(208,307)	372,277
Motor vehicles	3,708,009	(2,616,929)	1,091,080
Plant and machinery	829,641	(456,685)	372,956
Computer systems	1,202,278	(1,113,779)	88,499
Renovation	625,551	(481,540)	144,011
Container	16,060	(3,011)	13,049
Signboard	5,280	(1,188)	4,092
	8,258,274	(5,945,626)	2,312,648
2023			
Furniture and fittings	627,963	(465,798)	162,165
Office equipment	641,778	(515,411)	126,367
Tools and equipment	580,584	(150,248)	430,336
Motor vehicles	3,766,264	(2,790,187)	976,077
Plant and machinery	819,141	(393,388)	425,753
Computer systems	1,189,228	(998,709)	190,519
Renovation	625,551	(418,984)	206,567
Container	16,060	(1,405)	14,655
Signboard	5,280	(660)	4,620
	8,271,849	(5,734,790)	2,537,059

Included in plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM1,082,145 (2023 - RM962,455). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 20(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

7. INVESTMENT PROPERTY

	The Group	
	2024 RM	2023 RM
Cost:-		
At 1 December	-	9,062,747
Reclassified to asset held for sale	-	(9,062,747)
At 30 November	-	-
Accumulated depreciation:-		
At 1 December	-	(728,015)
Depreciation during the financial year	-	(86,210)
Reclassified to asset held for sale	-	814,225
At 30 November	-	-
Represented by:-		
Freehold land	-	-
Freehold building	-	-
30 November	-	-
Fair value	N/A	N/A

The fair value of the investment property in previous financial years was within level 3 of the fair value hierarchy and was arrived at by reference to market evidence of transaction prices for similar properties and was performed by a registered valuer having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach was the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

8. RIGHT-OF-USE ASSETS

The Group	At 1.12.2023 RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 30.11.2024 RM
2024				
<i>Carrying Amount</i>				
Offices	99,047	66,261	(99,613)	65,695
Site stores	429,484	-	(429,484)	-
	528,531	66,261	(529,097)	65,695
	At 1.12.2022 RM	Reassessment of Lease Liabilities RM	Derecognition Due to Lease Modification RM	At 30.11.2023 RM
2023				
<i>Carrying Amount</i>				
Motor vehicles	773,540	-	-	-
Offices	218,132	68,718	(73,507)	99,047
Site stores	1,002,136	-	-	429,484
	1,993,808	68,718	(73,507)	528,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

8. RIGHT-OF-USE ASSETS (CONT'D)

The Group's leasing activities are summarised below:-

- (i) **Offices** The Group has leased a number of office premises for administration and operation ranging from 1 year to 2 years, with an option to renew the leases after that date.
- (ii) **Site stores** The Group has leased a number of site stores that run for a period ranging from 2 years to 3 years, with an option to renew the lease after that date. The Group is not allowed to sublease the site stores.

9. INTANGIBLE ASSETS

	The Group	
	2024	2023
	RM	RM
Cost:-		
At 1 December/30 November	648,635	648,635
Accumulated amortisation:-		
At 1 December	(508,097)	(378,370)
Amortisation for the financial year	(129,727)	(129,727)
At 30 November	(637,824)	(508,097)
	10,811	140,538

The intangible asset represents a software system in providing a central platform for underground utilities data and professional mapping services. The amortisation charges is recognised in profit or loss under the "Cost of Sales" line item.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

10. INVENTORIES

	The Group	
	2024 RM	2023 RM
Raw materials	462,755	441,325
Recognised in profit or loss:-		
Inventories recognised as cost of sales	64,893,345	36,573,430

11. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Trade receivables	103,468,595	84,615,101
Allowance for impairment losses	(4,302,464)	(679,193)
	99,166,131	83,935,908
Allowance for impairment losses:-		
At 1 December	(679,193)	(755,372)
Addition during the financial year	(3,623,271)	(72,348)
Reversal during the financial year	-	148,527
At 30 November	(4,302,464)	(679,193)

- (a) The Group's normal trade credit terms range from 30 to 60 (2023 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.
- (b) Included in trade receivables are retention sums which are expected to be recovered as follows:-

	The Group	
	2024 RM	2023 RM
Within 1 year	19,707,170	8,195,448
More than 1 year	23,023,760	27,192,249
	42,730,930	35,387,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	829,124	1,064,127	-	-
Deposits	5,717,500	6,637,787	-	1,000
Prepayments	3,396,545	2,706,193	-	504,380
	<hr/>	<hr/>	<hr/>	<hr/>
	9,943,169	10,408,107	-	505,380
Allowance for impairment losses	(119,634)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,823,535	10,408,107	-	505,380
	<hr/>	<hr/>	<hr/>	<hr/>
Allowance for impairment losses:				
At 1 December	-	-	-	-
Addition during the financial year	(119,634)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November	(119,634)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Included in deposits of the Group is an amount of RM5,162,691 (2023 - RM6,022,359) being part of authorised deposits incurred on development projects which are refundable from the project owners.

13. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2024 RM	2023 RM
Amount Owing by A Related Party		
<u>Current</u>		
Trade balance	1,216,877	1,216,877
	<hr/>	<hr/>
Amount Owing to Related Parties		
<u>Current</u>		
Trade balance	(126,916)	(475,161)
	<hr/>	<hr/>

The trade balances are subjected to the normal trade credit terms ranging from 30 to 90 (2023 - 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

14. AMOUNTS OWING BY/(TO) A SUBSIDIARY

	The Company	
	2024 RM	2023 RM
Amount Owing by A Subsidiary		
<u>Current</u>		
Non-trade balance	13,719,649	-
Amount Owing to A Subsidiary		
<u>Current</u>		
Non-trade balance	-	(2,560,341)

The non-trade balances represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

Certain inter-company advances bore interest at 7% per annum with no fixed repayment terms.

15. CONTRACT ASSETS

	The Group	
	2024 RM	2023 RM
At 1 December	-	-
Performance obligations performed	3,109,500	-
At 30 November	3,109,500	-
Represented by:-		
Construction contracts	3,109,500	-

The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

16. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 2.70% (2023 - 1.75% to 2.70%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2023 - 30 to 365) days.
- (b) Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM12,116,820 (2023 - RM3,734,331) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

17. ASSET CLASSIFIED AS HELD FOR SALE

	The Group	
	2024 RM	2023 RM
At 1 December	8,248,522	-
Reclassified from investment property	-	8,248,522
Asset sold	(8,248,522)	-
	<hr/>	<hr/>
At 30 November	-	8,248,522
	<hr/>	<hr/>

Asset classified as held for sale

- (a) On 17 August 2023, the Group entered into a sale and purchase agreement with a purchaser to dispose of its freehold land and building for a cash consideration of RM16,000,000.
- (b) On 5 October 2023, the conditions precedent as stated in the said sale and purchase agreement have been complied. The said disposal was completed on 7 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

18. SHARE CAPITAL AND INVESTED CAPITAL

(a) Share Capital

	The Group/TheCompany		The Group/TheCompany	
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 December	325,000,800	800	26,000,050	50
Issuance of shares	66,800,000	325,000,000	18,036,000	26,000,000
Share issuance expenses	-	-	(972,083)	-
At 30 November	391,800,800	325,000,800	43,063,967	26,000,050

- (i) On 20 December 2023, the Company increased its issued and paid-up share capital from RM26,000,050 to RM44,036,050 (before deducting share issuance expenses of RM972,083) by the issuance of 66,800,000 new ordinary shares at an issue price of RM0.27 per ordinary share, as part of the listing scheme of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (ii) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) Invested Capital

	The Group/TheCompany		The Group/TheCompany	
	2024	2023	2024	2023
	Number of Shares		RM	
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 December	-	1,000,000	-	1,000,000
Acquisition by the Company	-	(1,000,000)	-	(1,000,000)
At 30 November	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

19. MERGER DEFICIT

The merger deficit arose from the difference between the carrying amount of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

20. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 December	1,436,129	2,103,681
Additions	450,000	300,000
Interest expense recognised in profit or loss	66,601	87,962
Reassessment of leases	66,261	68,718
Derecognition due to lease modification	-	(74,346)
Repayment of principal	(869,458)	(961,924)
Repayment of interest expense	(66,601)	(87,962)
At 30 November	<u>1,082,932</u>	<u>1,436,129</u>
Analysed by:-		
Current liabilities	422,945	790,990
Non-current liabilities	659,987	645,139
	<u>1,082,932</u>	<u>1,436,129</u>

- (a) Included in lease liabilities of the Group is an amount of hire purchase payables of RM1,015,906 (2023 - RM894,200) and analysed as follows:-

	The Group	
	2024 RM	2023 RM
Minimum hire purchase payments:		
- not later than 1 year	399,623	323,132
- later than 1 year and not later than 5 years	704,234	658,066
	<u>1,103,857</u>	<u>981,198</u>
Less: Future finance charges	(87,951)	(86,998)
	<u>1,015,906</u>	<u>894,200</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

21. TERM LOANS

	The Group	
	2024 RM	2023 RM
Current liabilities	90,969	7,561,356
Non-current liabilities	351,791	-
	<u>442,760</u>	<u>7,561,356</u>

- (a) The term loans at the end of the reporting period bore an effective interest rate of 6.85% (2023 - 4.52% to 4.92%) per annum.
- (b) The term loan is secured by:-
- (i) An assignment of Life Takaful Contract issued by Sun Life Malaysia Takaful Berhad under the name of a director; and
 - (ii) A corporate guarantee by the Company.

22. TRADE PAYABLES

- (a) The normal trade credit term granted to the Group range from 30 to 60 (2023 - 30 to 60) days.
- (b) Included in trade payables are retention sums which are expected to be settled as follows:

	The Group	
	2024 RM	2023 RM
Within 1 year	2,154,090	3,594,413
More than 1 year	2,114,666	1,117,715
	<u>4,268,756</u>	<u>4,712,128</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables:-				
Third parties	423,576	1,220,600	126,994	503,217
Advances from customers	-	108,841	-	-
	423,576	1,329,441	126,994	503,217
Deposits	-	1,120,000	-	-
Accruals	2,225,524	2,822,673	75,000	50,000
	<u>2,649,100</u>	<u>5,272,114</u>	<u>201,994</u>	<u>553,217</u>

24. BANKER'S ACCEPTANCES

- (a) The banker's acceptances of the Group at the end of the reporting period bore effective interest rates ranging from 3.64% to 5.44% (2023 - 5.35% to 6.86%) per annum.
- (b) The banker's acceptances are secured by:-
- (i) A third party legal charge over the leasehold land and buildings, registered under the name of a related party of the Group;
 - (ii) Fixed deposits with licensed financial institution as disclosed in Note 16 to the financial statements; and
 - (iii) A corporate guarantee by the Company.

25. TRADE FINANCING

- (a) The trade financing of the Group at the end of the reporting period bore effective interest rates ranging from 5.28% to 9.99% (2023 - 6.28% to 6.45%) per annum.
- (b) The trade financing are secured by:-
- (i) A legal charge over the freehold land and freehold building, registered under the name of certain directors of the Group;
 - (ii) A legal charge over the leasehold land and buildings, registered under the name of a related party of the Group; and
 - (iii) A corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

26. BANK OVERDRAFT

- (a) The bank overdraft of the Group at the end of the reporting period bore floating interest rates ranging from 7.89% to 8.15% (2023 - 7.22% to 7.89%) per annum.
- (b) The bank overdraft is secured by:-
- (i) A legal charge over the leasehold land and buildings, registered under the name of a related party of the Group;
 - (ii) A personal guarantee by a director of the Group; and
 - (iii) A corporate guarantee by the Company.

27. REVENUE

	The Group	
	2024 RM	2023 RM
Revenue from Contracts with Customers		
<u>Revenue recognised over time</u>		
Construction contracts	127,626,131	114,668,212
Rendering of services	387,844	196,513
	128,013,975	114,864,725
<u>Revenue recognised at a point in time</u>		
Trading of goods	-	175,446
	128,013,975	115,040,171
Represented by geographical markets:-		
Malaysia	128,013,975	115,040,171

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

28. NET IMPAIRMENT LOSSES/(GAIN) ON FINANCIAL ASSETS

	The Group	
	2024 RM	2023 RM
Impairment losses:		
- trade receivables (Note 11)	3,623,271	72,348
- other receivables (Note 12)	119,634	-
Reversal of impairment losses:		
- trade receivables (Note 11)	-	(148,527)
	<u>3,742,905</u>	<u>(76,179)</u>

29. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees				
- statutory	97,000	97,000	42,000	42,000
- special	-	40,000	-	45,000
- non-audit fees	13,000	13,000	13,000	13,000
Amortisation of intangible assets	129,727	129,727	-	-
Construction Industry Development Board ("CIDB") levy fee	171,001	72,823	-	-
Depreciation:				
- investment property	-	86,210	-	-
- plant and equipment	774,910	767,064	-	-
- right-of-use assets	529,097	686,948	-	-
Directors' remuneration (Note 33)	1,348,515	901,418	315,355	7,500
Interest expense on lease liabilities	66,601	87,962	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank guarantee	715,059	425,499	-	-
- banker's acceptances	320,961	427,543	-	-
- term loans	27,792	351,703	-	-
- trade financing	763,227	902,942	-	-
- others	93,195	107,969	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

29. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging:-				
Plant and equipment written off	6,820	11	-	-
Short-term lease expenses	884,546	634,635	-	-
Staff costs:				
- salaries, bonuses and allowances	7,002,246	7,387,370	-	-
- defined contribution benefits	740,659	791,599	-	-
- others	656,872	251,814	-	-
Gain on disposal of investment property	(7,372,500)	-	-	-
(Gain)/Loss on disposal of plant and equipment	(115,999)	72,300	-	-
Gain on lease modification	-	(839)	-	-
Interest income on financial assets that are not at fair value through profit or loss:				
- a subsidiary	-	-	(787,703)	-
- deposits from licensed banks	(253,983)	(91,420)	-	-
- others	(30,211)	-	(30,211)	-
Lease income from investment property	-	(115,375)	-	-
Realised loss/(gain) on foreign exchange	39,047	(70,576)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

30. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense	2,707,000	1,950,641	128,000	-
Underprovision in the previous financial year	139,862	49,359	-	-
	2,846,862	2,000,000	128,000	-
Real Property Gains Tax	660,601	-	-	-
	3,507,463	2,000,000	128,000	-

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation	13,173,847	5,922,889	(493,718)	(1,518,736)
Tax at the statutory tax rate of 24% (2023 - 24%)	3,161,723	1,421,493	(118,492)	(364,497)
Tax effects of:-				
Non-deductible expenses	435,768	498,277	246,492	364,497
Non-taxable income	(1,797,239)	(16,938)	-	-
Deferred tax assets not recognised during the financial year	906,748	47,809	-	-
Real property gains tax arising from disposal of investment property	660,601	-	-	-
Underprovision of current taxation in the previous financial year	139,862	49,359	-	-
	3,507,463	2,000,000	128,000	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

30. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets/(liabilities) are recognised on the following items:

	The Group	
	2024 RM	2023 RM
Plant and equipment	(202,069)	(356,913)
Provision	4,302,464	679,193
	<u>4,100,395</u>	<u>322,280</u>

31. EARNINGS PER SHARE (SEN)

	The Group	
	2024 RM	2023 RM
Profit after taxation attributable to the owners of the Company	<u>9,666,384</u>	<u>3,922,889</u>
Weighted average number of ordinary shares in issues:		
Ordinary shares at 1 December	325,000,800	800
Effect of new ordinary shares issued pursuant to:		
- acquisition of subsidiary*	-	325,000,000
- public issue	63,697,268	-
Weighted average number of ordinary shares for basic earnings per computation	<u>388,698,068</u>	<u>325,000,800</u>
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	<u>2.49</u>	<u>1.21</u>

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

Note:-

*In the calculation of earnings per share for the financial year ended 30 November 2023, it is assumed that 325,000,000 ordinary shares were in issue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

32. CASH FLOW INFORMATION

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

	The Group	
	2024 RM	2023 RM
Plant and Equipment		
Cost of plant and equipment purchased	557,320	394,892
Less: Additions of new lease liabilities	(450,000)	(300,000)
	<u>107,320</u>	<u>94,892</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Lease Liabilities RM	Banker's Acceptances RM	Trade Financing RM	Total RM
2024					
At 1 December	7,561,356	1,436,129	7,315,000	15,520,034	31,832,519
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	499,525	-	17,979,114	30,640,568	49,119,207
Repayment of principal	(7,618,121)	(869,458)	(19,979,368)	(29,827,865)	(58,294,812)
Repayment of interests	(27,792)	(66,601)	(320,961)	(763,227)	(1,178,581)
	(7,146,388)	(936,059)	(2,321,215)	49,476	(10,354,186)
<u>Non-cash Changes</u>					
Acquisition of new leases	-	450,000	-	-	450,000
Reassessment of leases	-	66,261	-	-	66,261
Interest expense recognised in profit or loss	27,792	66,601	320,961	763,227	1,178,581
	27,792	582,862	320,961	763,227	1,694,842
At 30 November	442,760	1,082,932	5,314,746	16,332,737	23,173,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Term Loans RM	Lease Liabilities RM	Banker's Acceptances RM	Trade Financing RM	Total RM
2023					
At 1 December	7,822,574	2,103,681	5,580,000	11,111,415	26,617,670
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	-	29,376,000	51,085,420	80,461,420
Repayment of principal	(261,218)	(961,924)	(27,641,000)	(46,676,801)	(75,540,943)
Repayment of interests	(351,703)	(87,962)	(427,543)	(902,942)	(1,770,150)
	(612,921)	(1,049,886)	1,307,457	3,505,677	3,150,327
<u>Non-cash Changes</u>					
Acquisition of new leases	-	300,000	-	-	300,000
Reassessment of leases	-	68,718	-	-	68,718
Derecognition due to lease modification	-	(74,346)	-	-	(74,346)
Interest expense recognised in profit or loss	351,703	87,962	427,543	902,942	1,770,150
	351,703	382,334	427,543	902,942	2,064,522
At 30 November	7,561,356	1,436,129	7,315,000	15,520,034	31,832,519

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Amount Owing to A Subsidiary	
	2024 RM	2023 RM
At 1 December	2,560,341	1,369,952
<u>Changes in Financing Cash Flows</u>		
Advances received	-	1,190,389
Repayment of advances	(2,560,341)	-
At 30 November	<u>-</u>	<u>2,560,341</u>

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024 RM	2023 RM
Payment of short-term leases	884,546	634,635
Interest paid on lease liabilities	66,601	87,962
Payment of lease liabilities	869,458	961,924
	<u>1,820,605</u>	<u>1,684,521</u>

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with licensed banks	12,116,820	3,734,331	-	-
Cash and bank balances	8,487,155	19,741,159	316,416	50
Bank overdraft	(498,211)	(1,030,552)	-	-
	<u>20,105,764</u>	<u>22,444,938</u>	<u>316,416</u>	<u>50</u>
Less: Fixed deposits pledged to licensed banks (Note 16)	(12,116,820)	(3,734,331)	-	-
	<u>7,988,944</u>	<u>18,710,607</u>	<u>316,416</u>	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Company</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,267,005	834,818	315,355	7,500
Defined contribution benefits	81,510	66,600	-	-
Total directors' remuneration (Note 29)	1,348,515	901,418	315,355	7,500

34. RELATED PARTY DISCLOSURES

(a) Subsidiary

The subsidiary is disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Related parties				
- Purchase of materials and services	(389,574)	(1,049,851)	-	-
- Short-term office leases paid or payable to directors of the Company	(396,345)	(396,345)	-	-
Subsidiary				
- Advances to a subsidiary	-	-	(14,000,000)	-
- Interest income	-	-	787,703	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

35. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products provided.

The Group is organised into 2 main reportable segments as follows:-

- (i) provision of underground utilities engineering services and solutions "U"
- (ii) provision of substation Engineering, Procurement, Construction and Commissioning ("EPCC") services, trading of equipment for substations and street lighting services "O"

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

35. OPERATING SEGMENTS (CONT'D)

2024	Malaysia (U) RM	The Group Malaysia (O) RM	Total RM
External revenue	127,626,131	387,844	128,013,975
Inter-segment revenue	-	-	-
Total revenue	127,626,131	387,844	128,013,975
Results			
Segment profit/(loss)	15,282,416	(121,733)	15,160,683
Finance costs	(1,986,836)	-	(1,986,836)
Profit/(Loss) before taxation	13,295,580	(121,733)	13,173,847
<u>Additions to non-current assets other than financial instruments</u>			
Plant and equipment	557,320	-	557,320
<u>Other information</u>			
Interest income	284,194	-	284,194
Interest expense	(1,920,234)	-	(1,920,234)
Interest expense on lease liabilities	(66,601)	-	(66,601)
Impairment loss on financial assets	(3,742,905)	-	(3,742,905)
Amortisation of intangible assets	(129,727)	-	(129,727)
Depreciation:			
- plant and equipment	(774,910)	-	(774,910)
- right-of-use assets	(529,097)	-	(529,097)
Gain on disposal of investment property	7,372,500	-	7,372,500
Gain on disposal of plant and equipment	115,999	-	115,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

35. OPERATING SEGMENTS (CONT'D)

	Malaysia (U) RM	The Group Malaysia (O) RM	Total RM
2023			
External revenue	114,087,359	952,812	115,040,171
Inter-segment revenue	-	-	-
Total revenue	114,087,359	952,812	115,040,171
Results			
Segment profit/(loss)	8,359,361	(132,854)	8,226,507
Finance costs	(2,303,618)	-	(2,303,618)
Profit/(Loss) before taxation	6,055,743	(132,854)	5,922,889
<u>Additions to non-current assets other than financial instruments</u>			
Plant and equipment	394,892	-	394,892
<u>Other information</u>			
Interest income	91,420	-	91,420
Interest expense	(2,215,656)	-	(2,215,656)
Interest expense on lease liabilities	(87,962)	-	(87,962)
Impairment loss on financial assets	(72,348)	-	(72,348)
Amortisation of intangible assets	(129,727)	-	(129,727)
Depreciation:			
- investment property	(86,210)	-	(86,210)
- plant and equipment	(767,064)	-	(767,064)
- right-of-use assets	(686,948)	-	(686,948)
Loss on disposal of plant and equipment	(72,300)	-	(72,300)
Reversal of impairment loss on financial assets	148,527	-	148,527

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

35. OPERATING SEGMENTS (CONT'D)

	The Group	
	2024 RM	2023 RM
Assets		
Segment assets	136,771,927	130,932,357
Unallocated assets:-		
Current tax assets	-	183,222
	<u>136,771,927</u>	<u>131,115,579</u>
Liabilities		
Segment liabilities	(70,402,325)	(92,106,500)
Unallocated liabilities:-		
Current tax liabilities	(630,222)	-
	<u>(71,032,547)</u>	<u>(92,106,500)</u>

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	The Group		Segment
	2024 RM	2023 RM	
Customer A	42,158,410	69,728,137	Malaysia (U)
Customer B	52,894,277	22,097,596	Malaysia (U)
Customer C	NA	12,256,296	Malaysia (U)

36. CONTINGENT LIABILITIES

No provision are recognised on the following matter as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2024 RM	2023 RM
Performance guarantee extended to third parties	<u>39,810,322</u>	<u>33,805,161</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 21, 24, 25 and 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	2024 RM	2023 RM
Effects on Profit After Taxation		
Increase of 100 basis points	(171,672)	(238,845)
Decrease of 100 basis points	171,672	238,845

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) (2023 - three (3)) customers which constituted approximately 90% (2023 - 95%) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has a formal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months (2023 - 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

Allowance for Impairment Losses

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2024				
Current (not past due)	68,745,319	-	(723,609)	68,021,710
1 to 30 days past due	928,136	-	(13,865)	914,271
31 to 60 days past due	9,564,948	-	(171,465)	9,393,483
61 to 90 days past due	9,205,926	-	(211,206)	8,994,720
More than 90 days	16,168,795	-	(3,109,971)	13,058,824
Credit impaired	72,348	(72,348)	-	-
Trade receivables	104,685,472	(72,348)	(4,230,116)	100,383,008
Contract assets	3,109,500	-	-	3,109,500
	107,794,972	(72,348)	(4,230,116)	103,492,508
2023				
Current (not past due)	53,107,709	-	(206,055)	52,901,654
1 to 30 days past due	8,776,933	-	(47,951)	8,728,982
31 to 60 days past due	7,057,646	-	(64,730)	6,992,916
61 to 90 days past due	3,664,628	-	(38,339)	3,626,289
More than 90 days	13,152,714	-	(249,770)	12,902,944
Credit impaired	72,348	(72,348)	-	-
Trade receivables	85,831,978	(72,348)	(606,845)	85,152,785

The movements in the loss allowances in respect of trade receivables (including related parties) are disclosed in Notes 11 and 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assess whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Group			
2024			
Low credit risk	829,124	(119,634)	709,490
2023			
Low credit risk	1,064,127	-	1,064,127

The movements in the loss allowances in respect of other receivables is disclosed in Note 12 to the financial statements.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by a Subsidiary

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to a subsidiary has low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the balances are not recoverable.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2024					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	4.52 - 6.85	1,082,932	1,240,817	468,103	772,714
Term loans	6.85	442,760	512,993	118,383	394,610
Banker's acceptances	3.64 - 5.44	5,314,746	5,314,746	5,314,746	-
Trade financing	5.28 - 9.99	16,332,737	16,332,737	16,332,737	-
Bank overdraft	7.89 - 8.15	498,211	498,211	498,211	-
Trade payables	-	43,954,923	43,954,923	43,954,923	-
Other payables and accruals	-	2,649,100	2,649,100	2,649,100	-
Amount owing to related parties	-	126,916	126,916	126,916	-
		70,402,325	70,630,443	69,463,119	1,167,324

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2023					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	4.52	1,436,129	1,534,970	843,905	691,065
Term loans	4.52 - 4.92	7,561,356	7,567,091	7,567,091	-
Banker's acceptances	5.35 - 6.86	7,315,000	7,315,000	7,315,000	-
Trade financing	6.28 - 6.45	15,520,034	15,520,034	15,520,034	-
Bank overdraft	7.22 - 7.89	1,030,552	1,030,552	1,030,552	-
Trade payables	-	53,496,154	53,496,154	53,496,154	-
Other payables and accruals	-	4,152,114	4,152,114	4,152,114	-
Amount owing to related parties	-	475,161	475,161	475,161	-
		90,986,500	91,091,076	90,400,011	691,065

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	201,994	201,994	201,994
2023				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	553,217	553,217	553,217
Amount owing to a subsidiary	-	2,560,341	2,560,341	2,560,341
		3,113,558	3,113,558	3,113,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024 RM	2023 RM
Lease liabilities	1,082,932	1,436,129
Term loans	442,760	7,561,356
Banker's acceptances	5,314,746	7,315,000
Trade financing	16,332,737	15,520,034
Bank overdraft	498,211	1,030,552
	<hr/>	<hr/>
	23,671,386	32,863,071
Less: Fixed deposits with licensed banks	(12,116,820)	(3,734,331)
Less: Cash and bank balances	(8,487,155)	(19,741,159)
	<hr/>	<hr/>
Net debt	3,067,411	9,387,581
	<hr/>	<hr/>
Total equity	65,739,380	39,009,079
	<hr/>	<hr/>
Debt-to-equity ratio	0.05	0.24
	<hr/>	<hr/>

There were changes in the approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	99,166,131	83,935,908	-	-
Other receivables	709,490	1,064,127	-	-
Amount owing by a related party	1,216,877	1,216,877	-	-
Amount owing by a subsidiary	-	-	13,719,649	-
Fixed deposits with licensed banks	12,116,820	3,734,331	-	-
Cash and bank balances	8,487,155	19,741,159	316,416	50
	<u>121,696,473</u>	<u>109,692,402</u>	<u>14,036,065</u>	<u>50</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities	1,082,932	1,436,129	-	-
Term loans	442,760	7,561,356	-	-
Banker's acceptances	5,314,746	7,315,000	-	-
Trade financing	16,332,737	15,520,034	-	-
Bank overdraft	498,211	1,030,552	-	-
Trade payables	43,954,923	53,496,154	-	-
Other payables and accruals	2,649,100	4,152,114	201,994	553,217
Amount owing to related parties	126,916	475,161	-	-
Amount owing to a subsidiary	-	-	-	2,560,341
	<u>70,402,325</u>	<u>90,986,500</u>	<u>201,994</u>	<u>3,113,558</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	2024 RM	2023 RM
Financial Assets		
<u>Amortised Cost</u>		
Net (losses)/gains recognised in profit or loss	(3,488,922)	167,599
Financial Liabilities		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(1,920,234)	(2,215,656)

37.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	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		
The Group					
2024					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	442,760	-	442,760	442,760
2023					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	7,561,356	-	7,561,356	7,561,356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of banker's acceptances and trade financing that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2024 %	2023 %
Banker's acceptances	3.64 - 5.44	5.35 - 6.86
Trade financing	5.28 - 9.99	6.28 - 6.45

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year,

- (a) the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM44,036,050 comprising 391,800,800 ordinary shares in the Company at an issue price of RM0.27 each on the ACE Market of Bursa Malaysia Securities Berhad was completed on 20 December 2023; and
- (b) the Company's wholly-owned subsidiary, Jati Tinggi Holding Sdn. Bhd. has on 17 August 2023 entered into a Sale and Purchase Agreement ("SPA") with a third party to dispose a freehold land and building for a cash consideration of RM16,000,000. The disposal was completed on 7 February 2024.

ANALYSIS OF SHAREHOLDINGS

Analysis of Shareholdings as at 28 February 2025

Issued Shares	:	391,800,800
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

Distribution of Shareholdings

Size of holdings	No. of holders	%*	No. of shares	%*
1 – 99	0	0.00	0	0.00
100 – 1,000	429	12.19	223,600	0.05
1,001 – 10,000	1,667	47.36	9,955,800	2.54
10,001 – 100,000	1,291	36.68	42,184,100	10.77
100,001 to less than 5% of issued	131	3.72	85,436,820	21.81
5% and above of issued shares	2	0.05	254,000,480	64.83
Total	3,520	100.00	391,800,800	100.00

* Based on the total number of issued shares of 391,800,800 ordinary shares in Jati Tinggi Group Berhad (“JTG”) (“JTG Shares”).

Substantial Shareholders

(as per Register of Substantial Shareholders as at 28 February 2025)

Name	Direct	No. of shares held		
		% ⁽¹⁾	Indirect	% ⁽¹⁾
Broad River Capital Sdn Bhd	200,000,000	51.05	-	-
Dato’ Seri Lim Yeong Seong	54,000,480	13.78	⁽²⁾ 200,000,000	51.05
Chin Jiunn Shyong	18,000,160	4.59	⁽²⁾⁽³⁾ 218,000,160	55.64
Lim Ming Hong	18,000,160	4.59	⁽²⁾ 200,000,000	51.05

Notes:

- (1) Based on issued share capital of 391,800,800 JTG Shares.
- (2) The indirect interest of 200,000,000 ordinary shares are registered in the name of Broad River Capital Sdn Bhd. Dato’ Seri Lim Yeong Seong, Chin Jiunn Shyong and Lim Ming Hong are deemed interested by virtue of their substantial shareholdings in Broad River Capital Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- (3) The indirect interest of 18,000,160 ordinary shares are registered in the name of Lim Ming Hong. Chin Jiunn Shyong is deemed interested by virtue of the shares held by his spouse, Lim Ming Hong pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

Directors' Shareholdings

(as per Register of Directors' Shareholdings as at 28 February 2025)

Name	No. of shares held			
	Direct	% ⁽¹⁾	Indirect	% ⁽¹⁾
Datuk Ir. Mohd Aminuddin Bin Mohd Amin	-	-	-	-
Dato' Seri Lim Yeong Seong	54,000,480	13.78	⁽²⁾ 200,000,000	51.05
Chin Jiunn Shyong	18,000,160	4.59	⁽²⁾⁽³⁾ 218,000,160	55.64
Dato' Ir. Lim Yew Soon	650,000	0.17	-	-
Loo May Len	200,000	0.05	-	-
Poon Lai Kit	100,000	0.03	-	-
Dato' Che Nazli Binti Jaapar	-	-	-	-
Dato' Sri Dr. Mohd Nizom Bin Sairi	-	-	-	-

Notes:

- (1) Based on issued share capital of 391,800,800 JTG Shares.
- (2) The indirect interest of 200,000,000 ordinary shares are registered in the name of Broad River Capital Sdn Bhd. Dato' Seri Lim Yeong Seong and Chin Jiunn Shyong are deemed interested by virtue of their substantial shareholdings Broad River Capital Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- (3) The indirect interest of 18,000,160 ordinary shares are registered in the name of Lim Ming Hong. Chin Jiunn Shyong is deemed interested by virtue of the shares held by his spouse, Lim Ming Hong pursuant to Section 59(11)(c) of the Companies Act 2016.

List of Thirty Largest Shareholders as at 28 February 2025

No.	Name	No. of shares	Percentage holding (%)*
1.	BROAD RIVER CAPITAL SDN BHD	200,000,000	51.05
2.	LIM YEONG SEONG	54,000,480	13.78
3.	CHIN JIUNN SHYONG	18,000,160	4.59
4.	LIM MING HONG	18,000,160	4.59
5.	LIM YEH SIANG	5,300,000	1.35
6.	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	2,800,000	0.72
7.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH	2,750,000	0.70
8.	LIM YEH SIANG	2,500,000	0.64
9.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHONG YOW MIN	2,000,000	0.51
10.	CHEW JYE YIN	1,270,000	0.32
11.	TAN SACK SEN	1,036,200	0.26
12.	CHEW LIM CHEONG @ HONG THIAM SOON	1,000,000	0.26
13.	LEE HOOI SENG	860,000	0.22

ANALYSIS OF SHAREHOLDINGS

List of Thirty Largest Shareholders as at 28 February 2025 (Cont'd)

No.	Name	No. of shares	Percentage holding (%)*
14	WONG KIM KWOK	680,000	0.17
15.	LIM YEW SOON	650,000	0.17
16.	KOO CHIA HERNG	600,000	0.15
17.	YAP CHEE FOO	600,000	0.15
18.	LOW CHO MENG	551,400	0.14
19.	KONG JYH CHAU	548,000	0.14
20.	ENG BEE CHING	535,600	0.14
21.	WONG PICK YIING	530,000	0.14
22.	CHEW JYE YIN	510,000	0.13
23.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG SIAK HONG	500,000	0.13
24.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR HONG LEONG REGULAR INCOME FUND	500,000	0.13
25.	LEONG YUET MAY	500,000	0.13
26.	LIM SOON GUAN	500,000	0.13
27.	OOI SOO MIN	500,000	0.13
28.	ROFLEX PIPE SDN BHD	500,000	0.13
29.	TAI KIAT HOE @ DAVID THAY	500,000	0.13
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KAI MING	489,400	0.13
Total		318,711,400	81.36

* Based on the total number of issued shares of 391,800,800 JTG Shares.

NOTICE OF 3RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting (“**3rd AGM**”) of Jati Tinggi Group Berhad (“**JTG**” or “**the Company**”) will be held at 1st Floor, Function Room, Sungai Long Golf Resort Bhd, 11 ¼ Miles, Jalan Cheras, 43000 Kajang, Selangor on Thursday, 29 May 2025 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 November 2024 together with the Reports of the Directors and Auditors thereon.

(Please refer to Explanatory Note 1)

2. To approve the payment of Directors’ fees and meeting allowances payable to the Directors of the Company and its subsidiary of up to RM400,000.00 for the period from 30 May 2025 until the date of the next annual general meeting (“AGM”) in year 2026.

Ordinary Resolution 1

(Please refer to Explanatory Note 2)

3. To re-elect Datuk Ir. Mohd Aminuddin Bin Mohd Amin who is to retire pursuant to Clause 77(3) of the Company’s Constitution and being eligible, has offered himself for re-election.

Ordinary Resolution 2

(Please refer to Explanatory Note 3)

4. To re-elect Dato’ Ir. Lim Yew Soon who is to retire pursuant to Clause 77(3) of the Company’s Constitution and being eligible, has offered himself for re-election.

Ordinary Resolution 3

(Please refer to Explanatory Note 3)

5. To re-elect Loo May Len who is to retire pursuant to Clause 77(3) of the Company’s Constitution and being eligible, has offered herself for re-election.

Ordinary Resolution 4

(Please refer to Explanatory Note 3)

6. To re-appoint Messrs Crowe Malaysia PLT as auditors of the Company for the financial year ending 30 November 2025 and to authorise the Directors to fix their remuneration.

Ordinary Resolution 5

As Special Business

To consider and, if thought fit, to pass the following resolutions: -

7. **Authority to allot and issue new shares pursuant to Sections 75 and 76 of the Companies Act 2016.**

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Constitution of the Company and the approval of the relevant government and/or regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being as stipulated under Rule 6.04(1) of the Listing Requirements, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

NOTICE OF 3RD ANNUAL GENERAL MEETING

7. **Authority to allot and issue new shares pursuant to Sections 75 and 76 of the Companies Act 2016. (Cont'd)**

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

Ordinary Resolution 6
(Please refer to Explanatory Note 4)

8. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders' Mandate”).**

“**THAT** authority be and is hereby given for the Company and/or its subsidiary (“**the Group**”) to enter or continue to enter into any of the recurrent related party transactions (“**RRPT(s)**”) with the related parties as set out in Section 2.4 of the circular to shareholders of the Company in relation to the Proposed Renewal of Shareholders' Mandate dated 28 March 2025 (“**RRPT Circular**”), provided that such transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms, which are consistent with the Group's usual business practices and policies, and on transaction prices and terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT the authority conferred shall continue to be in force until:

- i. the conclusion of the next AGM of the Company following the forthcoming 3rd AGM at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- ii. the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Shareholders' Mandate in the best interest of the Company.”

Ordinary Resolution 7
(Please refer to Explanatory Note 5)

NOTICE OF 3RD ANNUAL GENERAL MEETING

9. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

KHOO MING SIANG (MAICSA 7034037) (SSM PC No.: 202208000150)

LAW WEI LENG (MAICSA 7064862) (SSM PC No.: 202108000506)

Company Secretaries

Selangor Darul Ehsan

Date: 28 March 2025

NOTES:-

- 1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his/her stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his/her proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
 - a. In hard copy form
In the case of an appointment made in hard copy form, the original proxy form must be deposited to Symphony Corporate Services Sdn. Bhd. ("**Symphony**"), the appointed poll administrator for this AGM, at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.
 - b. By electronic means
The proxy form can be electronically lodged through Symphony's online website at <https://www.symphonycorporateservices.com.my>.
- 6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 7) Last date and time for lodging the proxy form is Tuesday, 27 May 2025 at 10:00 a.m.

NOTICE OF 3RD ANNUAL GENERAL MEETING

NOTES:- (CONT'D)

- 8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited to Symphony's office at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 9) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative to Symphony's office at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 10) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 21 May 2025 and only a depositor whose name appears on the Record of Depositors on this date shall be entitled to attend the meeting or appoint proxies to attend and vote in his/her stead.
- 11) Pursuant to Rule 8.31A(1) of the Listing Requirements, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

EXPLANATORY NOTES: -

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolution 1 on the Payment of Directors' Fees and Meeting Allowances

The estimated Directors' fees are calculated based on the current Board size, the duties and responsibilities of the Directors, while the meeting allowances payable to the Non-Executive Directors are calculated based on the number of scheduled Board and/or Committee meetings to be held. Section 230(1) of the Act 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. In this respect, the Board had recommended the payment of Directors' fees and meeting allowances payable to the Non-Executive Directors for shareholders' approval at the 3rd AGM in a resolution as follows:-

- Payment of Directors' fees and meeting allowances payable to Non-Executive Directors for the period commencing from 30 May 2025 until the date of the next AGM in year 2026.

NOTICE OF 3RD ANNUAL GENERAL MEETING

2. Ordinary Resolution 1 on the Payment of Directors' Fees and Meeting Allowances (Cont'd)

The current structure of Directors' fees has been reviewed by Remuneration Committee ("RC"). During a review in 2024, the RC recommended and the Board has approved that the fees payable to Directors shall remain unchanged, subject to shareholders' approval at this 3rd AGM.

In the event that the proposed Directors' fees and meeting allowances payable to the Non-Executive Directors during the above period exceed the estimated amount sought at the 3rd AGM, approval will be sought at the next AGM for additional Directors' fees and meeting allowances payable to meet the shortfall, prior to the payment is made.

3. Ordinary Resolutions 2 to 4 on re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda items 3 to 5 are set out in the Directors' Profile of the Annual Report 2024.

The Board had through the Nomination Committee, carried out the necessary assessment of the retiring Directors, namely Datuk Ir. Mohd Aminuddin Bin Mohd Amin, Dato' Ir. Lim Yew Soon and Loo May Len (collectively referred to as "**Retiring Directors**"). The Nomination Committee concluded that the Retiring Directors have:

- (i) met the criteria as prescribed under Rule 2.20A of the Listing Requirements on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors;
- (ii) met the fit and proper criteria pursuant to the Directors' Fit and Proper Policy adopted; and
- (iii) those who are Independent Directors remain independent.

The Directors named above, who are the members of Board have abstained from deliberation and decision on their own eligibility and suitability to stand for re-election at the relevant Nomination Committee Meeting and Board of Directors' Meeting respectively.

4. Ordinary Resolution 6 on the Authority to allot and issue new shares pursuant to Sections 75 and 76 of the Act

The Company had at its Second AGM held on 31 May 2024 ("**2nd AGM**"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("**Previous 10% General Mandate**"). The Previous 10% General Mandate will expire at the conclusion of this AGM.

On 12 November 2024, the Company announced to undertake a private placement of up to 39,180,000 new ordinary shares in JTG, representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later ("**Private Placement**").

As at the date of this Notice, no new shares were issued and allotted pursuant to mandate granted to the Directors at the 2nd AGM which will lapse at the conclusion of the 3rd AGM.

NOTICE OF 3RD ANNUAL GENERAL MEETING

4. Ordinary Resolution 6 on the Authority to allot and issue new shares pursuant to Sections 75 and 76 of the Act (Cont'd)

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to allot and issue new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of business expansion or strategic merger and acquisition opportunities involving equity deals or part equity, funding current and/or future investment projects, working capital, repayment of bank borrowings or debt settlement/repayment, operational expenditure, acquisitions and/or for issuance of shares as settlement of purchase consideration and such authority shall continue to be in force until the conclusion of the next AGM of the Company. The general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The Board of Directors of the Company is of the view that the general mandate is in the best interest of the Company and its shareholders as the Company may use this general mandate within the validity period to meet its financial needs to ensure long term sustainability and interest of the Company and its shareholders. At as the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

5. Ordinary Resolution 7 on Proposed Renewal of Shareholders' Mandate

The proposed Ordinary Resolution 7, if passed, will allow the Group to enter or continue to enter into RRPTs of a revenue or trading nature. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company. Please refer to the RRPT Circular dated 28 March 2025 for more information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM



JATI TINGGI GROUP BERHAD

Registration No. 202101043655 (1443955-H)
(Incorporated in Malaysia)

No. of ordinary shares held	CDS account no. of holder

I/We, _____ (name of shareholder as per NRIC/Passport, in capital letters)
NRIC No./ Passport No./Registration No. _____ Tel: _____
of _____ (full address)
being a *member/members of **JATI TINGGI GROUP BERHAD** hereby appoint(s):

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

*and/ or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the **Third ("3rd") Annual General Meeting ("AGM")** of the Company to be held at 1st Floor, Function Room, Sungai Long Golf Resort Bhd, 11 ¼ Miles, Jalan Cheras, 43000 Kajang, Selangor on **Thursday, 29 May 2025 at 10.00 a.m.** and at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below.

Item No.	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 30 November 2024 together with the Reports of the Directors and Auditors thereon.			
		Resolutions	For	Against
2.	To approve the payment of Directors' fees and meeting allowances payable to the Directors of the Company and its subsidiary of up to RM400,000.00 for the period from 30 May 2025 until the date of the next AGM in year 2026.	Ordinary Resolution 1		
3.	To re-elect Datuk Ir. Mohd Aminuddin Bin Mohd Amin who is to retire pursuant to Clause 77(3) of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Dato' Ir. Lim Yew Soon who is to retire pursuant to Clause 77(3) of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 3		
5.	To re-elect Loo May Len who is to retire pursuant to Clause 77(3) of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 4		
6.	To re-appoint Messrs Crowe Malaysia PLT as auditors of the Company for the financial year ending 30 November 2025 and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
Special Business				
7.	Authority to allot and issue new shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 6		
8.	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of 3rd AGM as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

*Strike out whichever is not applicable.

*If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.

Signature/Common Seal of Shareholder

Date: _____

NOTES:

- 1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his/her stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his/her proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 2) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 3) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 4) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 5) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
 - a. In hard copy form
In the case of an appointment made in hard copy form, the original proxy form must be deposited to Symphony Corporate Services Sdn. Bhd. (“Symphony”), the appointed poll administrator for this AGM, at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.
 - b. By electronic means
The proxy form can be electronically lodged w Symphony’s online website at <https://www.symphonycorporateservices.com.my>.
- 6) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 7) Last date and time for lodging the proxy form is Tuesday, 27 May 2025 at 10.00 a.m.
- 8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited to Symphony’s office at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 9) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative to Symphony’s office at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 10) Shareholders would need to register as a user on the Boardroom Smart Investor Portal first before they can request for the Remote Participation User ID and password to virtually attend, participate, speak and vote at the 3rd AGM, in accordance with the Administrative Guide.
- 11) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 21 May 2025 and only a depositor whose name appears on the Record of Depositors on this date shall be entitled to attend the meeting or appoint proxies to attend and vote in his/her stead.
- 12) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 3rd AGM dated 28 March 2025.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Poll Administrator of
JATI TINGGI GROUP BERHAD
Registration No. 202101043655 (1443955-H)
c/o Symphony Corporate Services Sdn Bhd

S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
Kota Kemuning, 40460 Shah Alam,
Selangor Darul Ehsan, Malaysia.

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Jati Tinggi Group Berhad

202101043655 (1443955-H)

No. 23 & 25, Jalan Temenggung 13/9,
Bandar Mahkota Cheras, Seksyen 9,
43200 Cheras, Selangor Darul Ehsan,
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