



We Bring Possibilities



ANNUAL REPORT 2023



INSIDE THIS REPORT

17th

ANNUAL GENERAL MEETING

VENUE

Greens III, Sports Wing,
Tropicana Golf & Country Resort Berhad,
Jalan Kelab Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya, Selangor Darul Ehsan.

DAY | DATE | TIME

Tuesday | 5 December 2023 | 9:00 a.m.



Please scan this QR code to read or download our digital copy of Annual Report 2023.



CORPORATE INFORMATION



CORPORATE STRUCTURE



GROUP FINANCIAL HIGHLIGHTS



MANAGEMENT DISCUSSIONS & ANALYSIS



SUSTAINABILITY STATEMENT



BOARD OF DIRECTORS' PROFILE

VISION

To be the world's No.1 provider of high performance test interface solutions by maximising values for employees, customers and stakeholders



MISSION

Anticipating customer's satisfaction and delivering superior products profitably and professionally by continuous improvement to our human resources productivity

- » Employees
- » Fiscal Responsibility
- » Innovation
- » Quality Excellence
- » Customer Satisfaction





KEY MANAGEMENT
PROFILE



FINANCIAL
STATEMENTS



CORPORATE GOVERNANCE
OVERVIEW STATEMENT



LIST OF
PROPERTIES



ADDITIONAL COMPLIANCE
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ANALYSIS OF
SHAREHOLDINGS



STATEMENT ON RISK
MANAGEMENT AND
INTERNAL CONTROL



NOTICE OF
ANNUAL GENERAL
MEETING



AUDIT COMMITTEE
REPORT

FORM OF PROXY

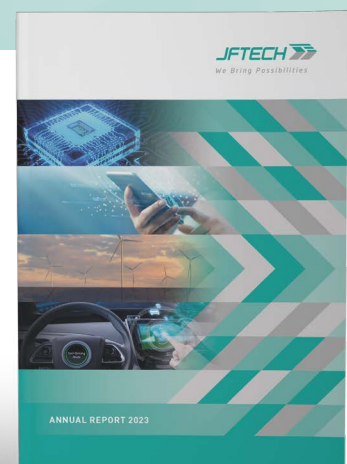


STATEMENT OF DIRECTORS'
RESPONSIBILITY

COVER RATIONALE | WE BRING POSSIBILITIES

"We Bring Possibilities" serves as a visual testament to JF Technology's mission. It underscores our journey since inception in 2006, rooted in ingenuity and innovation. We aspire to remain at the forefront of technological advancement and to be the premier provider of high-performance test interface solutions globally. A journey into a world of possibilities brought to life through technology. This cover reflects our pivotal role in the IoT value chain and our unwavering focus on continuous Intellectual Properties development.

We relentlessly aspire to remain at the forefront of technological advancement through progress, innovation and commitment to serving diverse markets while staying true to our core values and strategic goals. It signifies our dedication to push the boundaries of what's possible in the world of technology, a dedication that defines JF Technology Berhad.



CORPORATE INFORMATION

DATUK PHANG AH TONG

Independent Non-Executive
Chairman

DATO' FOONG WEI KUONG

Managing Director

DATIN WANG MEI LING

Executive Director

GOH KOK SING

Executive Director

KOAY KAH EE

Non-Independent Non-Executive
Director

CHONG KUR SEN

Independent Non-Executive Director
(appointed on 1 August 2022)

CHUA HUI CHEN

Independent Non-Executive Director
(appointed on 1 August 2022)

JAMILAH BINTI KAMAL

Independent Non-Executive Director
(appointed on 30 September 2022)

AUDIT COMMITTEE

Chua Hui Chen (Chairperson)

Chong Kur Sen
Jamilah binti Kamal

NOMINATION COMMITTEE

Chong Kur Sen (Chairperson)

Koay Kah Ee
Chua Hui Chen
Jamilah binti Kamal

REMUNERATION COMMITTEE

Jamilah binti Kamal (Chairperson)

Koay Kah Ee
Chong Kur Sen
Chua Hui Chen

COMPANY SECRETARIES

Chua Siew Chuan, Chartered Secretary

(SSM PC No. 201908002648)
(MAICSA 0777689)

Chin Mun Yee, Chartered Secretary

(SSM PC No. 201908002785)
(MAICSA 7019243)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Telephone No.: 03-2084 9000
Facsimile No.: 03-2094 9940/
2095 0292
Email: info@sshsb.com.my

BUSINESS ADDRESS

Lot 6, Jalan Teknologi 3/6
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Telephone No.: 03-6140 8668
Facsimile No.: 03-6140 8998
Email: sales@jftech.com.my
Website: <https://www.jf-technology.com/>

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Telephone No.: 03-2084 9000
Facsimile No.: 03-2094 9940/
2095 0292
Website: www.sshsb.com.my
Email: info@sshsb.com.my

AUDITORS

Crowe Malaysia PLT
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Telephone No.: 03-2788 9999
Facsimile No.: 03-2788 9998
Website: www.crowe.my

PRINCIPAL BANKERS

Malayan Banking Berhad
AmBank (M) Berhad
Public Bank Berhad

LISTING

Main Market of Bursa Malaysia
Securities Berhad

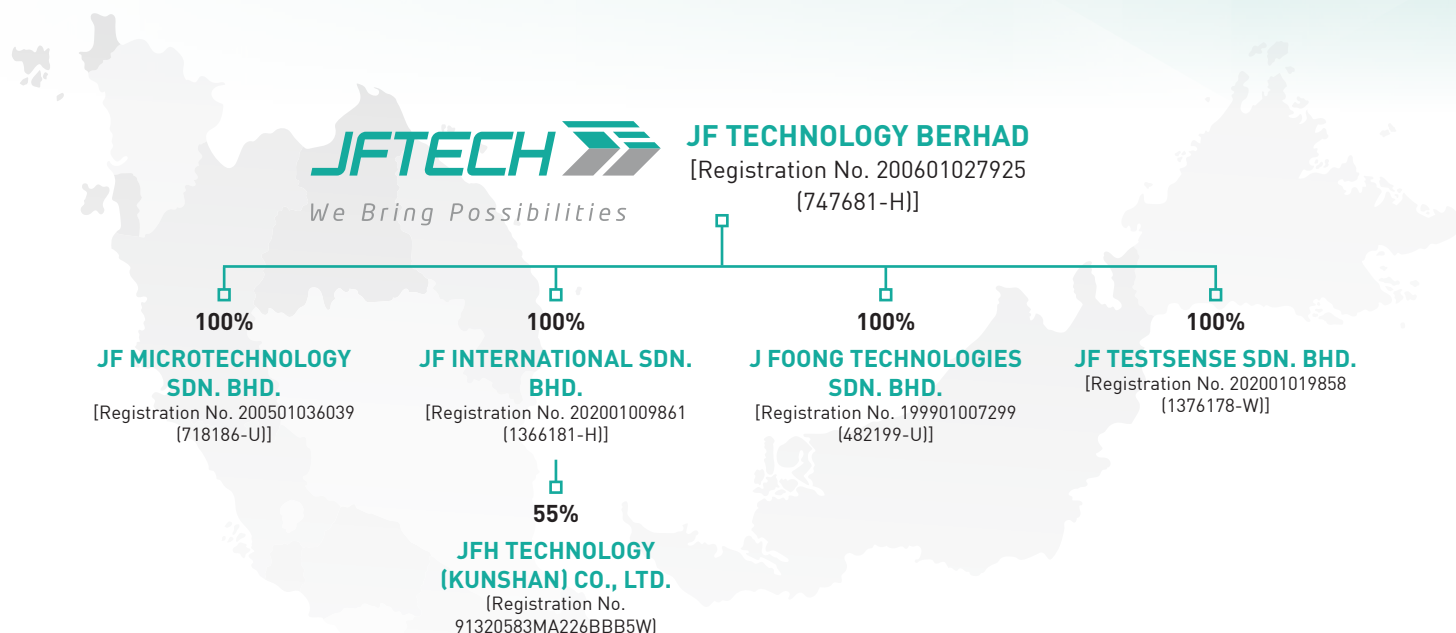
STOCK NAME

JFTECH

STOCK CODE

0146

CORPORATE STRUCTURE



JF Technology Berhad (“**JF Tech**”) was incorporated in Malaysia on 18 September 2006 and listed on the ACE Market of Bursa Malaysia Securities Berhad in year 2008. On 19 December 2022, JF Tech has completed the transfer of listing and quotation of its entire issued share capital and outstanding warrants to Main Market of Bursa Malaysia Securities Berhad.

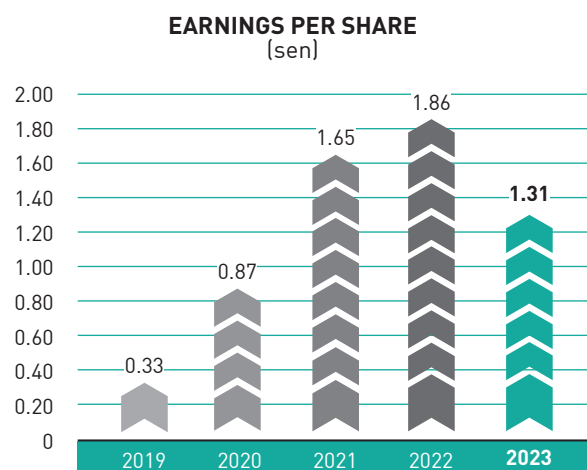
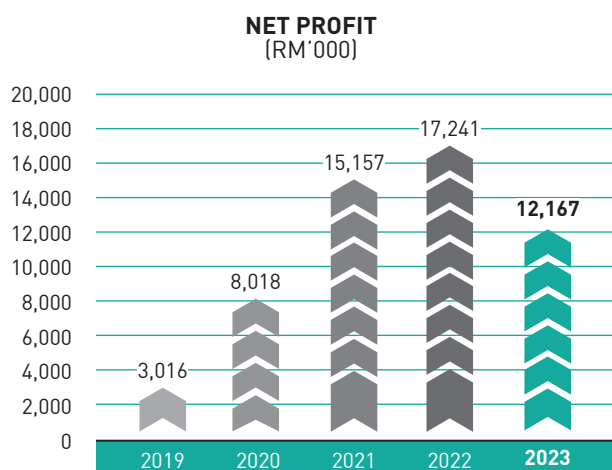
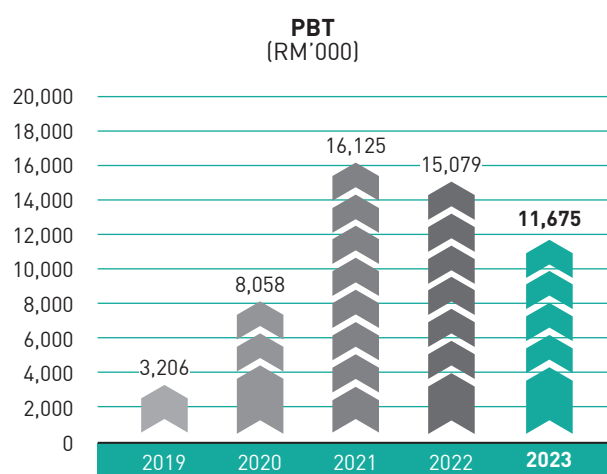
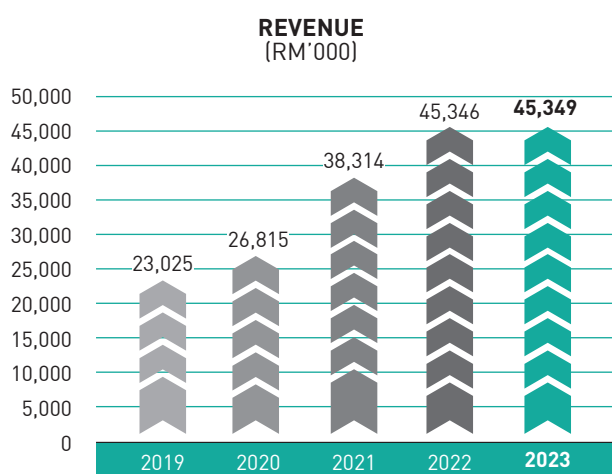
JF Tech is principally an investment holding company with four (4) wholly-owned subsidiaries namely, JF Microtechnology Sdn. Bhd., J Foong Technologies Sdn. Bhd., JF International Sdn. Bhd. and JF TestSense Sdn. Bhd. JF International Sdn. Bhd. is principally an investment holding company with one (1) subsidiary namely, JFH Technology (Kunshan) Co., Ltd. which was incorporated in China on 11 August 2020.

The details of the subsidiaries of JF Tech as at the date of this Annual Report are summarised below:

Company	Date/ Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest %	Principal Activities
JF MICROTECHNOLOGY SDN. BHD. [Registration No. 200501036039 (718186-U)]	14-12-2005/ Malaysia	RM2,200,000	100	Design, development, custom manufacture and sale of integrated circuit test sockets, interconnect, test solutions, and equipment for semi-conductor and electronic assembly markets
J FOONG TECHNOLOGIES SDN. BHD. [Registration No. 199901007299 (482199-U)]	29-04-1999/ Malaysia	RM500,000	100	Manufacturing and trading of electronic products and components
JF INTERNATIONAL SDN. BHD. [Registration No. 202001009861 (1366181-H)]	03-04-2020/ Malaysia	RM2,500,000	100	Investment holding
JF TESTSENSE SDN. BHD. [Registration No. 202001019858 (1376178-W)]	22-07-2020/ Malaysia	RM6,000,000	100	Test development engineering services, talent development and sales of test interface solutions
JFH TECHNOLOGY (KUNSHAN) CO., LTD. [Registration No. 91320583MA226BBB5W]	11-08-2020/ China	USD2,000,000	55	Design, manufacture, sale and provision of technical support for integrated circuits test contacting solution

GROUP FINANCIAL HIGHLIGHTS

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Statements of Comprehensive Income							
Revenue	24,670	24,929	23,025	26,815	38,314	45,346	45,349
Profit before taxation ("PBT")	6,964	583	3,206	8,058	16,125	15,079	11,675
Profit attributable to owners of the Company ("Net Profit")	6,379	328	3,016	8,018	15,157	17,241	12,167
Statements of Financial Positions							
Share Capital	12,600	21,000	21,253	21,253	90,560	94,066	94,066
Total assets	38,543	41,083	44,718	45,104	131,940	147,796	149,504
Total liabilities	7,978	12,800	13,419	6,837	11,425	17,172	16,471
Others							
Earnings per share (sen)	0.69	0.04	0.33	0.87	1.65	1.86	1.31
Net assets per share (sen)	3.38	3.13	3.47	4.24	13.04	14.09	14.35



MANAGEMENT DISCUSSION AND ANALYSIS

DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors (“**Board**”) of JF Technology Berhad (“**JF Tech**” or the “**Company**”), I am pleased to share with you the Management Discussion and Analysis for the financial year ended 30 June 2023 (“**FY2023**”).

The financial year under evaluation proved to be demanding given the intensified market uncertainties stemming from a myriad of macroeconomic obstacles such as geopolitical uncertainties, inflationary pressures, escalating interest rates and concerns of recession.

Another Record-Breaking Top & Bottom-Line Performance

FY2023
Revenue:



RM 45.3
million

FY2023
Net Profit:



RM 12.2
million

FY2023
Dividend Payout:



76.2%
of Net Profit

DATO' FOONG WEI KUONG
/ MANAGING DIRECTOR



The global semiconductor industry was not spared from these issues and has experienced a slowdown. The World Semiconductor Trade Statistics (“**WSTS**”) is forecasting a downturn of 10.3% for the global semiconductor market in 2023.

It was certainly testing times for us at JF Tech against the backdrop of the arduous environment. Fortunately, this is where our proven highly sustainable and resilient business model with recurring and compounding sales of test consumables while serving a multitude of industries plays a pivotal role as we navigate through these upheavals.

Coupled with our hands-on management and sound balance sheet, JF Tech and its subsidiaries (the “**Group**”) managed to equal the best-ever top-line performance achieved last year amidst the challenging environment. Revenue for the financial year under review was at RM45.3 million versus RM45.3 million a year ago while profit after tax and non-controlling interest

(“**net profit**”) stood at RM12.2 million. On dividend, JF Tech declared a total dividend of 1.0 sen per share, amounting to RM9.3 million for the financial year under review. This translated to a dividend payout ratio of 76.2% based on our FY2023 net profit.

GROUP OVERVIEW

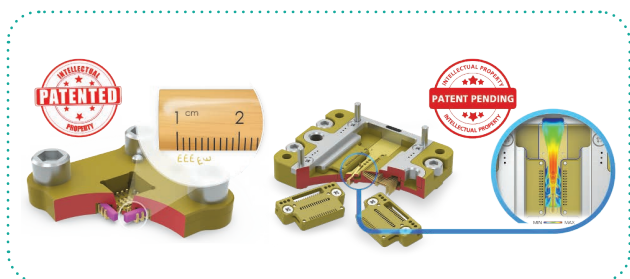
We are a leading innovator and manufacturer of high-performance test contacting solutions for global integrated circuit (“**IC**”) makers. Founded in 1999 as a manufacturer and trader of electronic products and components, the Group has made significant strides in growth and innovation. The Group has overcome numerous obstacles, ascended the semiconductor value chain and established the position as one of the leaders in the industries that we serve.

Management Discussion and Analysis (cont'd)

GROUP OVERVIEW (CONT'D)

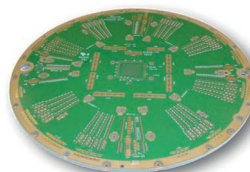
In 2005, the Group expanded our capabilities and became an Original Design Manufacturing provider with our own in-house design and development team. JF Tech subsequently went public and was listed on the MESDAQ Market (now known as the ACE Market) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) in 2008. In December 2022, the Group reached another significant milestone following the successful migration to the Main Market of Bursa Malaysia Securities, boosting the confidence of our stakeholders and better reflect our Group’s scale of operations.

Our headquarter is located in Kota Damansara, Selangor Darul Ehsan, Malaysia, and we have a manufacturing facility in Kunshan, China. With over twenty (20) years of industry experience and extensive technical knowledge, we cater to a diverse clientele of over one hundred (100) multinational corporations worldwide. Furthermore, our commitment to innovation is evident through the filing of eighty-six (86) patents across multiple countries, specifically focusing on 5G and automotive testing applications.



BUSINESS & OPERATIONAL REVIEW

Business operating climate in FY2023 was indeed taxing as the semiconductor sector experienced a slowdown, primarily due to the combined impact of geopolitical uncertainties, inflationary pressures, escalating interest rates and concerns of recession, all of which directly affected demand. We were somewhat affected by the softening in orders but thankfully the maturation of our two growth drivers – test engineering solutions business and China facility – enabled us to scale our business despite the difficult landscape.



Test Interface Products

Test Engineering Solutions Business

Our test engineering solutions division offers comprehensive turnkey services encompassing test contacting, interfacing and test program engineering for semiconductor companies worldwide. Our solutions span a wide range of areas, including productivity enhancement, parallelism increase, migration of tester and/or handler platforms as well as the development of full turnkey test solutions for new silicon. These value-added services, which complement the Group’s core business of designing, developing, and manufacturing test contacting products, are provided to our customers.

The move to expand our capabilities to include test engineering solutions was part of our ongoing efforts to advance in the semiconductor value chain. We are delighted that this segment has been gaining good traction and contributed positively to the Group in the financial year under review. Additionally, it has a healthy order book with more potential orders in the pipeline.



Furthermore, our commitment to innovation is evident through the filing of eighty-six (86) patents across multiple countries, specifically focusing on 5G and automotive testing applications.

Management Discussion and Analysis (cont'd)

BUSINESS & OPERATIONAL REVIEW (CONT'D)

Test Engineering Solutions Business (Cont'd)

Separately, our acquisition of the test interface products business that was completed in FY2022 strengthened our solutions and expanded our product range. With this, the Group has been offering one-stop engineering solutions that can be validated upfront during the development stage to ensure we get it right the first time. This way, our customers eliminate the need to assemble and test various components from different solution providers, which usually may give rise to issues. Ultimately, this enhances accountability as well, and leads to timelier delivery of overall solutions. A win-win situation, it improves the Group's and our customers' cost efficiencies, further elevating our value proposition



Manufacturing Facility in China

Meanwhile, the utilisation for our manufacturing facility in Kunshan, China, which is a center of excellence ("COE"), continued to pick up pace and made its maiden contribution to our financial performance in FY2023. To recap, we partnered with Huawei Investment & Holding Co., Ltd via its wholly-owned subsidiary, Hubble Technology Investment Co., Ltd ("HTI"), to design, develop, manufacture and supply high-performance test contactors in China. The Group established a manufacturing base in China to enhance our presence and network in China and capitalise on the immense sales potential arising from China's ambitious semiconductor localization initiatives.

Continuous Innovation

Innovation lies at the heart of JF Tech, and we highly value the significance of intellectual properties ("IPs"). As a result, JF Tech maintains a steadfast commitment to investing in research and development ("R&D") for the purpose of generating IPs, even in the face of challenging circumstances such as downcycle of the semiconductor sector.

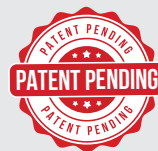
In the financial year under review, we are pleased to announce that the Group has successfully filed ten (10) additional patent applications. All ten (10) patent applications related to the development of IC test contacting solutions for automotive applications. We have also been granted four (4) patents in FY2023 with three (3) patents related to radio frequency application and one (1) patent related to automotive applications.

With the ownership of these patents, the Group is set to benefit from exclusive rights for an extended period. More importantly, by continually improving our IPs, we will remain at the forefront of technological advancements and further strengthen our competitive advantage in the market to stay ahead of the competition and continuously deliver innovative solutions to our customers.

86 Patents Filed in Various Countries



41
Granted



45
Pending Approval



All ten (10) patent applications related to the development of IC test contacting solutions for automotive applications.

Management Discussion and Analysis (cont'd)

BUSINESS & OPERATIONAL REVIEW (CONT'D)

Fostering Future Talents

At JF Tech, we recognise that talent is our most valuable asset as it propels innovation and the Group forward. An ongoing key concern for the semiconductor industry is the availability of talent. Hence, we continue to work closely with universities to nurture the next generation of talents that the industry needs. To cultivate a greater pool of test engineers, we have forged collaborations and partnerships with local universities, providing them with the opportunity to offer industry-relevant subjects, such as test engineering, as elective courses. This initiative aims to develop and equip aspiring engineers with the necessary skills and knowledge to excel in the field.

By offering industry-relevant subjects, we can enhance the employability of graduates and bridge the skills gap that exists within the industry. This strategic initiative not only elevates Malaysia's position in the semiconductor value chain but also ensures that the country remains competitive in this sector. Furthermore, the Group is dedicated to upskilling industry engineers, equipping them with the necessary skill sets that are in high demand within the industry. This commitment to continuous improvement strengthens the overall capabilities of the industry and promotes long-term growth.

CORPORATE DEVELOPMENTS

On the corporate front, we accomplished yet another major achievement following the successful transfer of listing and quotation of the entire issued share capital and outstanding warrants of JF Tech from the ACE Market to the Main Market of Bursa Malaysia Securities in December 2022. As a Main Market company, we are able to attract more institutional funds who may not have the mandate to invest in ACE Market companies, hence, expanding our access to the broader capital markets. Besides, this not only instils greater confidence among all our stakeholders but also more accurately portrays the extensive scope of our Group's operations.

“

To cultivate a greater pool of test engineers, we have forged collaborations and partnerships with local universities, providing them with the opportunity to offer industry-relevant subjects, such as test engineering, as elective courses.”

FINANCIAL REVIEW

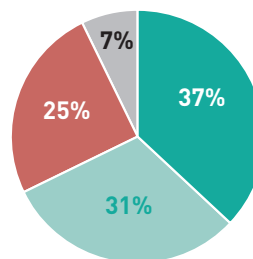
Revenue

For the financial year under review, the Group managed to match the record top-line performance attained in the previous year, even amidst the demanding landscape, particularly within the semiconductor sector. FY2023 revenue was maintained at RM45.3 million, marginally higher than the RM45.3 million posted a year ago.

Revenue Breakdown by Geographical Markets

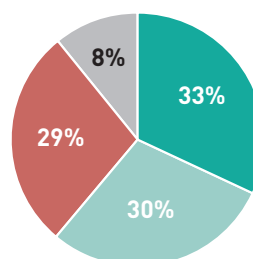
In terms of revenue contribution by geographical markets, Malaysia and China remained the primary contributors, accounting for 33.1% or RM15.0 million and 30.0% or RM13.6 million respectively to FY2023 total turnover. The remainder was contributed by other Asian countries and the United States at RM13.3 million or 29.4% and RM3.4 million or 7.5% respectively.

FY 2022 Revenue: RM45.3M



- Malaysia / **RM16.8 M**
- China / **RM13.8 M**
- USA / **RM3.2 M**
- Other Asian Countries / **RM11.5 M**

FY 2023 Revenue: RM45.3M



- Malaysia / **RM15.0 M**
- China / **RM13.6 M**
- USA / **RM3.4 M**
- Other Asian Countries / **RM13.3 M**

Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (CONT'D)

Gross Profit ("GP") and GP Margin

At the GP level, the Group reported a GP of RM30.0 million in FY2023 versus RM33.2 million last year. This decline was predominantly owing to changes in the product mix contribution. We experienced higher contribution from the test interface products division and manufacturing facility in Kunshan, China and this had offset the softer demand for test contacting sockets following the slowdown in the semiconductor industry.

This was also reflected in our GP margin. For the financial year under review, GP margin stood at 66.2% vis-à-vis 73.3% in FY2022. The drop in margin was anticipated given the increased contribution from our test interface products division. Despite the difference in margin profile compared to our test contacting socket business, we are taking a bigger picture view where we see huge potential in the test interface space. As this segment grows, it would not only enhance our revenue base but also moves us up the semiconductor value chain and further increase customer stickiness, which ultimately would create more value to our stakeholders.

Profit After Tax and Non-Controlling Interest ("net profit")

The Group's net profit for FY2023 came in at RM12.2 million as compared to RM17.2 million in the preceding year. This was a result of changes in product mix and recognition of one-off expenses related to JF Tech's migration to the Main Market of Bursa Malaysia Securities in FY2023 coupled with high-base effect where a positive tax charge was recognised in the preceding year.

Capital Structure and Capital Resources

Amidst the pandemic-induced challenges, our robust and resilient balance sheet continued to be a vital asset. At the conclusion of FY2023, our total assets remained fairly stable YoY, totalling RM149.5 million compared to RM147.8 million in the prior year. Our total cash and cash equivalents, inclusive of fixed deposits, amounted to RM71.2 million versus RM84.3 million in the preceding year. The reduction was chiefly attributable to funds deployed for the expansion of our facility in Malaysia as well as changes in working capital.

Meanwhile, our total equity increased marginally to RM133.0 million by the end of the financial year under review as compared to RM130.6 million a year ago. Our total liabilities at the end of FY2023 were consistent, amounting to RM16.5 million, which aligned closely with the RM17.2 million a year ago. The Group's total borrowings in FY2023 displayed a decreasing trajectory, lowering to RM2.3 million from the RM2.8 million recorded at the end of FY2022.

Net Gearing & Cash Per Share

Our net cash position remains intact with a net cash per share of 7.4 sen as at the conclusion of the financial year under review.

Net Operating Cash Flow ("NOCF")

JF Tech generated a positive NOCF of RM10.6 million in FY2023. Ever since our initial listing in 2008, we have maintained a steady record of generating positive NOCF.

Balance Sheet Highlights as at 30 June 2023



Total Assets

RM149.5 million

Total Equity

RM133.0 million



Net Assets

14.3 sen per Share

Net Cash

7.4 sen per Share



Management Discussion and Analysis (cont'd)



ANTICIPATED OR KNOWN RISKS

Competition Risk

The semiconductor industry is characterised by intense competition and rapid technological advancement. In order to thrive in this dynamic landscape, it is crucial to continuously innovate and generate IPs to enhance and maintain competitive advantages. This strategic approach enables us to not only retain a leading position in technology but also develop highly tailored, cutting-edge products for our customers. Consequently, we are able to offer an enhanced value proposition and foster stronger customer stickiness. As part of our efforts to prioritise innovation, JF Tech will consistently invest in R&D, actively create IPs and pursue additional patent filings

Supply Chain Disruptions

Similar to many businesses, we face the risk of potential disruptions to our supply chain, which could lead to operational interruptions and adverse effects on our financial performance. To mitigate this risk, the Group has implemented diligent measures. We closely monitor the situation and maintain close communication with our suppliers to assess the likelihood of disruptions. Our long-standing relationships with key suppliers also prove advantageous in managing this risk. Additionally, we maintain adequate levels of raw materials and inventory as part of our comprehensive risk management strategy.

Operational Disruptions

The smooth and efficient operations of our production are crucial to our business, as any disruptions or unplanned shutdowns at our manufacturing facilities can have detrimental effects on our performance. In mitigation, the Group has proactively secured insurance policies that offer comprehensive coverage against fire, burglary and personal accidents for our workers. However, it is important to note that there are external business risks that are beyond our control, such as natural disasters, pandemics, riots, and general strikes, which have the potential to materially and negatively impact our operations.

Supply Chain Disruptions

Similar to many businesses, we face the risk of potential disruptions to our supply chain, which could lead to operational interruptions and adverse effects on our financial performance. To mitigate this risk, the Group has implemented diligent measures. We closely monitor the situation and maintain close communication with our suppliers to assess the likelihood of disruptions. Our long-standing relationships with key suppliers also prove advantageous in managing this risk. Additionally, we maintain adequate levels of raw materials and inventory as part of our comprehensive risk management strategy.

Management Discussion and Analysis (cont'd)

ANTICIPATED OR KNOWN RISKS (CONT'D)

Changes in Regulations and Government Policies

The Group operates within the regulatory frameworks established by authorities in the countries where we conduct business, namely Malaysia and China. Therefore, any modifications to these laws, regulations, and policies can potentially affect our operations. These changes may encompass a range of issues, including but not limited to minimum wage adjustments, quotas and levies on hiring foreign labour, foreign exchange controls, export restrictions and tariffs. To mitigate potential impacts, JF Technology Berhad maintains proactive engagement with local authorities and relevant business associations. This allows us to stay updated on the latest developments and closely monitor any prospective alterations in regulations and policies, enabling us to adapt and respond effectively.

LOOKING AHEAD

The WSTS estimates the global semiconductor market to experience a downturn of 10.3% in 2023 on the back of prevailing macroeconomic uncertainties. On a much brighter note, the worldwide semiconductor market is forecasted to rebound firmly in 2024 with an expansion of 11.8% from the year before based on statistics by WSTS. In particular, several subsectors such as automotive, industrial, internet of things and military/aerospace, are projected to extend their growth trajectory amidst rising demand.

In terms of regional outlook, all areas are projected to experience healthy growth in 2024. Particularly, the Americas and Asia Pacific regions are anticipated to demonstrate strong double-digit YoY growth. This positive outlook for 2024 is also supported by the Semiconductor Equipment & Materials International forecast ("SEMI"). According to SEMI, the global semiconductor equipment sales is estimated to recovery strongly to USD100 billion in 2024 from the predicted USD87 billion in 2023 driven by both the front-end and back-end segments.

Separately, the exponential growth of the electric vehicle ("EV") market in 2022 is expected to prevail in the current year. Data by the International Energy Agency ("IEA") indicated that electric car sales exceeded 10 million, accounting for 14% of all new cars sold last year and this figure is expected to surpass the fourteen (14) million-mark representing 18% of total car sales globally. This bodes well for JF Tech as EV necessitate a greater semiconductor content in comparison to conventional internal combustion engine vehicles, and the Group is already serving this rapidly growing segment.



Data by the International Energy Agency ("IEA") indicated that electric car sales exceeded 10 million, accounting for 14% of all new cars sold last year and this figure is expected to surpass the fourteen (14) million-mark representing 18% of total car sales globally.



For us at JF Tech, while we are cognisant of the headwinds, the Group continues to be upbeat and excited about our outlook, underpinned by our six (6) growth drivers and the vast opportunities ahead. On that note, we are delighted to share that all our growth drivers charted good headway and we are on track to make further progress in FY2024.

6 Growth Drivers



G1 Organic Growth



G2 China Manufacturing Facility



G3 Test Engineering Solutions Business



G4 M&A and Partnerships



G5 Game-Changing New Products



G6 Monetizing Ips By Licensing

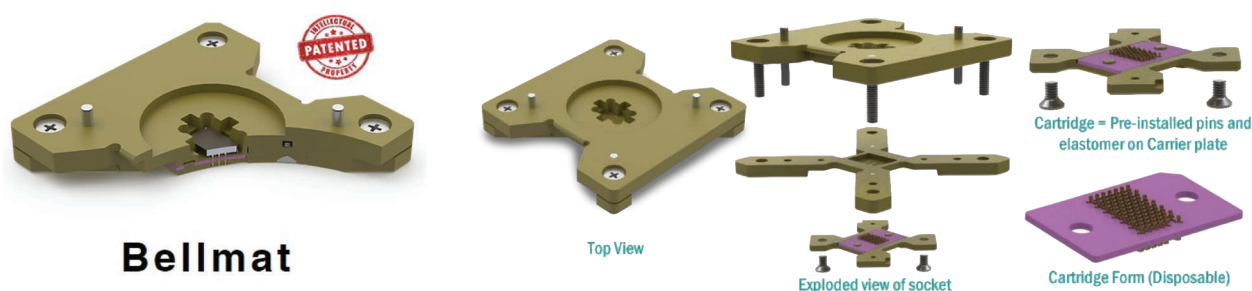
Management Discussion and Analysis (cont'd)

LOOKING AHEAD (CONT'D)

Maturation of Growth Drivers and New Growth Engines Coming On Stream

We anticipate the maturation of two of our growth engines – test engineering solutions business and China facility, to gain further traction and make greater contribution to our earnings. Meanwhile, our other growth engines are moving forward as well with team is working on several key projects within these growth pillars.

At the same time, we are pleased to share that we have introduced a new game-changing product, Bellmat, to the market. This is patented and designed for 5G mm wave device testing. This patented product exemplifies our continuous dedication to pioneering new technologies, allowing us to lead the industry and deliver enhanced value to our customers and stakeholders.



Bellmat

Malaysia Semiconductor Test Contacting Center of Excellence

On the other hand, the construction of our new facility in Kota Damansara is going well and should complete by 4th quarter of 2023. Upon completion, it will double our existing capacity by adding another fifty thousand (50,000) square feet (“sf.”), bringing the total built-up area to ninety-six thousand (96,000) sf.

With this state-of-the-art test contacting COE, we are poised to elevate our commitment to human capital advancement. This initiative will foster the perpetual growth of local talents, simultaneously bolstering the talent pipeline for the future.

JF 4.0

At JF Tech, we are constantly innovating and evolving. Looking ahead, we are entering a new era for the Group, known as JF 4.0, with our primary objective being the transformation into a comprehensive one-stop solution provider. Ultimately, this is to strengthen JF Tech position in the semiconductor value chain and further cementing Malaysia’s presence in the global semiconductor industry.

Overall, we continue to be upbeat about the Group’s long-term prospects while cognisant of the demanding operating environment. With our six (6) engines of growth and our embarkation onto JF 4.0, we are positive we will elevate JF Tech to greater heights.



“

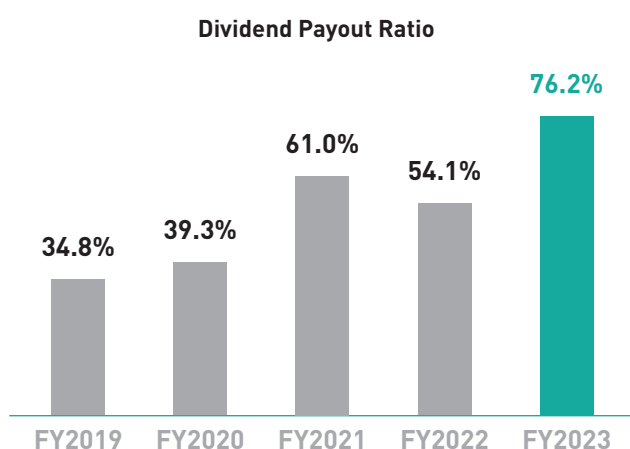
We anticipate the maturation of two of our growth engines – test engineering solutions business and China facility, to gain further traction and make greater contribution to our earnings.

”

Management Discussion and Analysis (cont'd)

DIVIDEND

We endeavour to maintain a consistent and reliable stream of dividends for our shareholders. This dedication stems from our desire to acknowledge and reward them for their steadfast support. This is balanced against the importance of preserving sufficient reserves to fuel our future growth and expansion endeavours.



In FY2023, the Group declared a total dividend of 1.0 sen per share. This amounted to RM9.3 million, representing a dividend payout of 76.2% based of the net profit for the financial year under review.

Over the past five (5) financial years, JF Tech has been consistently rewarding our shareholders with dividends.

APPRECIATION

Firstly, I would like to convey my heartfelt gratitude to my esteemed colleagues on the Board for their remarkable professionalism and collaborative spirit throughout our shared journey. Your collective wisdom, insightful counsel and guidance have been indispensable in steering through the headwinds. Working alongside all of you has been a genuine pleasure.

As for our team at JF Tech, I would like to thank each and every one of you for your immense efforts and commitment in navigating through the ever-changing business landscape during FY2023 and you deserve full recognition in our successful migration to the Main Market.

Next, I would also like to take this opportunity to express my deepest appreciation to Dato' Philip Chan Hon Keong and Mr. Lew Jin Aun who relinquished their roles as Independent Non-Executive Directors of the Company in December 2022, for their years of service, invaluable advice and huge contributions to JF Tech. This is part of the Group's compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities and Malaysian Code on Corporate Governance on the limitation of tenure of the Independent Non-Executive Director.

I also wish to extend my sincere thanks to all our stakeholders, encompassing our esteemed shareholders, customers, business partners, bankers, legal advisors, investment bankers, suppliers and government agencies for their unwavering support.

In closing, I have full confidence in our management team, led by the Board, to overcome any challenges that lie ahead and relentlessly pursue our goal of becoming the number one provider of high-performance test interface solutions.

Dato' Foong Wei Kuong
Managing Director

SUSTAINABILITY STATEMENT

SUSTAINABILITY AND OUR BUSINESS

JF Technology Berhad (“**JF Tech**”, or the “**Group**”) recognises that sustainability is at the core of our business as we pursue long-term value creation for our stakeholders. We continuously embed sustainable practices into the Group’s strategies and across our operations. All departments within the Group collaborate and strive towards a common goal of achieving sustainability and integrating Economic, Environmental and Social (“**EES**”) considerations into the Group’s daily conduct.

JF Tech provides high-performance test contacting solutions to validate integrated circuits (“**IC**”) that are produced in billions and utilised in a wide range of products such as, among others, smartphones, consumer wearable electronics, medical appliances, electric cars (“**EV**”), automotive solid-state storage, military and the internet

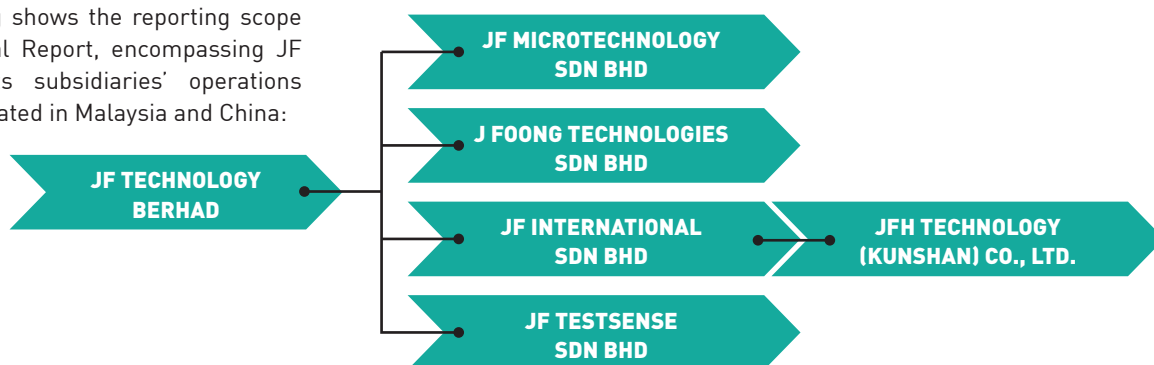
of things. Our strategic position as an international test contacting solution provider and a publicly listed entity propels us to leverage our approach towards material sustainability matters. We believe that a strong corporate governance structure is crucial towards maintaining effective sustainability management, with our Board of Directors (“**Board**”) spearheading the sustainability agenda, fostering a culture of corporate social responsibility across the Group.

Reporting Period

This Sustainability Statement (“**Statement**”) outlines the Group’s approach towards achieving the material EES goals and the management of sustainability matters for the period from 1 July 2022 to 30 June 2023 (“**FYE2023**”), unless otherwise specified.

REPORTING SCOPE

The following shows the reporting scope of the Annual Report, encompassing JF Tech and its subsidiaries’ operations which are located in Malaysia and China:



This Statement covers the sustainability performance of the operations of JF Tech and the Group. The overseas entity was excluded from this reporting scope due to its minimal revenue contribution to the Group.

Sustainability Statement (cont'd)

REPORTING FRAMEWORK

This Statement was prepared in accordance with the following regulations and guidance:

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”);
- Sustainability Reporting Guide, 2nd Edition issued by Bursa Malaysia Securities;
- Malaysian Code on Corporate Governance, updated on 28 April 2021; and
- Global Reporting Initiative 2021.

AVAILABILITY

This Statement is available on the Company’s website at <https://www.jf-technology.com>.

CORE VALUES

JF Tech’s core values represent the fundamental principles that we abide by in the pursuit of individual and the Group’s greatness. These guiding principles dictate the Group’s attitude towards our daily operations and act as an unwavering guide for our employees to consistently uphold.

“**JF TECH**” is an acronym for:



JUST BE FAIR



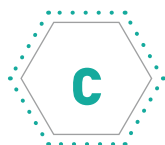
FISCAL RESPONSIBILITY



TREAT EACH OTHER WITH RESPECT



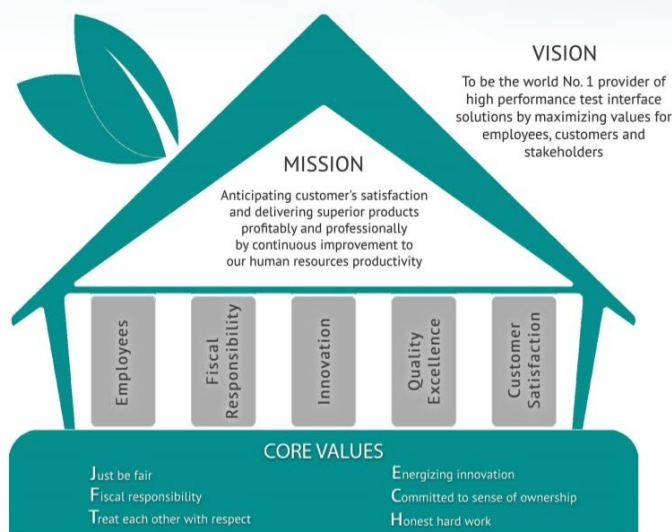
ENERGISING INNOVATION



COMMITTED TO A SENSE OF OWNERSHIP



HONEST HARD WORK



SUSTAINABILITY GOVERNANCE

Successful integration and effective management of sustainability topics within the Group require having committed leadership, clear direction, and strategic influence, all of which are achieved through a robust governance structure. A strong governance framework enables the Group to effectively implement sustainability strategies across the business, while ensuring accountability, oversight and review in the identification and management of sustainability matters.

The importance of governance sustainability in achieving our initiatives is well-recognised by the employees of the Group. To uphold this, the Group incorporates proper controls and approvals, reserved matters, accountability and long-term objectives such as, among others:

- » to establish a proper governance structure, control, monitor, evaluation and reporting features into the management process;
- » to include sustainability as an integral part of the Group’s strategic planning;
- » to enhance sustainability efforts through regular updates of strategies, policies, procedures and provide relevant trainings; and
- » to regularly assess the impacts and outcomes of the sustainability principles adopted by the Group.

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

The roles of each division within the governance structure are as follows:

Board of Directors:

The Board of Directors oversees the formation and implementation of the strategies.

In April 2021, an updated Malaysian Code on Corporate Governance (“MCCG”) was released with an emphasis on sustainability management. Against this backdrop, our Board of Directors is committed to further enhancing our sustainability management to be aligned with the latest requirements.

Management Committee:

The Management Committee determines the strategies and action plans relating to sustainability matters and the implementation roadmap under the leadership of the Managing Director.

Divisional Management:

Heads of Departments drive the sustainability management by coordinating the efforts within their department to implement the action plans to work towards the strategies.

Policies and Procedures for Excellent Governance

In alignment with our steadfast commitment to sustainability-driven business management, we have developed a set of policies and procedures that are seamlessly integrated into our daily operational practices. Below, we outline key policies and procedures that underscore our dedication to upholding the highest ethical standards, enhancing governance, and showcasing the unwavering trustworthiness of our business:



Code of Ethics and Conduct Policy:

This policy serves as a moral compass, delineating the ethical standards and behaviour expected from all employees. It emphasises values such as integrity, honesty, and transparency, setting the tone for our corporate culture.



Anti-Bribery and Anti-Corruption Policy (“ABAC”):

We have a zero-tolerance approach to bribery and corruption. This policy establishes strict guidelines to prevent such practices and ensure compliance with anti-corruption laws.



Whistleblowing Policy:

Encouraging transparency, this policy provides employees and stakeholders with channels to report any misconduct or ethical concerns, safeguarding against retaliation.



Roles and Responsibilities of Directors:

Our governance framework outlines the specific roles and responsibilities of our board members, enhancing accountability, transparency, and effective decision-making.



Remuneration Policy:

This policy governs compensation practices, ensuring fairness, transparency, and alignment with our business objectives.



Directors' Fit and Proper Policy:

We maintain a robust policy to ensure that all directors possess the qualifications, skills, and integrity necessary to fulfil their roles effectively.



Gender Diversity Policy:

Our commitment to diversity and inclusion is evident in this policy, which outlines initiatives to promote gender diversity at all levels of the organisation.

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)



Risk Management:

These procedures identify, assess, and mitigate potential risks, ensuring proactive risk management and safeguarding business continuity.



Employee's Handbook:

This comprehensive resource provides employees with information on their rights, responsibilities, and the company's policies and procedures, fostering a harmonious and informed workforce.



Health and Safety Procedures:

The safety and well-being of our employees are paramount. These procedures establish safety guidelines, emergency response plans, and health protocols to maintain a secure work environment.



Environmental Policy:

We are dedicated to environmental sustainability. This policy outlines our responsibilities, including efforts to reduce our environmental impact, conserve resources, and promote eco-friendly practices throughout our operations.

Each of these policies and procedures collectively forms a robust framework for governance, ethics, sustainability, and accountability. They embody our unwavering commitment to operating as a responsible and trustworthy business, exemplifying the highest standards of governance and management practices.






STAKEHOLDER ENGAGEMENT

The Group believes that maintaining a good degree of communication with internal and external stakeholders is essential in establishing strong corporate governance. We actively engage with our stakeholders through multiple channels of communication, enabling us to understand their expectations and obtain meaningful feedback on their interests and needs. This also helps us to identify and emphasise key sustainability matters in a timely manner. A summary of the stakeholder groups, areas of interest, types of engagement, frequency and outcomes are listed below: -

Stakeholder Groups	Areas of Interest	Types of Engagement	Frequency	Outcomes
Investors/ Shareholders 	- Business performance review	- Quarterly financial reports	- Quarterly	Provides constructive feedbacks, improves relationships with shareholders and positive reputation amongst investors
	- Operation in compliance with applicable laws and regulations	- Annual report	- Annually	
	- Strategic plans	- Corporate website	- On-going	
	- Investor engagements	- Investor relationship channel	- On-going	
	- Corporate announcements	- Regular meetings and correspondence	- As required	
	- Information and communication	- Feedback to media enquiries	- As required	

Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Groups	Areas of Interest	Types of Engagement	Frequency	Outcomes
Customers 	<ul style="list-style-type: none"> - Product quality and performance - Sustaining long-term relationships - Operation in compliance with applicable laws and standards 	<ul style="list-style-type: none"> - Customer feedbacks - On-site visits - Customer audit 	<ul style="list-style-type: none"> - On-going - As required - On-going 	Better awareness of the Group's commitment to sustainability and an improved understanding of our policies, culture and values
Employees 	<ul style="list-style-type: none"> - Health and safety protocols - Coronavirus ("Covid-19") standard operating procedures ("SOP") compliance - Communication and engagement - Working environment - Career development and trainings 	<ul style="list-style-type: none"> - Trainings and development - Restraining and provision of personal protective equipment ("PPE") - Formal meetings and discussions - Employee feedbacks and briefings - Appraisal and performance review 	<ul style="list-style-type: none"> - On-going - On-going - On-going - Annually - On-going 	Inclusiveness in management decision-making to foster a safer and more harmonious work environment
Suppliers 	<ul style="list-style-type: none"> - Strategic partnership - Supplier performance review - Product and service quality 	<ul style="list-style-type: none"> - Supplier evaluation - Regular meetings and correspondence - Site visits to suppliers' premises 	<ul style="list-style-type: none"> - On-going - On-going - On-going 	Establish good long-term relationships with suppliers and maintain reliability throughout the value chain
Government and Regulators 	<ul style="list-style-type: none"> - Regulatory compliance - Supporting the country's economic growth 	<ul style="list-style-type: none"> - Site visits and meetings - Participation in programmes organised by Government bodies 	<ul style="list-style-type: none"> - As required - As required 	Compliance with regulations and ensure regular operations permits
Community 	<ul style="list-style-type: none"> - Environment protection - Local community activities involvement 	<ul style="list-style-type: none"> - Participation in local community activities - Sponsorship and donations 	<ul style="list-style-type: none"> - On-going - On-going 	Maintain our promise towards corporate social responsibility and improve the well-being of individuals from the charitable organisation

Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Materiality Assessment

The materiality matrix is used to chart the Group's important sustainability matters during the assessment. Applying the materiality assessment helps the Group to identify topics that are most important to the Group and stakeholders. In this respect, the materiality assessment provides valuable information that may positively or negatively influence the Group's ability to deliver our vision and strategy. Most importantly, it reflects our impact on the EES dimensions.

During FYE2023, we maintained the same seventeen (17) material topics identified in the financial year ended 30 June 2023 as they remain relevant to our businesses and stakeholders in the current operating climate. The materiality matrix is included to illustrate the relative importance of these sustainability matters to internal and external stakeholders. They are chosen and reviewed by the management of relevant divisions based on the risks and opportunities arising from the EES impacts on the Group's operations and activities.

Materiality Matrix

Importance to External Stakeholders	High	- Local Supply Chain - Whistleblowing Policy - Anti-Bribery and Anti-Corruption Policy - Pollution Control	- Employee Development and Talent Management - Corporate Governance - Innovation and Intellectual Property - Safety and Health (" OSH ")
	Medium	- Diversified Customer Base - Contribution to Community - Healthy Work-Life Practices - Energy Usage - Waste Management	- Commitment to Quality - Code of Conduct and Ethics (" Code ")
	Low	- Workforce Diversity - Employee welfare - Human & Labour Rights	- Emergency Response Team (" ERT ")
	Low	Medium	High
	Importance to Internal Stakeholders		

These seventeen (17) materials sustainability matters are ranked highest in terms of their significance to the Group and we have decided to place greater emphasis on these matters in the Statement. JF Tech will continue to review the highlighted matters and expand the depth and scope of our reporting as we move forward.

Sustainability Statement (cont'd)

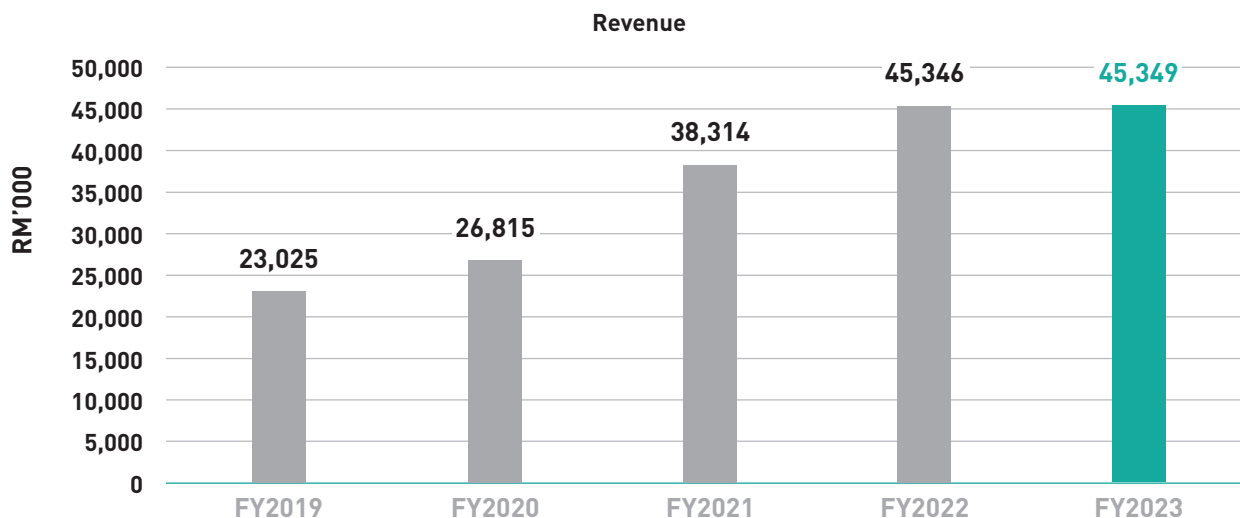
ECONOMIC THRUST

1. Profitability

JF Tech aspires to combine strong and sustainable growth with a high profit margin to generate extended value for our shareholders and continued positive long-term development. We believe that sustainable business performance enables us to deliver and enhance value for our stakeholders, create opportunities for employees and contribute to the surrounding communities.

Our products are highly customised to the exact needs of our customers, adhering to electrical, mechanical and dimensional precision. Our design know-how, technology and automation put us at the forefront of the industry and are key comparative advantages to the Group's success. The Group evaluates its impact on the economic condition of its stakeholders and economic systems at local, national and global levels.

The Group managed to equal the best-ever top-line performance achieved last year amidst the challenging environment. Revenue for the financial year under review was at RM45.3 million versus RM45.3 million a year ago while profit after tax and non-controlling interest ("net profit") stood at RM12.2 million. On dividend, JF Tech declared a total dividend of 1.0 sen per share, amounting to RM9.3 million for the financial year under review. This translated to a dividend payout ratio of 76.2% based on our FYE2023 net profit.



For a more detailed analysis of our financial results and economic distribution, please refer to the Management Discussion and Analysis and the Audited Financial Statements in this Annual Report.

Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)

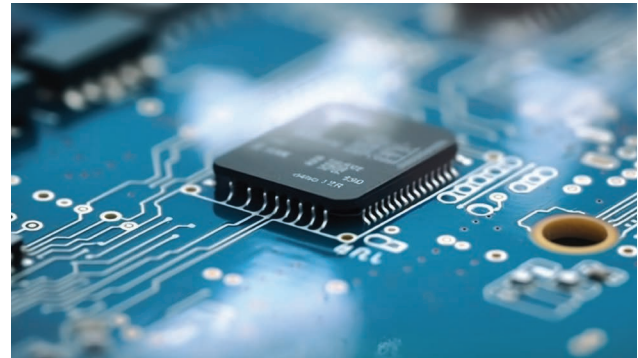
2. Innovation, Automation and Intellectual Property

JF Tech is at the forefront of the technological landscape, primarily engaged in the intricate processes of designing, developing, manufacturing, marketing, and selling of IC test contacting solutions. These solutions are tailored to meet the specific needs of our esteemed customers, boasting the added advantage of being safeguarded by patents. Our vision revolves around forging a sustainable future, a commitment we honour through a relentless cycle of innovation, design, manufacturing, and marketing, all centred on our diverse portfolio of test contacting solutions.

In the fiscal year ending 2023, we celebrated a significant milestone with the filing of 10 new patents pertaining to IC test contacting solutions for automotive applications. We are pleased to announce that we have 4 patents granted in the same fiscal year, marking a testament to our innovative prowess. These granted patents span a spectrum of innovations, from groundbreaking high-frequency IC test contacting solutions designed primarily for the demanding realm of 5G, Radio Frequency, and mmWave applications to pioneering IC test contacting solutions tailored specifically for automotive and high-power applications.

At present, our esteemed Group boasts ownership of an impressive 86 patents, with 45 patents remain pending approval—a testament to our relentless pursuit of intellectual property dominance in the semiconductor test socket industry. These patents stand as formidable guardians of our hard-earned intellectual property, a testament to the substantial investments made in research and development by our in-house Research and Development team. This substantial patent portfolio serves as a cornerstone of our competitive advantage within the industry—a distinction we are committed to upholding for the foreseeable future.

As we set our sights on the horizon, the Group remains steadfast in its dedication to continuous innovation and substantial investments aimed at perpetuating our position as pioneers in the creation of intellectual property. These efforts not only contribute to the growth and vibrancy of the industry but also underpin our commitment to sustained economic excellence in the long run. Our journey is characterised by a relentless pursuit of excellence, a path we navigate with unwavering commitment, poised to make significant contributions to our industry's landscape and the global economy.



“
In the fiscal year ending 2023, we celebrated a significant milestone with the filing of 10 new patents pertaining to IC test contacting solutions for automotive applications. We are pleased to announce that we have 4 patents granted in the same fiscal year, marking a testament to our innovative prowess.”

3. Supply Chain Management

At JF Tech, we recognise that an efficient and sustainable supply chain is the backbone of our operations. We are committed to managing our supply chain in a responsible, ethical, and strategic manner that not only ensures the seamless flow of goods and services but also aligns with our values and meets the expectations of our stakeholders. JF Tech's business begins with developing and supplying high-performance IC test contacting solutions for customers in the IC design centre and subsequently, our products are used in high-volume IC manufacturing testing. In line with our long-term strategy of providing a broad spectrum of high-performance IC test contacting solutions on a global scale, it is imperative for our Group to establish a sustainable domestic supply chain. This not only fosters eco-friendly supply chain practices but also indirectly contributes to job creation and encourages socio-economic development. The localisation of our supply chain fortifies its resilience and enables us to consistently maintain and oversee our production processes in a timely manner.

Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)

3. Supply Chain Management (Cont'd)

The Group's vendor and supplier assessment method assesses competency, capacity, performance consistency, quality, cost-effectiveness, communication, internal processes, and corporate social responsibility. We are committed to promote sustainability across our supply chain by protecting the rights and confidentiality of suppliers while safeguarding our interests in the course of business dealings. To ensure alignment with JF Tech's ESG responsibilities, we incorporate the Anti-Bribery and Corruption Policy as an integral component of our standard procurement terms and conditions. Both new and existing suppliers are obligated to comply with and acknowledge and/or sign these documents as a testament to their commitment to JF Tech's ESG initiatives.

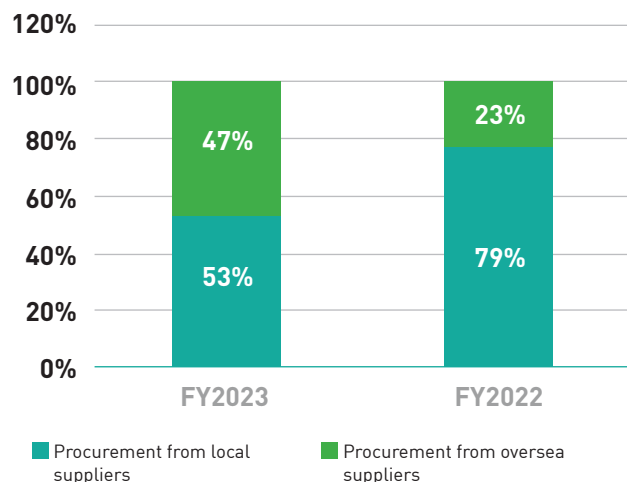
In terms of supply chain risk management, JF Tech adopts a comprehensive approach to guarantee business continuity and meet the requirements of our customers. Our existing active suppliers on the approved vendor list undergo annual performance evaluations based on a set of criteria, which encompass product quality, the provision of technical support, payment terms, and the timeliness of deliveries. Furthermore, we conduct on-site annual audits of suppliers as part of our vendor development initiatives. We take pride in cultivating partnerships with local suppliers whenever feasible, thereby contributing to the sustainability of the local economy and products.

“
To ensure alignment with JF Tech's ESG responsibilities, we incorporate the Anti-Bribery and Corruption Policy as an integral component of our standard procurement terms and conditions.
 ”



As at 30 June 2023, local vendors spending constitute 53% of the total spending within the Group. Our objective is to prioritise sourcing from local suppliers, which not only enhances sourcing efficiency through shorter lead times but also promotes domestic employment, supports local businesses, and reduces the environmental impact and costs associated with overseas shipments. Our goal is to consistently achieve a procurement rate of over 50% from local vendors each year.

Local and Oversea Procurement (by Procurement Amount)



4. Customer Satisfaction

Customer satisfaction is integral to the longevity of our business. We strive to understand and meet our customer's evolving expectations in delivering quality products continuously. We adopt a customer-focused approach where any requests, concerns, or dissatisfaction are handled with close attention, urgency and confidentiality. We engage with our customers at every stage - from design and manufacturing to delivery of quality products.

We had regular meetings with customers, and we responded to customer queries through the establishment of a systematic review process which is carried out periodically, based on the working level and functions involved. We ensure that appropriate actions are set out to resolve customers' concerns.

To ensure we maintain quality products, we are guided by our Quality Policy that enables us to achieve our quality objectives and reaffirm our commitment to excellence.

Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)

4. Customer Satisfaction (Cont'd)

At JFTECH, we regard customer satisfaction as an important pillar sustaining the longevity of our business. Our relentless commitment is to proactively comprehend and consistently exceed our customers' ever-evolving expectations by delivering high-quality products & services. We embrace a customer-centric ethos, where each customer's requests, concerns, or moments of dissatisfaction are treated with close attention, a sense of urgency, and the strictest confidentiality.

Our engagement with customers is a continuous journey that spans every phase, from the inception of design concepts through the intricacies of manufacturing to the seamless delivery of high-quality products. We conduct regular meetings with our customers, fostering open and transparent communication. Moreover, we have established a systematic review process, conducted periodically, involving working-level personnel and relevant functions, to systematically address and respond to customer concerns.

Our dedication to quality is deeply rooted in our Quality Policy, which serves as our guiding beacon. This policy empowers us to consistently achieve our quality objectives, reiterating our commitment to excellence in all aspects of our operations. By adhering to these principles, we ensure that our products not only meet but exceed the expectations of our customers, thereby forging enduring relationships built on trust and superior performance.

COMMITMENT TO QUALITY

In fulfilling JF Tech's vision to be the world's No. 1 provider of high-performance test contacting solutions, we achieved the ISO 9001:2015 Quality Management System certification from SGS (Malaysia) Sdn. Bhd. for design, manufacturing and assembly of test contactors for semiconductor applications. Product and service quality is crucial to the Group as it directly relates to customer satisfaction and profitability. The Group has worked tirelessly to improve quality over the past decade and all operating subsidiaries have made significant progress in this area. Two (2) subsidiaries of the Group have been accredited by ISO 9001:2015 Quality Management System. This is an international standard that specifies the requirements for a quality management system where the Group:



» demonstrates its ability to consistently provide products and services that meet customers' needs and applicable statutory and regulatory requirements; and



» aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.



Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)

5. Code of Conduct and Ethics

In today's business landscape, the values of ethics, integrity, accountability, transparency, and professionalism are gaining increasing importance. The Group's Code as stated in the Employee Handbook serves as a guide for employees to conduct themselves fairly, honestly, openly, and in accordance with all relevant laws. To foster awareness on this matter, regular talks and trainings are organised for employees at every level and across various departments. These initiatives aim to instil a strong sense of responsibility towards conducting business activities with utmost fairness and compliance. By implementing these policies and mechanisms diligently, we strive to create an environment that upholds these essential values.

The Code comprises the following main principles:



to avoid conflict of interest;



to avoid misuse and/or abuse of position;



to ensure the protection of assets and interests, the confidentiality of information and to prevent misuse of information gained through the Group's operations, either for personal gain or for any purpose other than that intended by the Group;



to encourage reporting of unlawful or unethical behaviour; and



to ensure compliance with policies, laws, rules and regulations.

JF Tech's Code is available on our corporate website at <https://www.jf-technology.com/>.

6. Whistleblowing Policy

At JF Tech, we require our staff members to uphold the utmost levels of professionalism and ethical behaviour in all aspects of our operations within every department. As part of our commitment to maintaining strong corporate governance, we have implemented various corporate policies, such as the Whistleblowing Policy, which aim to promote a thorough investigation and resolution of valid concerns. Our employees have the freedom to report any instances involving illegal activities, unethical conduct, or questionable practices with complete confidentiality and without fear of facing retaliation.

The following actions are generally accepted as improper and reportable conduct of whistleblowing, including but not limited to:

- any unlawful or illegal activities, whether criminal or breach of civil law;
- fraud, theft, embezzlement or dishonesty;
- corruption/bribery;
- bullying and harassment;
- breach of policies and/or procedures; and
- poor or unethical sales practices, including mis-selling.

JF Tech's Whistleblowing Policy is available on our corporate website at <https://www.jf-technology.com/>.

We are pleased to state that there were no complaints on any suspected corrupt practices or unethical behaviour of our employees in FYE2023 (FYE2022: Nil). We target to maintain a record of zero complaints for FYE2024.

0

suspected corrupt practices or unethical behaviour of our employees in FYE2023

Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)



7. Anti-Bribery and Anti-Corruption Policy

Our policy on preventing bribery and corruption, known as ABAC Policy, clearly outlines the expected behaviour of all employees within our organisation. We maintain a strict stance of zero tolerance towards any form of bribery or corruption, consistently conducting our business with ethical practices, honesty, and a high level of integrity. It is important to understand that engaging in bribery or corruption not only compromises business ethics but also harms the reputation of an organisation. At JF Tech, we strongly oppose any improper or illegal practices that disrupt ethical business activities.

To ensure that all employees are well-informed about our Code of Conduct, ABAC Policy, as well as our Whistleblowing Policy; we have implemented procedures to promote awareness through formal briefings across all departments. These briefings aim to uphold fairness in dealings and encourage integrity and honesty in how we conduct our businesses. Our goal is to achieve transparency in our business practices while setting higher standards for ethical conduct. Throughout the year, these awareness briefings are conducted by the Group with easy access to policies available on public platforms for everyone's reference.

Our employees have the duty of preventing, countering, and informing about bribery, corruption, and other questionable actions or misconduct that could result in bribery via our whistleblowing channels. We offer training to our employees on the ABAC Policy and Guideline to continually reinforce the utmost ethical standards. Newly hired employees receive briefings and training on ABAC as part of their induction orientation programme.

Following is the summary of the number of employees given training and reminders on ABAC for FYE2023 at the Group.

ABAC Trainings	Number of Employees
Orientation / Onboarding for new hires 	26
Refresher Talks for existing employees 	121
TOTAL	147

*including interns

For FYE2023, there were no reported incidents of corruption or breaches against our Anti-Corruption and Bribery Policy (FYE2022: Nil). The establishment of this policy was a result of our dedication to maintaining high ethical standards and discipline among the Senior Management and Board of Directors. The Board is cognisant of the compliance legislations and has oversight in the various implementation of ABAC policies. We target to maintain our clean track record in regards to ABAC for the financial year ending 30 June 2024 ("FYE2024").

JF Tech's Anti-Bribery and Anti-Corruption Policy is available on our corporate website at <https://www.jf-technology.com/>.

8. Data Privacy and Security

Data Privacy and Security in the context of our operations is of utmost importance. In an era where our technological systems store a wealth of information, encompassing data related to products, suppliers, customers, and employees, safeguarding this sensitive information is paramount. We embrace our responsibility in protecting the data entrusted to us by our stakeholders and securing our vital business information. To achieve this, we have implemented a comprehensive set of measures to prevent unauthorised access from external sources. These measures include:



Tailored Internet Access Policies:

Our organisation has established a structured policy that regulates internet access privileges based on job roles, duty requirements, and the seniority of positions. This approach ensures that individuals have access only to the data and systems necessary for their tasks, limiting potential vulnerabilities.



Cybersecurity Infrastructure:

We have fortified our network with a robust cybersecurity infrastructure, incorporating Firewall, Anti-Spam, and Antivirus applications. Furthermore, we ensure that all systems are consistently updated with the latest security patches to maintain their resilience against emerging threats.



Continuous Monitoring:

Continuous monitoring is a key component of our security strategy. We vigilantly track the antivirus status of all users' computers and notebooks to verify that these devices remain secure and are free from the risk of cyberattacks. Daily notifications are scrutinised to promptly address any indications of potential cyber threats.

Sustainability Statement (cont'd)

ECONOMIC THRUST (CONT'D)

8. Data Privacy and Security (Cont'd)

In FYE2023, we are proud to report that there were no instances of data privacy and security breaches within our organisation. As we move forward into FYE2024, our commitment remains steadfast, and we aspire to uphold our record of zero data privacy and security breaches. Our dedication to these principles underscores our unwavering commitment to safeguarding the confidentiality, integrity, and availability of our data, ensuring the trust and confidence of our stakeholders.




ENVIRONMENTAL THRUST

9. Compliance with Environmental Laws and Regulations

JF Tech is committed to the prevention of pollution and continuous improvement of the Group's overall environmental performance. Our operations are in compliance with the relevant environmental laws and regulations and subject to heavy scrutiny. Our pledge in this respect is reflected in the Group Environmental Policy.

Environmental Policy

We are determined to carry out the actions progressively and constantly to accomplish the following goals:

- 
 » to comply with applicable environmental legislation, regulations and other requirements;
- 
 » to foster employees' and contractors' awareness of environmental issues through trainings and active information dissemination;
- 
 » to create an awareness of the Group Environment Policy within the Group and among our stakeholders;
- 
 » to reduce consumption of non-renewable and non-recycled materials; and
- 
 » to provide a safe and hygienic workplace as well as to ensure all personnel are properly trained with the appropriate safety procedures and control actions.

We are pleased to highlight that there was no penalty or fine imposed by any regulatory authorities for any environmental issues in FYE2023 (FYE2022: NIL). We continuously and regularly engage with the Department of Environment ("DoE") to address any issues raised by the DoE and steps are taken to ensure that the environmental issues are mitigated to an acceptable level.

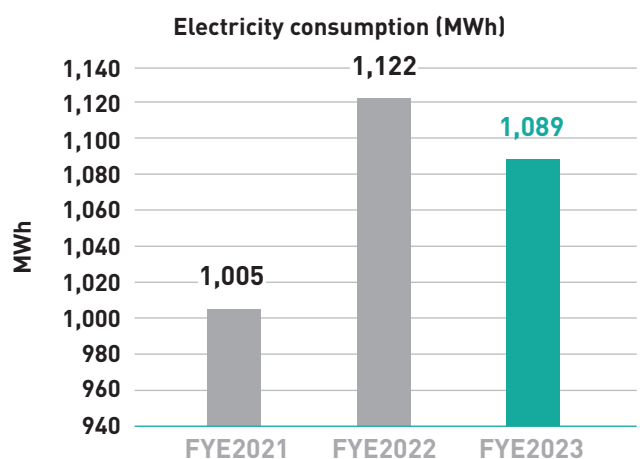
Pollution Control

We adopt a holistic approach in incorporating sustainability practices into the Group's daily activities and in identifying opportunities that prevent pollution to the environment, as well as to conserve resources, where feasible. For example, metal scraps generated from the production of test socket pins are fully recyclable. Apart from that, the Group's operations do not release harmful emissions into the air or discharge hazardous effluent into the drainage system. By their nature, there are minimal industrial wastes generated from our activities that go to the landfill. We aim to operate sustainably by minimising waste and utilising resources efficiently throughout our production processes.

10. Energy Usage

In FYE2023, we experienced a marginal reduction in our electricity consumption, which decreased from approximately 1.122 million kWh to 1.089 million kWh. However, despite this decrease in consumption, our expenditure on energy consumption increased by 5%, rising from RM 502,142 to RM 528,111. It is important to note that this increase in expenditure was primarily driven by the removal of the Imbalance Cost Pass-Through ("ICPT") rebate.

The following table shows the year-on-year energy consumption for the Group:



Sustainability Statement (cont'd)

ENVIRONMENTAL THRUST (CONT'D)

10. Energy Usage (Cont'd)

Environmental Policy (Cont'd)

This shift in our energy costs underscores the significant impact of policy changes on our financial sustainability. To address this challenge and maintain our commitment to sustainability, we are actively exploring strategies to optimise our energy usage, increase energy efficiency, and seek alternative renewable energy sources. This not only aligns with our environmental goals but also ensures long-term cost savings, reducing our reliance on fluctuating energy markets.

We are excited to announce our company's latest investment, a solar project that has the potential to make a significant impact on our environmental footprint. This project involves the installation of a 315 KWp solar system, which, upon completion, is expected to generate approximately 30% of our current energy consumption. The significance of this endeavour lies not only in its potential to reduce our reliance on non-renewable energy sources but also in its environmental implications. Once operational, this solar system is projected to cut our carbon emissions by an estimated 461 tonnes annually. This achievement aligns perfectly with our commitment to sustainability and our determination to address the pressing issue of climate change. Our team is working to ensure the successful execution of this initiative, with the goal of finalising it by the end of the financial year 2024.

In our ongoing commitment to sustainability and reducing our environmental footprint, we have also undertaken several other initiatives to decrease our overall electricity consumption. These initiatives include:



Energy-Efficient Office Equipment:

We have utilised energy-efficient photocopiers and computers equipped with power-saving settings. These features help minimise energy consumption during periods of inactivity, contributing to significant energy savings over time.



Smart Energy Practices:

We actively promote a culture of energy consciousness by encouraging all employees to switch off lights, air-conditioners, and other electrical devices when they are not in use. This simple yet effective practice helps prevent unnecessary electricity consumption.



Optimised Working Hours:

To further reduce electricity usage, we have implemented a policy of adhering to stipulated working hours. By synchronising work schedules with peak energy demand periods, we can minimise our overall electricity consumption and contribute to a more sustainable energy grid.



Transition to LED Lighting:

We are committed to upgrading our lighting systems for energy efficiency. This includes the gradual replacement of conventional fluorescent lights with LED lighting, which not only consumes less electricity but also has a longer lifespan, reducing maintenance and replacement costs.



Once operational, this solar system is projected to cut our carbon emissions by an estimated 461 tonnes annually.



Sustainability Statement (cont'd)

ENVIRONMENTAL THRUST (CONT'D)

10. Energy Usage (Cont'd)

Environmental Policy (Cont'd)

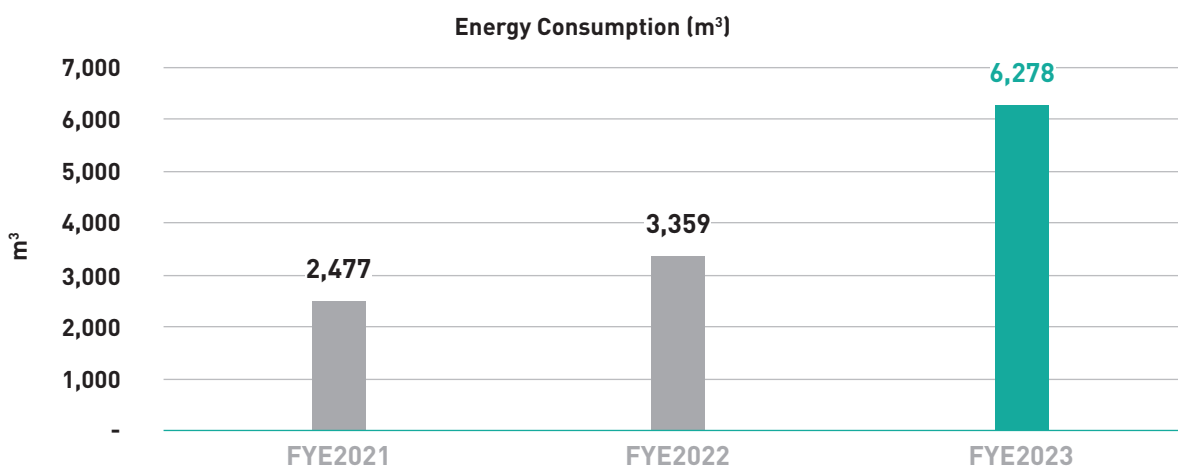
These initiatives underscore our dedication to sustainability, both in terms of minimising our environmental impact and optimising operational efficiency. By reducing our electricity consumption through these measures, we not only contribute to a greener future but also demonstrate responsible corporate citizenship in line with our commitment to a sustainable framework.

Additionally, we are pleased to share that during the year, we were honoured with the Silver Provisional Certification in the Industrial Facilities Category by GreenRE, which recognises our dedication to green building excellence. We are committed to maintaining and furthering this certification as we continue our sustainable journey.



11. Water Management

At JF Tech, we are deeply committed to sustainable practices that not only benefit our business but also contribute positively to the environment and communities in which we operate. One of the critical aspects of our sustainability journey is responsible water management within our factory. While water conservation may not be our most pressing sustainability concern, we remain dedicated to tracking our water consumption and actively seek ways to reduce it in both our products and processes. Our water consumption year-on-year was as follows:



The substantial increase in water consumption during FYE2023 was primarily attributed to the ongoing construction of our new Green Building facility, which is expected to be completed in FYE2024. We anticipate a significant reduction in water usage after the completion of this building.

As part of our commitment to sustainable water management, our upcoming facility will be equipped with a rainwater harvesting system. This system will collect and utilise rainwater for our internal factory operations and processes. This initiative not only represents our dedication to environmental stewardship but also aligns with our goal of reducing our reliance on treated water supply.

Sustainability Statement (cont'd)

ENVIRONMENTAL THRUST (CONT'D)

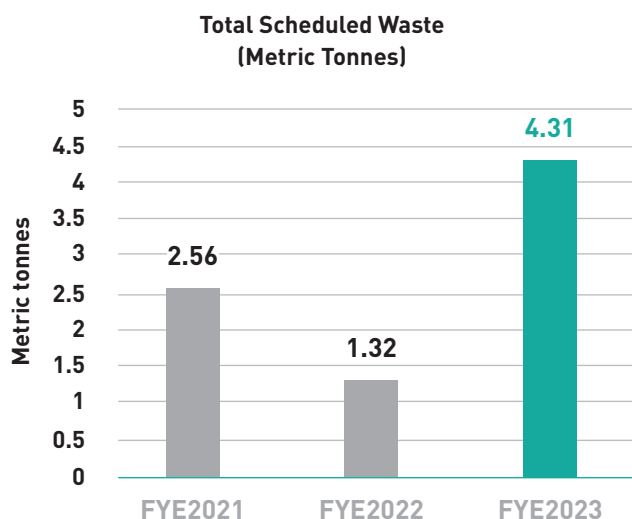
12. Waste Management

JF Tech is dedicated to implementing sustainable waste management practices to minimise our environmental impact. Our approach encompasses various strategies, including waste reduction, waste material reuse, and responsible recycling. We are unwavering in our commitment to ensuring that our waste undergoes proper management within an environmentally sound system.

To manage hazardous waste responsibly, we collaborate with appointed hazardous waste management companies, who employ methods such as incineration, recovery, and washing. This ensures that hazardous waste materials are handled and disposed of safely and in compliance with regulations.

Reducing production wastage is a key focus area, not only for cost savings in terms of raw materials but also for reducing the expenses associated with waste disposal. Disposal processes often introduce inefficiencies including source separation. By prioritising waste recovery activities for reuse and recycling, we significantly reduce the volume of waste sent to landfills.

In FYE2023, we maintained strict compliance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Waste) Regulations 2005. Our commitment to responsible waste management is reflected in our year-on-year progress, as shown in the table below:



In FYE2023, we observed a notable increase in scheduled waste generation to 4.31 metric tonnes compared to FYE2022. This spike was primarily due to a one-time coolant replacement exercise across all our Computer Numerically Controlled (“CNC”) machines. We anticipate that this change, transitioning to a more cost-efficient coolant type, will enhance our operational efficiency, prolong tooling lifespan, and improve the quality of our machined parts. Consequently, we expect waste generation to stabilise in the upcoming financial year.

In our commitment to sustainability, we also focus on managing non-scheduled wastes. Efforts to reduce our carbon footprint include material reduction, reuse, and recycling to minimise landfill contributions. We have initiated recycling programs to repurpose leftover materials from machining for other production purposes. This initiative not only reduces production costs but also aligns with our adoption of the Reduce, Reuse, and Recycle (“3R”) Principle. Our employees actively support these initiatives, recognising their role in achieving our environmental goals. Additionally, we have engaged various vendors to collect some of our generated waste materials for proper processing and recycling purposes. Below is the data on the recycling effort in FYE2023:

Recycled waste (non-hazardous)	Unit	FYE2023
Aluminium	kg	148
Copper	kg	23
Brass Wire	kg	964
Engineering Plastic	kg	4
Alloy material	kg	47
Grand Total	kg	1,186

While we prioritise sustainability, the health and safety of our employees remain paramount. We maintain strict adherence to the use of personal protective equipment (“PPE”) throughout the workplace, with no compromises made when necessary. While this approach increases disposable waste volume, we firmly believe it is essential to safeguard our employees’ well-being.

As we anticipate expanding our manufacturing capacity to meet customer demands in the future, waste management will pose new challenges. However, JF Tech is well-prepared and committed to enhancing our sustainable waste management framework to align with our environmental objectives. Our dedication to maintaining environmentally friendly practices in the workplace remains unwavering.

Sustainability Statement (cont'd)

SOCIAL THRUST

At JF Tech, our primary goal is to create a nurturing, respectful and positive work environment where our employees can thrive. We believe in building a supportive community within our organisation, and fostering strong relationships among colleagues. Our employees are our valued partners who contribute to the success of top-notch products and services for our customers.

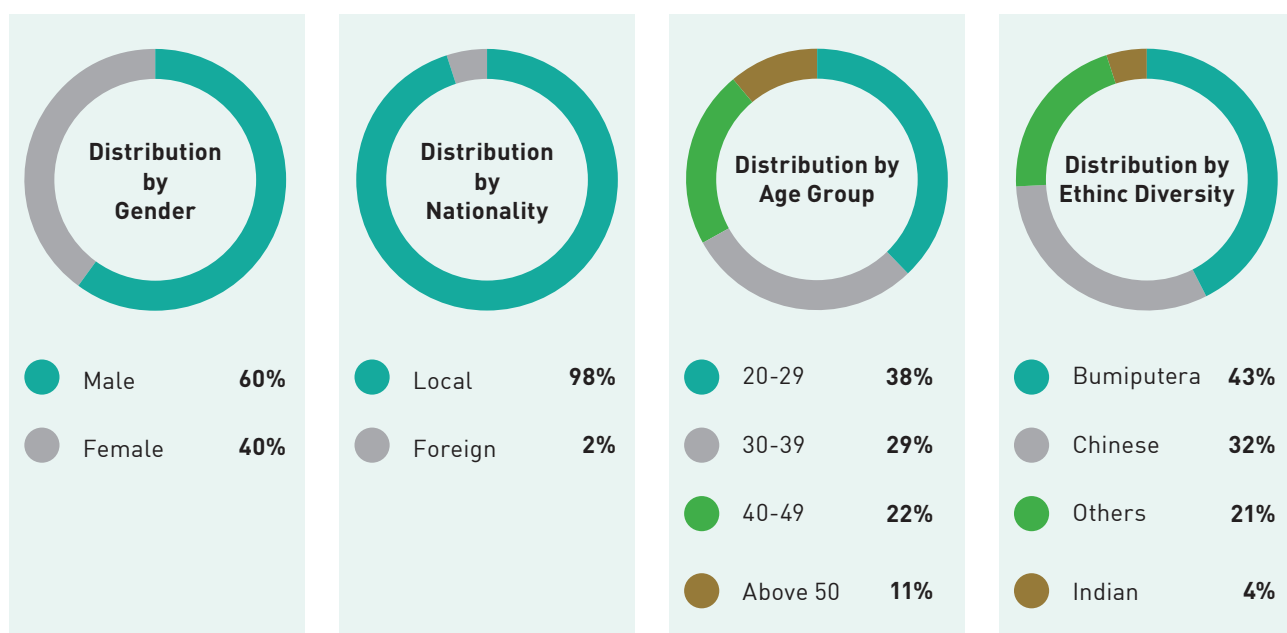
We prioritise the safety and well-being of our workforce and are committed to providing a secure and healthy workplace that promotes their physical and mental health. By doing so, we aim to create an atmosphere where every employee feels protected while carrying out their responsibilities.

13. Workforce Diversity and Equal Opportunities

Diversity, Equity & Inclusion

At JF Tech, we consider our employees to be the most valuable assets, and it is our commitment to ensure that good corporate governance is maintained through the practice of diversity, equity, and inclusion in our workplace. We strongly believe that a team consisting of individuals with diverse backgrounds, knowledge, skills, and perspectives can enhance the value and provide profound insights that will contribute to long-term sustainability for our company. Moreover, having a diverse workforce at JF Tech fosters innovation and ignites creativity which ultimately gives us a competitive edge within the industry.

Our primary goal is to bring together people from various backgrounds, beliefs, and experiences in an environment where everyone feels respected and valued so they can work collaboratively towards achieving exceptional outcomes. At JF Tech we are committed to providing equal employment opportunities for all employees irrespective of their age, religion, marital status, gender, socioeconomic background, or ethnicity. We empower each team member to excel in their respective roles by creating an environment conducive for upskilling, personal growth, and development.



Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

13. Workforce Diversity and Equal Opportunities (Cont'd)

Diversity, Equity & Inclusion (Cont'd)

BOARD DIVERSITY	FY2020	FY2021	FY2022	FY2023
By Gender				
Male	86%	86%	60%	50%
Female	14%	14%	40%	50%
By Age Group				
30 – 39 years old	0%	0%	0%	0.0%
40 – 49 years old	0%	0%	20%	25.0%
50 – 59 years old	29%	29%	20%	12.5%
> 60 years old	71%	71%	60%	62.5%
EMPLOYEE DISTRIBUTION	FY2020	FY2021	FY2022	FY2023
By Gender				
Male	86%	86%	60%	50%
Female	14%	14%	40%	50%
By Nationality				
Local	0%	0%	0%	0.0%
Foreign	0%	0%	20%	25.0%
By Age Group				
20 – 29 years old	43%	45%	41%	38%
30 – 39 years old	25%	25%	28%	29%
40 – 49 years old	18%	17%	19%	22%
> 50 years old	14%	13%	12%	11%
By Ethnic Group				
Bumiputera	40%	39%	42%	43%
Chinese	38%	35%	34%	32%
Indian	3%	8%	5%	4%
Others	16%	18%	19%	21%

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

13. Workforce Diversity and Equal Opportunities (Cont'd)

Supporting the local talents

To align with the vision of the Federal Government to enhance local talent and promote productivity, quality, management, and entrepreneurship, our dedication remains steadfast in employing local talent and providing support to the communities where we operate. The total number of employees for the Group is 134 as at 30 June 2023. JF's workforce demographics comprise 98% locals and only 2% foreigners as we strive to retain local talent and develop them.

Raising the next generation of achievers

Over the past year, we have joined forces with numerous local universities and institutions to enlist interns for industrial training and employ recent graduates. We offer practical and hands-on experience for undergraduate students via our in-house internship programme. Subsequently, interns with excellent performance and reviews are then offered permanent employment with us. To date, we have a young talent pool of employees below the age of 30 who make up 38% of our total headcount.

Following is the total number of interns recruited for FYE2023 in comparison to FYE2022 and FYE2021:

Financial year	No. of Interns
FYE2021	2
FYE2022	9
FYE2023	22

14. Employee Development and Talent Management

JF Tech believes in providing continuous improvement opportunities to enhance our skills, gain knowledge, spur innovation, improve human resource productivity that will ensure superior service and product quality, deliver customer satisfaction, and achieve fiscal responsibility. The basic principles for Employee Development and Talent Management at our Group are as follows:



Employees are supported and enabled to meet the changing demands of the industry so that the Group achieves its strategic objectives



Facilitate employee development through the broadening, deepening and enhancement of employees' existing skillsets



Provide a working environment where continuous learning and development takes place to help employees in their roles, increase motivation and enhance staff retention



Each employee is expected and encouraged to take ownership and responsibility for their personal development in relation to their work, within the framework of support provided by the Group. This includes assessing and analysing their own skills, aptitudes and potential development needs, as well as having a positive attitude and proactive approach towards development

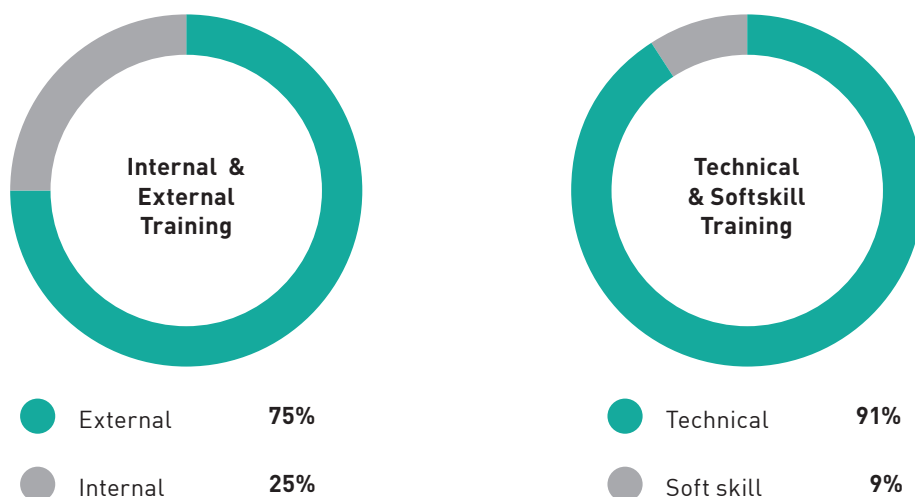
Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

Raising the next generation of achievers (Cont'd)

JF Tech ensures that its employees have an equal chance to engage in various developmental opportunities, such as assignments, programmes, and courses. These opportunities are tailored to each employee's performance, role, and potential. The training and development initiatives offered by JF Group can take the form of seminars, workshops, courses, talks, forums, continuing education sessions, learning sessions, coaching, and mentoring or any other activities deemed appropriate by the company.



In FYE2023, the internal training made up 25% whereas the external training was 75% of the total trainings. Out of the trainings last year, 91% technical trainings were centred on upskilling and raising the competence levels of employees and balance 9% were conducted for soft skills training. The average training hours per employee is 14 hours for the financial year. JF Tech strives to develop our talent to achieve their full potential and groom them for future roles.

The following are internal and external training hours recorded in FYE2023 in comparison to the previous years:

TRAINING	FY2020	FY2021	FY2022	FY2023
Training Provider				
Internal	81%	85%	70%	25%
External	19%	15%	30%	75%
Types of Training				
Technical Skills	82%	54%	61%	91%
Soft Skills	18%	46%	39%	9%
Total Training Hours	1,340	747	530	1,875
Average Training Hour Per Employee	12	6	4	14

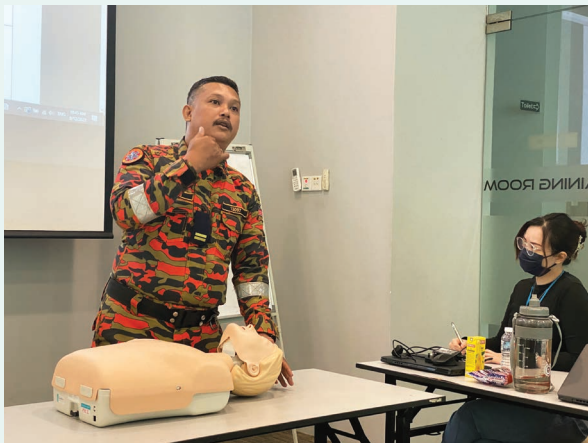
Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

Raising the next generation of achievers (Cont'd)

The total training hours were reduced in FYE2021 and FYE2022 in order to minimise physical contact among employees due to the COVID-19 pandemic. However, in FYE2023, the training hours increased to 1,875 which describes our effort and care for employees concerning their growth and career progression which in turn creates a sense of loyalty in employees to grow with the organisation in knowledge and experience as we move forward as a team.



Succession planning

JF Tech identifies and develops internal talent to fill key leadership and critical roles within the company as they become vacant due to retirement, promotion, or other reasons. We groom capable individuals who have the potential to take on future roles with the necessary leadership skills, technical know-how and other essential competencies. The employee development will include extensive trainings, mentoring, and career path planning among others.

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

Talent Acquisition and Onboarding for New Hires

All hiring at JF Tech adheres to the merit and attitude criteria which include evaluation and scoring of skills, experiences, and values. This will ensure that the selection and recruitment process is fair, without bias or prejudice towards any individual. An effective induction process is in place for the onboarding and settling of new members and ensuring a smooth transition of those who move to roles in other departments. The respective Line Managers are responsible for monitoring the progress of the new member, and for ensuring that any development needs are identified and met.

Employee Retention and Attrition

Retaining employees can lead to various benefits, including cost savings, improved productivity, and a positive organisational culture. JF Tech strives to retain and grow our team by staying competitive with the market benchmarking. We recognise that effective employee retention requires a holistic approach that considers various aspects of the employee experience. It is an ongoing effort that involves listening to employees' needs, addressing concerns, and continuously improving the work environment and company culture.

JF Tech's positive employee growth rate indicates that the organisation is hiring more employees than it is losing through attrition or other reasons.

	Unit	FY2021	FY2022	FY2023
Number of Employees	Pax	124	130	134
Year-on-year Employee Growth Rate	%	11.7	4.8	3.1

With our commitments and continuous employee development and talent retention programme, we saw a decrease in turnover rate from 27% (FYE2022) to 16% (FYE2023). JF Tech's aim is to focus on retention strategies that can ultimately lead to a more engaged and loyal workforce. Hiring activities are ongoing to support the production levels in our operations.

Year	Total Number of New Hires	Overall New Hire Rate (%)
FYE2021	22	19
FYE2022	38	32
FYE2023	25	19

Year	Total Number of Employee Turnover	Overall Turnover Rate (%)
FYE2021	9	8
FYE2022	32	27
FYE2023	21	16

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

For FYE2023, we continue to see the Executive as the largest group for both turnover and new hires as they are in the early stages of their career journey and are always looking out for new opportunities.

Employee Category	Total Number of New Hires		
	FYE2021	FYE2022	FYE2023
Management	3	2	2
Executive	12	20	12
Non-Executive	7	16	11
Total	22	38	25

Employee Category	Total Number of Employee Turnover		
	FYE2021	FYE2022	FYE2023
Management	1	2	1
Executive	5	17	12
Non-Executive	3	13	8
Total	9	32	21

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

Employee Engagement Initiatives

JF Tech values our employee feedback and rewards Opportunities for Improvements (“OFI”) received from the ground. The Management will then review the ideas and suggestions towards improving our current practices. Employee engagement is of paramount importance as it represents the level of emotional commitment, enthusiasm, and dedication employees have toward their work and their organisation. JF Tech believes that employee engagement will boost morale, reduce turnover, foster a sense of belonging and camaraderie among coworkers.

Healthy Work-life Practices

At JF Tech, we understand the significance of our employees’ holistic health and emotional wellness. Consequently, we place great emphasis on achieving a harmonious integration of work and personal life. This commitment is evident in our comprehensive policy and streamlined operational schedules, which prioritise employee well-being. JF Tech has implemented a Semi-Flexi Policy that requires employees to work less than 44 hours per week. This is in contrast to the current work hour requirement stated in Section 60A Subsection 1 (iii) of the Employment (Amendment) Act 2022, which mandates a minimum of 45 work hours per week. Therefore, JF Tech’s Semi-Flexi policy allows employees to have greater flexibility in managing and planning their time while still meeting the core working hours of 9:00 a.m. to 4:30 p.m. daily for office employees.

“
JF Tech has implemented a Semi-Flexi Policy that requires employees to work less than 44 hours per week.”

The Group promotes open communication and encourages employees to provide feedback regarding their work challenges or issues with their superiors. This approach indirectly helps in minimising work-related stress and fosters mental well-being within the workplace. Furthermore, the JF Sports Club actively arranges various sporting events such as badminton, futsal, and more on a consistent basis. These activities motivate our employees to engage in physical exercise, maintain good health, and stay fit.



Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

14. Employee Development and Talent Management (Cont'd)

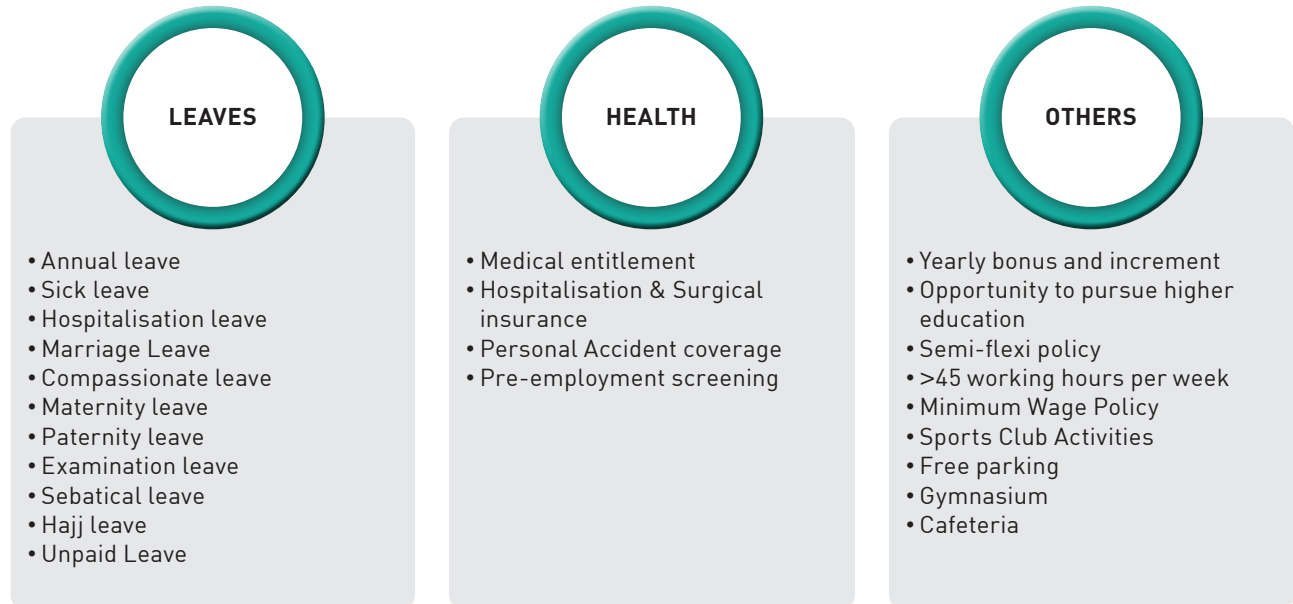
Healthy Work-life Practices (Cont'd)

JF Tech agrees that engaged employees tend to be more productive. They are motivated to put in extra effort, go the extra mile, and consistently perform at their best, which positively impacts the organisation's output and efficiency. The Group aims to prioritise and invest in more engagement strategies to enhance engagement and build a positive workplace culture which produces sustained long-term success.

Compensation and Benefits

We recognise that JF Tech's success is driven by a committed workforce, and therefore we strive to empower employees through a supportive corporate culture that ensures their well-being is taken care of. We comply with the standard minimum wage laws from the government. We ensure the salary scale is benchmarked on a periodic basis against industry peers to compensate and reward our employees fairly.

The following are some of the benefits and privileges provided to our employees:



Human Rights

JF Tech strives to uphold Human Rights practices and we aim to be a fair and ethical employer. Hence, we adhere to and comply with the various statutes including the Employment Act 1955, the Trade Union Act 1959, the Minimum Wage Order 2022, and the International Labour Organisation's (ILO) indicators pertaining to Forced Labour. All our employees, including our Foreign Workers are provided with fair wages and benefits as well.

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

15. Occupational Safety and Health ("OSH")

The Group is committed to adopting the best industrial practices in providing a safe work environment meeting or exceeding applicable legal and other requirements. We are also committed to the continual improvement of our OSH performance. At JF Tech, we adhere strongly to the following safety and health principles:



» all injuries and ill-health can be prevented;



» all hazards can be controlled;



» working safely is a condition of employment;



» everyone is responsible for safety; and



» everyone will be communicated and trained to work safely.

Our OSH Committee consists of key staff from various departments, all of which have the common goal to safeguard, manage, discuss and report areas related to safety, health and environmental issues and performance. We also conduct first aid training and annual fire drills in preparation for emergency events.

OSH Committee meets on a quarterly basis to regulate related programmes and discuss occurrences of accidents and prevention measures. A total of 5 meetings were conducted by the Group for FYE2023.

Our aim is to avoid all incidents that put our employees at risk and to achieve zero fatalities. We are proud to report that we have achieved this target during this financial year. As part of our safety control measures, every incident, if any, is followed by a thorough review of the cause and swift actions would be taken to eliminate the factors involved. All reviews have been reinforced with continued efforts in the trainings and retraining on the use of appropriate protective equipment in order to minimise risks in the future.

We are proud of the collective efforts of our OSH Committee to ensure that there were no major safety or health-related incidents at the workplace during the year.

Covid-19 Health and Safety Measures

After three (3) years of managing the Covid-19 situation, we have learned to be more vigilant and aware of the risks and repercussions that this global health crisis posed. Malaysia has moved past the pandemic phase and we are now enjoying the relaxation of SOPs. At JF Tech, we had to evolve according to the changing measures and provide innovative solutions for all our customers, business partners and employees alike these past years.

We have implemented stringent health and security protocols to ensure the safety, health and well-being of all our internal and external stakeholders. As a result of our strict adherence to the safety and health protocols, we managed to keep Covid-19 cases to a minimum. To date, more than half of our workforce have not been infected with the Covid-19 virus. This is made possible due to the full compliance with the healthcare authority's measures, local regulations and with the support of everyone involved.

JF Tech's Covid-19 Committee comprises six (6) employees who help to address the various concerns regarding the virus as well as review our health and safety standards from time to time. Some of the precautionary measures undertaken in FYE2023 include:



» Free supply of face masks;



» Free saliva test kits for close contacts and those displaying symptoms



» A thermometer is provided for temperature checks



» Provision of alcohol-based sanitisers at designated locations



» Mask-wearing while on the premises



» Frequent cleaning and disinfection

All employees have completed the Covid-19 vaccination, as well as the booster shot. At JF Tech, the safety and well-being of our employees remain our utmost priority.

Sustainability Statement (cont'd)

SOCIAL THRUST (CONT'D)

16. Emergency Response Team ("ERT")

We maintain strong emergency preparedness systems through our ERT. The table below outlines the role of the ERT in managing accidents or emergencies at the workplace with regard to the Malaysian Mechanism of Disaster Management and the OSHA 1994.

Division	No. of staff
ERT Leader	2
Advisor	1
First Aid Team	7
Fire Fighting Team	7

Our ERT is an in-house group consisting of seventeen (17) people instituted by the Group to deal with emergency situations which may arise in our premises. Their primary role is to respond to emergencies to ensure proper personnel evacuation and safety, shut down building services and utilities, work with responding civil authorities, protect and salvage property, and evaluate areas for safety prior to re-entry.



“ Our ERT is an in-house group consisting of seventeen (17) people instituted by the Group to deal with emergency situations which may arise in our premises. ”

17. Contribution to Community

JF Tech believes that companies ought to work ethically, have fair dealings, contribute and give back to the poor and marginalised communities, as well as make a positive difference in the lives of others. We seek to collaborate with non-profit organisations, social enterprises, education providers, learning institutes, hospitals, healthcare providers and other like-minded organisations to empower and improve the holistic well-being of the underprivileged community, especially in the areas of their health, social and economic conditions. The following are our community contributions in FYE2023:

- JF Tech donated to Montfort Boys Town as part of our efforts to assist in our society and Rise Against Hunger Malaysia for the flood relief in Sri Lanka which was severely affected by one of the worst floods in Sri Lanka.
- The Group has partnered with local universities and colleges with the aim to educate, grow and support local talents and youth, providing learning and working platforms for industrial trainings and assisting in the advancement of education of disadvantaged pupils and deserving youths. With JF's Internship Programme, several interns who graduated from the universities have returned to pursue their careers upon graduation in permanent positions such as Mechanical Design Engineers, Test Development Engineers and Manufacturing Engineers. JF Tech takes pride in nurturing and preparing the younger generation for careers that will contribute to the overall economic growth.
- JF Tech actively engages in activities that promote the standard of sports in our country, particularly in the sport of Badminton, where various donations and sponsorship programmes have been undertaken by the Group.

Looking ahead, JF Tech is committed to continuing and increasing the Group's efforts and activities for the betterment of society as we strive to make the world a better place for society at large.

MOVING FORWARD

The Group recognises the importance of being a responsible and sustainable organisation and that our success goes beyond the Group's financial performance. We strive to enhance stakeholder value through continuous improvements of initiatives aimed at growing our business sustainably, strengthening our operations, as well as playing an integral role in stewardship of the environment and communities around us.

BOARD OF DIRECTORS' PROFILE

DATUK PHANG AH TONG

Independent Non-Executive Chairman

NATIONALITY:

Malaysian

AGE:

66

GENDER:

Male

Datuk Phang Ah Tong was appointed as an Independent Non-Executive Chairman of JF Technology Berhad ("JF Tech") on 1 January 2018 and had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Datuk Phang obtained his Economics Degree from the University of Malaya in 1981.

Datuk Phang had a distinguished career in the civil service of Malaysia, spanning thirty-six (36) years in promoting foreign and domestic investment. As the ex-Deputy Chief Executive Officer of the Malaysian Investment Development Authority ("MIDA"), he has assisted in developing the manufacturing and services sectors in Malaysia.

Starting out in 1981 as an Economist in MIDA, Datuk Phang was the Assistant Trade Commissioner for MIDA London and Director of MIDA New York. Upon returning to MIDA Headquarters, he was appointed as the Director of Foreign Direct Investment ("FDI"), overseeing the promotion of global FDI in Malaysia.

Datuk Phang was also involved in organising and participating in many Trade and Investment Missions overseas led by either the Prime Minister or Ministers of International Trade and Industry. His distinguished contribution in these capacities led to his appointment as the Deputy Chief Executive Officer of MIDA in 2013.

Datuk Phang played an active role in shaping the economic landscape of Malaysia through his involvement in the formulation of the 1st Industrial Master Plan 1 (1986 - 1995) and the 11th Malaysian Plan for the manufacturing sector and Economic Transformation Programme as well as the various industrial roadmaps and blueprints. This included the Malaysian Aerospace Industry Blueprint 2030 and the Malaysian Solar PV Roadmap 2030.

Datuk Phang also provided insights into the development and implementation of various key business policies in his roles as the Chairman of the Technical Committee on Expatriate Posts, Committee Member of the National Committee on Investment and Committee for Disbursement and Coordination of Grant.

Datuk Phang also sits on the Board of Inari Amertron Berhad (a company listed on the Main Market of Bursa Malaysia Securities Berhad ["Bursa Malaysia Securities"]), Apex Healthcare Berhad (a company listed on the Main Market of Bursa Malaysia Securities), Media Prima Berhad (a company listed on the Main Market of Bursa Malaysia Securities) and Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Datuk Phang is the Chairman of Novugen Pharma (Malaysia) Sdn. Bhd. and Oncogen Pharma (Malaysia) Sdn. Bhd. which are non-listed private companies and also a Chairman of Malaysia Automotive Robotics and IoT Institute (MARii) which is an agency under the Ministry of Investment, Trade and Industry ("MITI") (formerly known as Ministry of International Trade and Industry).

Board of Directors' Profile (cont'd)

DATO' FOONG WEI KUONG

Managing Director

NATIONALITY:

AGE:

GENDER:

Malaysian

63

Male

Dato' Foong Wei Kuong was appointed as the Executive Chairman and Managing Director of JF Tech on 18 January 2008. On 1 January 2018, Dato' Foong had been re-designated as a Managing Director of JF Tech. He had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Dato' Foong is also the co-founder of JF Tech. He has more than forty (40) years of professional working experience, of which more than twenty (20) years of experience are in the semiconductor industry.

Dato' Foong started his career in 1980 in the industrial products business. Over the next nineteen (19) years, he honed his skills and developed in-depth technical and business knowledge, as well as management skills. His talent and hard work were recognised as he worked his way up across several organisations, including a stint in Indonesia.

Dato' Foong portrayed entrepreneurial spirit by adopting a growth mindset early on by taking risks and embracing challenges by switching industry mid-career. In 1999, he decided to venture out and established J Foong Technologies Sdn. Bhd. ("J Foong") with his wife to manufacture and trade electronic product components. It was tough in the beginning, but he persevered through sheer grit, learning quickly and eventually mastered the trade.

Subsequently, in 2005, he set up JF Microtechnology Sdn. Bhd. ("JF Microtechnology") to expand his business focus to include the design, development, custom manufacture and sale of integrated circuit test sockets and related solutions for the semiconductor and electronics assembly markets.

Through Dato' Foong's business acumen, innovative mindset and hard work, he has successfully transformed JF Tech and its subsidiaries ("Group") from an Original Equipment Manufacturer (OEM) to an Original Design Manufacturer (ODM), culminating in JF Tech's public listing on Bursa Malaysia Securities in 2008. He has been instrumental in JF Tech's journey in moving up the semiconductor value chain.

Dato' Foong has always placed a strong emphasis on the importance of research & development ("R&D"). As a joint inventor, he has to-date, seventy-seven (77) patents registered in various countries. Today, Dato' Foong continues to lead JF Tech as the Managing Director, overseeing the overall vision, direction and business strategies of the Group, steering the way forward and toward the next level.

Dato' Foong is not a Director of any other public company or listed company.

DATIN WANG MEI LING

Executive Director

NATIONALITY:

AGE:

GENDER:

Malaysian

66

Female

Datin Wang Mei Ling was appointed as an Executive Director of JF Tech on 18 January 2008 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Datin Wang obtained her LCCI Higher Accounting in 1984. In 1976, she started her career as an auditor with Messrs. Loh Piang Wong & Co. She subsequently joined Times Educational Corporation Sdn. Bhd. as an Accounts Assistant in 1979. In 1981, she joined Syarikat Pembinaan Raya Sdn. Bhd. as an Accounts Supervisor. She left Syarikat Pembinaan Raya Sdn. Bhd. to join Pati Ho Hup Sdn. Bhd. as an Accounts Executive from 1990 until 1994. In 1999, she founded J Foong together with Dato' Foong Wei Kuong and

was then involved in the day-to-day operations of J Foong as an Administration and Finance Manager. She subsequently founded JF Microtechnology together with Dato' Foong Wei Kuong in 2005 and was then active in the operation of JF Microtechnology as a Finance Director. Currently, she oversees the human resources and general administrative activities of the Group and no longer oversees the finance matters of the Group.

Datin Wang is not a Director of any other public company or listed company.

Board of Directors' Profile (cont'd)

GOH KOK SING

Executive Director

NATIONALITY:

AGE:

GENDER:

Malaysian

59

Male

Mr. Goh Kok Sing was appointed as an Executive Director of JF Tech on 18 January 2008 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Mr. Goh started his career in 1983 as a Computer Engineer at NCR (M) Sdn. Bhd. Subsequently, he joined Henkel (M) Sdn. Bhd. as a Regional Manager overseeing the technical division for the Asia Pacific in 1991. During his twelve (12) years tenure there, he was responsible for providing technical support to multinational customers and other printed circuit board assembly houses and manufacturers. He was also involved in product and manufacturing process development.

Following the accumulation of vast experience in the industry, Mr. Goh left Henkel (M) Sdn. Bhd. in 2003 and founded his own business, Amtech Electronics, which was subsequently converted into a private limited company, AMT Electronics Sdn. Bhd. in 2006. The major activities of AMT Electronics Sdn. Bhd. are in electronic and printed circuit board designs, product development and manufacturing of electronics controllers and sensors for medical equipment.

In July 2006, Mr. Goh was employed as the Chief Technical Officer of J Foong, where he was instrumental in carrying out the R&D of the products. Currently, he leads the technical team of the Group and is responsible for setting the overall technology direction and R&D efforts of the Group in line with the overall strategies of the Group. He is also responsible for identifying new fields of research for future product development.

Mr. Goh is not a Director of any other public company or listed company.

KOAY KAH EE

Non-Independent Non-Executive Director

NATIONALITY:

AGE:

GENDER:

Malaysian

64

Male

Mr. Koay Kah Ee was appointed as an Independent Non-Executive Director of JF Tech on 18 January 2008. He was subsequently re-designated as a Senior Independent Non-Executive Director of JF Tech on 21 October 2010. On 27 October 2022, Mr. Koay was re-designated as a Non-Independent Non-Executive Director of JF Tech. He had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Mr. Koay holds a Master in Business Administration (MBA) from the University of Strathclyde, United Kingdom ("UK"). He is a fellow member of the Chartered Institute of Management Accountants (CIMA), UK, a fellow member of the Australian Certified Practising Accountants (CPA Australia), Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA), Chartered Global Management Accountants (CGMA). Mr. Koay was the Group Finance Director of a company listed on the Main Market of Bursa Malaysia Securities before his retirement in December 2022.

Mr. Koay sits on the Board of Tashin Holdings Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as a Non-Independent Non-Executive Director.

Mr. Koay is a member of the Remuneration Committee and Nomination Committee of JF Tech.

Board of Directors' Profile (cont'd)

CHONG KUR SEN

Independent Non-Executive Director

NATIONALITY:

AGE:

GENDER:

Malaysian

47

Female

Ms. Chong Kur Sen was appointed as an Independent Non-Executive Director of JF Tech on 1 August 2022 and attended four (4) out of five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Ms. Chong graduated with a Bachelor of Laws with Honours from Universiti Malaya in April 2001. In March 2002, she was admitted as an Advocate and Solicitor in the High Court of Malaya and has been a member of the Bar Council Malaysia since then.

Ms. Chong has over nineteen (19) years of experience in the legal profession. Upon her graduation, she commenced her pupillage in Messrs. Tan Chuan Yong & S.M. Chan in June 2001, where she was exposed to conveyancing and litigation matters. After being admitted as an Advocate and Solicitor in the High Court of Malaya, she continued practicing in Messrs. Tan Chuan Yong & S.M. Chan as a legal assistant until February 2004.

She left Messrs. Tan Chuan Yong & S.M. Chan and then joined Messrs. Abraham Ooi & Partners as a legal assistant in February 2004 and was subsequently made a partner of the firm in June 2006. Throughout her time with the firm,

she was involved in handling sales and purchase of real property matters, preparing loan documentation and advising financial institutions, overseeing project-based legal documents for major developments and management of legal assistants and secretaries of the firm.

Upon her resignation from Messrs. Abraham Ooi & Partners in June 2011, she set up her own legal firm, Messrs. Kur Sen Chong & Co. (now known as Messrs. Kur Sen Chong & Yap) in July 2011. Being the Managing Partner of the firm, her expertise spans drafting sale and purchase agreements, loan agreements, corporate and commercial contracts, land dealings, and family and estate matters.

Ms. Chong sits on the Board of Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Ms. Chong is the Chairperson of the Nomination Committee and a member of the Remuneration Committee and Audit Committee of JF Tech.

CHUA HUI CHEN

Independent Non-Executive Director

NATIONALITY:

AGE:

GENDER:

Malaysian

46

Female

Madam Chua Hui Chen was appointed as an Independent Non-Executive Director of JF Tech on 1 August 2022 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2023.

Madam Chua was admitted as an affiliate of the Association of Chartered Certified Accountants ("**ACCA**") in December 2001. She became a Member of ACCA in April 2003 and was subsequently made a Fellow Member of ACCA in April 2008. She has also been a member of the Malaysian Institute of Accountants (MIA) since May 2006. She then graduated and became a member of the Chartered Tax Institute of Malaysia (formerly known as the Malaysian Institute of Taxation) in June 2007, where she was then admitted as an Associate in July 2015.

Madam Chua began her career as an Accounts Executive at Video Edit Productions Sdn. Bhd. in March 1996, where she was responsible for human resources management and handling of the accounts of Video Edit Productions Sdn. Bhd.

She left Video Edit Productions Sdn. Bhd. in November 2002 and joined Messrs. K.S. Hoo & Co. as an Audit Associate in December 2002, where she was involved in auditing and taxation. She was subsequently promoted to the position of Senior Audit Manager in January 2010, where she was responsible for monitoring and leading the team on auditing and taxation assignments. She was further promoted in January 2015 to the position of Head of the Audit Department, a position she assumes to the present date. Her responsibilities at Messrs. K.S. Hoo & Co. and K.S. Hoo Taxation Services Sdn. Bhd. include planning the firm's business strategy, setting the business direction of managing the operations of the firm, and being accountable for the firm's profit and loss.

Madam Chua sits on the Board of Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Madam Chua is the Chairperson of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of JF Tech.

Board of Directors' Profile (cont'd)

JAMILAH BINTI KAMAL

Independent Non-Executive Director

NATIONALITY:

Malaysian

AGE:

61

GENDER:

Female

Puan Jamilah Binti Kamal was appointed as an Independent Non-Executive Director of JF Tech on 30 September 2022 and had attended all four (4) Board of Directors' meetings held during the financial year ended 30 June 2023 upon her appointment.

Puan Jamilah obtained her BA Honours in Economics in 1985 from Carleton University, Ottawa, Ontario Canada.

Puan Jamilah started her career in 1985 with Tenaga Nasional Berhad ("TNB") in various departments, from the commercial department to the marketing and distribution division. From 2000 to 2014, Puan Jamilah was seconded to MIDA as TNB's representative to deal with matters related to electricity supply to existing and potential, local and foreign investors and participated in Trade and Investment missions abroad organised by MIDA, led by the Minister of MITI to major investment cities in Europe, UK, United States of America and Australia.

Puan Jamilah became the General Manager/Head of Regulatory & Stakeholder Management of TNB in 2014. She was instrumental in shaping favourable regulatory outcomes and produced insightful industry and energy analyses to ensure TNB's strategic advantage and business sustainability, working closely with Government agencies such as MIDA, the Energy Commission, the Ministry of Energy, the Economic Planning Unit, and industry players such as FMM, MICCI, AMCHAM, MISIF, FOMCA and C & CA. She was involved in the program for the implementation of Advanced Metering Infrastructure (AMI)/Smart Meters for eleven (11) months before her retirement in January 2022, after a long-distinguished career with TNB.

Puan Jamilah sits on the Board of ILB Group Berhad (a company listed on the Main Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Puan Jamilah is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of JF Tech.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Family Relationships with any Director and/or Major Shareholder

Save and except for Dato' Foong Wei Kuong and Datin Wang Mei Ling who are husband and wife, none of the other Directors have any family relationship with any Director or major shareholder of JF Tech.

Offences and Public Sanctions or Penalties imposed by Regulatory Bodies

None of the Directors have committed any offence within the past five (5) years other than traffic offences, if any. Save and except for Datuk Phang Ah Tong as disclosed below, none of the Directors have any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2023.

On 14 February 2023, Datuk Phang Ah Tong was publicly reprimanded by Bursa Malaysia Securities with a total fine of RM50,000.00 for breaching Paragraphs 9.19A(1)(a), 9.19A(1)(b) and 9.19(19)(a)(i) of Bursa Malaysia Securities Main Market Listing Requirements in relation to his former directorship in Jerasia Capital Berhad.

KEY MANAGEMENT PROFILE

GOH JOO HWA

Senior Vice President, Sales & Marketing – Test Interface

NATIONALITY:

Malaysian

AGE:

52

GENDER:

Male

Mr. Goh Joo Hwa joined JF Technology Berhad (“JF Tech” or “Company”) as Sales and Marketing Manager in September 2008. He was promoted to Sales Director in January 2012 and became Global Sales & Marketing, Vice President in 2017 and in April 2022, he was promoted to Senior Vice President, Sales & Marketing – Test Interface, leading the sales and marketing team and managing the global distribution network.

Mr. Goh graduated with a Master in Business Administration major in International Marketing from the University of Sunderland, United Kingdom (“UK”). He obtained his Bachelor of Engineering (Hons.) Electrical and Electronic Engineering from the same university in 1995.

Mr. Goh started his career in 1996 as a Test Engineer in ST Microelectronics Sdn. Bhd. in Muar, Johor Darul Takzim and was promoted to Chief Engineer in 1999 in charge of engineering and maintenance at the Automotive Power department and led a team of approximately thirty-six (36) technicians and engineers. He later joined Avi-Tech Electronics Ltd., a Singapore company based in Malacca as Sales Manager in 2000, overseeing the Malaysia business.

In 2002, he was promoted to Senior Sales Manager responsible for Malaysia, Philippines and Thailand for the sales of burn-in products and other semi-conductor capital test equipment. Subsequently, he was transferred to Avi-Tech Electronics Ltd.’s headquarters based in Singapore as Senior Sales Manager in 2004 and was in charge of worldwide sales of burn-in products until 2008.

Mr. Goh does not hold any directorship in a public company or listed company.

Mr. Goh does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with JF Tech and its subsidiaries (“Group”). He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2023.

SHAMAL MUNDIYATH

Senior Director for Center of Excellence

NATIONALITY:

Indian

AGE:

43

GENDER:

Male

Mr. Shamal Mundiayath of Indian nationality and a holder of Malaysia Residence Pass, is a pragmatic engineer with a wealth of experience in design, engineering, and technology.

Mr. Shamal joined JF Tech as a Mechanical Design Engineer in November 2010. Since then, he has held several roles, such as Design and Development Section Head, Engineering and Design & Development Manager, and Engineering Director-Design & Test and Application. In April 2022, Mr. Shamal was promoted to Senior Director for Center of Excellence and is currently leading a team of Research & Development (“R&D”) and product development engineers.

Mr. Shamal is in charge of JF Tech’s future products, new product development, patents, R&D, and technology integration. He has authored numerous publications and presentations in the areas of final package testing, both manual validation and high-volume integrated circuit testing.

Mr. Shamal is a Mechanical Engineer, graduated with a Master of Science (MSc) in Engineering and Manufacturing Management from MS Ramaiah School of Advanced Studies, Bangalore, Coventry University, UK, and has over twenty

(20) years of experience in various fields such as product development, high-volume manufacturing and applied research environments.

Prior to joining JF Tech, Mr. Shamal was attached to engineering design and manufacturing-related industries across mould-making, high-precision parts manufacturing, medical engineering, automotive and electronics.

Mr. Shamal does not hold any directorship in a public company or listed company.

Mr. Shamal does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2023.

Key Management Profile (cont'd)

LEE ENG KIAT

Chief Operating Officer

NATIONALITY:

Malaysian

AGE:

39

GENDER:

Male

Mr. Lee Eng Kiat joined JF Tech as a Mechanical Design Engineer in November 2008. He graduated with a first-class honour Bachelor's Degree in Mechanical Engineering from the University of Malaya in 2008. In 2021, he received a Master of Business and Administration (MBA) with distinction from the same university.

Mr. Lee was promoted to Chief Operating Officer in April 2022 with a focus on operationalising strategy and managing day-to-day operations that are aligned with the Company's goals and strategies. He had held several positions in JFTech over the last fourteen (14) years in various departments including Design Coordinator, Personal Assistant to the Chief Executive Officer and Managing Director, Section Head of Tools & Equipment, Production Manager and Group Manufacturing Manager. Mr. Lee was involved in product and manufacturing technology development, manufacturing capacity expansion, the implementation of kaizen and lean manufacturing programs and the enforcement of

Government regulations in these responsibilities. In his previous capacity as Group Manufacturing Manager, he was primarily responsible for overseeing the end-to-end assembling and manufacturing value chain of the Group's operations.

Mr. Lee does not hold any directorship in a public company or listed companies.

Mr. Lee does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2023.

WONG SIEW PHIN

Chief Financial Officer

NATIONALITY:

Malaysian

AGE:

58

GENDER:

Female

Ms. Wong Siew Phin joined JF Tech as a Finance & Accounts Manager in 2011. She was subsequently promoted to Chief Financial Officer of JF Tech in April 2022.

Ms. Wong is an Associate of the Chartered Institute of Management Accountants, UK, and a Chartered Accountant registered with the Malaysian Institute of Accountants and Chartered Global Management Accountant. She is responsible for all the finance, accounting and corporate affairs of JF Tech.

Ms. Wong has more than thirty-five (35) years of working experience in corporate financial reporting, corporate finance, mergers and acquisitions, fundraising, corporate taxation, cost and budgetary control processes, company's corporate listing exercise, enterprise resource planning (ERP) system implementation, policies and procedures, strategic business planning and risk management. She started her career in 1988 and had held senior management positions in several private and public listed companies involved in the manufacturing, financial institutional, retail and property development fields.

Ms. Wong does not hold any directorship in a public company or listed company.

Ms. Wong does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of JF Technology Berhad (“**the Company**”) acknowledges the importance of achieving a high standard of corporate governance throughout the Company and its subsidiaries (“**Group**”) to protect and enhance long-term shareholders’ value and all stakeholders’ interests. With the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”), the Board affirms its commitment to ensuring a sound framework of best corporate governance practices is in place by managing the affairs of the Group with transparency, integrity, and accountability.

This Corporate Governance Overview Statement (“**Statement**”) provides an overview of how the Group applied the three (3) key principles set out in the MCCG throughout the financial year under review:

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement also serves in compliance with Paragraph 15.25 of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) Main Market Listing Requirements (“**Main LR**”) and should be read together with the Corporate Governance Report (“**CG Report**”) of the Company that provides detailed application for each practice as set out in the MCCG. The CG Report can be downloaded from the Company’s website at <https://www.jf-technology.com/corporate-governance> or through the announcement published on the website of Bursa Malaysia Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Clear functions of the Board and Management

The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies, and executing the key strategic action plans. The Board regularly reviews the Group’s business operations and maintains full and effective control over the management of the Group.

The duties and responsibilities of the Board include determining the Group’s overall strategic plans and performing periodic reviews of businesses and financial performance, as well as adopting practical risk management and internal controls to implement a strong framework of internal controls of the Company.

The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference to discharge its duties and responsibilities. The standing Board Committees comprise the Audit Committee, Nomination Committee, and Remuneration Committee. The Board receives reports at its meetings from the Chairman of each Board Committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.

Corporate Governance Overview Statement (cont'd)

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

1. BOARD RESPONSIBILITIES (CONT'D)

Clear roles and responsibilities

The Board reviewed the sustainability, effectiveness, and implementation of the strategic plans for the financial year under review and provided guidance and input to Management. In order to ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include the following:

- review and adopt strategic business continuity plans for the Company and the Group;
- oversee and monitor the conduct of the Group's businesses and financial performance;
- review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosures;
- identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- review the adequacy and integrity of the Company's and the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines; and
- ensure competent management by establishing policies for strengthening the performance of the Group with a view to proactively building the business through innovation, initiative, technology, new products, and the development of its new business market.

Strategies to promote sustainability

The Board places great importance on Environmental, Social, and Governance ("ESG"), corporate social responsibilities ("CSR"), and business sustainability and embraces CSR as an integral part of the Group's business philosophy and corporate culture.

The Company's activities on CSR for the financial year under review are disclosed in a separate section of the Annual Report.

The Company is fully committed to instituting a robust, wide-ranging, and appropriate sustainability framework to cover all aspects of operations.

The Company's sustainability strategies, priorities, and targets as well as performance against these targets were communicated to its internal and external stakeholders.

The Board will undertake the relevant training to stay abreast with and understand the sustainability issues relevant to the Company and its businesses, including climate-related risks and opportunities.

The Board has enhanced its performance evaluation by including questionnaires on ESG.

The Company has established an ESG Committee ("ESGC") comprising Executive Directors, Chief Operating Officer, Chief Financial Officer, and several key Management staff from different departments to provide dedicated focus to manage sustainability strategically. The ESGC shall regularly report the progress and updates to the Board for their notation and/or seek their advice on related issues.

Chairman and Managing Director

The roles of the Chairman and Managing Director are held by two (2) different individuals namely, Datuk Phang Ah Tong and Dato' Foong Wei Kuong respectively, where their responsibilities are segregated and clearly defined to ensure that there is an appropriate balance of power and authority so that no single individual has the unfettered power of decision-making.

The Chairman provides leadership and manages the interface between the Board and Management and also ensures active participation from the Board for decision-making whereas the Managing Director is involved in the day-to-day management of the Group and is primarily responsible for contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently.

Corporate Governance Overview Statement (cont'd)

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

1. BOARD RESPONSIBILITIES (CONT'D)

Company Secretaries

The Company Secretaries of the Company are experienced and qualified to act as Company Secretaries pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an important role in ensuring adherence to the Board's policies and procedures from time to time and work closely with Management to facilitate and ensure timely communication and information flow within the Board or Board Committees.

The Board has unrestricted access to the advice and services of the Company Secretaries who are experienced, competent, and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries provide guidance to the Board on the Directors' obligations arising from the rules and regulations including the MCCG and Bursa Malaysia Securities Main LR.

The Directors are also empowered to seek independent professional advice from external consultants as they may require, at the expense of the Company, in order to make well-informed decisions.

Access to information and advice

The Board is provided with appropriate information and comprehensive Board papers on a timely basis prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. Management is invited to attend the Board and Board Committees meetings and to brief and provide explanations to the Directors and Board Committees members on the operations of the Group.

The Board recognises the importance of reviewing and adopting a strategic plan and overseeing the conduct of the businesses to ensure that the businesses are being properly managed. Presently, the performance of the Group is reviewed by the Board in consideration of the quarterly financial results.

The proceedings and resolutions passed at each Board meeting are minuted and kept in the statutory minutes book at the registered office of the Company.

Demarcation of responsibilities

(a) Board Charter

The Board has formalised and adopted a Board Charter, which sets out the roles, functions, composition, operations, and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's roles, duties, responsibilities, and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a source of reference for Board members and senior management, and the same is accessible to the public on the Company's website at <https://www.jf-technology.com/corporate-governance>.

During the financial year under review, the Board has reviewed and approved the revised Board Charter for compliance with Bursa Malaysia Securities Main LR upon completion of the transfer of listing.

Corporate Governance Overview Statement (cont'd)

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

1. BOARD RESPONSIBILITIES (CONT'D)

Demarcation of responsibilities (Cont'd)

(b) Code of Ethics and Conduct

The Board is aware of the need to establish a corporate culture that would foster the common goal of achieving business profitability, whilst cultivating ethical business conduct. The Board has adopted the Code of Ethics and Conduct which is in line and consistent with its stand under the Corporate Vision, Mission, Core Pillars, and Core Values. A copy of the Code of Ethics and Conduct is published on the Company's website at <https://www.jf-technology.com/corporate-governance>.

(c) Whistleblowing Policy

A Whistleblowing Policy has been established to further enhance the Group's commitment to upholding and achieving integrity, transparency, and accountability in conducting its business. The Whistleblowing Policy serves the purpose of providing an avenue for all employees and members of the public to raise concerns, report or disclose any improper behaviour and conduct, miscarriage of justice, damage to the environment, or any act and action that could materially affect the reputation of the Group as well as the interests of the stakeholders. The Whistleblowing Policy is available on the Company's website at <https://www.jf-technology.com/corporate-governance>.

(d) Anti-Bribery and Anti-Corruption Policy

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and Paragraph 15.29 of Bursa Malaysia Securities Main LR, the Company established its Anti-Bribery and Anti-Corruption Policy that contains policies and guidelines relating to standards and ethics that all employees are expected to adhere to in the course of their work and to the public at large, as part of the Group's commitment in combating bribery and corruption. A copy of the Anti-Bribery and Anti-Corruption Policy is published on the Company's website at <https://www.jf-technology.com/corporate-governance>.

(e) Directors' Fit and Proper Policy

The Board is aware of its responsibility of ensuring all existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director of the Company fulfil the fit and proper requirements.

During the financial year under review, the Board has formalised and adopted the Directors' Fit and Proper Policy which sets out the criteria for selection of candidates that are proposed to be appointed as Directors of the Group as well as Directors who are seeking for re-election, serving as a guide to the Nomination Committee and the Board in their review and assessment in making their selection. A copy of the Directors' Fit and Proper Policy is published on the Company's website at <https://www.jf-technology.com/corporate-governance>.

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION

Composition and Board balance

The Board currently comprises one (1) Managing Director, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors.

During the financial year under review, the following changes were made to the Board composition in compliance with the provisions of the MCGG and Bursa Malaysia Securities Main LR:

No.	Name	Designation
1.	Madam Chua Hui Chen <i>(Appointed on 1 August 2022)</i>	Independent Non-Executive Director
2.	Ms. Chong Kur Sen <i>(Appointed on 1 August 2022)</i>	Independent Non-Executive Director
3.	Puan Jamilah Binti Kamal <i>(Appointed on 30 September 2022)</i>	Independent Non-Executive Director
4.	Mr. Koay Kah Ee <i>(Redesignated on 27 October 2022)</i>	Non-Independent Non-Executive Director
5.	Dato' Philip Chan Hon Keong <i>(Resigned on 1 December 2022)</i>	Independent Non-Executive Director
6.	Mr. Lew Jin Aun <i>(Resigned on 1 December 2022)</i>	Independent Non-Executive Director

The redesignation of Mr. Koay Kah Ee and resignations of Dato' Philip Chan Hon Keong and Mr. Lew Jin Aun are to comply with the MCGG as well as Bursa Malaysia Securities ACE Market Listing Requirements where the tenure of an Independent Non-Executive Director shall not exceed the term limit of nine (9) years.

The Independent Non-Executive Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed below under Board meetings. The significant contributions of the Independent Non-Executive Directors in the decision-making processes are evidenced in their participation as members of the various Board Committees. In addition, the Independent Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, considering the stakeholders' interests in the Group. The profiles of the members of the Board, as set out in this Annual Report, demonstrate the complement of skills and experience that the Directors value adds on issues of strategy, performance, control, resource allocation, and integrity.

Annual assessment of independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Director in Paragraph 1.01 of Bursa Malaysia Securities Main LR through the assistance of the Nomination Committee. The assessment of the independence of each of the Independent Non-Executive Directors has been undertaken annually according to a set of criteria as prescribed by Bursa Malaysia Securities Main LR.

The Board considers that its Independent Non-Executive Directors provide objective and independent views on various issues dealt with at the Board and Board Committees level. All Independent Non-Executive Directors are independent of management and free from any relationship. The Board is of the view that the current composition of Independent Non-Executive Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

The Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION (CONT'D)

Tenure of Independent Non-Executive Directors

The Company had adopted Practice 5.4 Step-Up of the MCGG, which limits the tenure of its Independent Non-Executive Directors to nine (9) years without further extension. Upon completion of the nine (9) years, the Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.

Board diversity

The Board acknowledges the importance of Board diversity, including gender, ethnicity, age and business experience, to the effective functioning of the Board.

The Board has set a target to achieve 30% women representation on the Board as of the reporting period. In this context, the Nomination Committee recommended, and the Board approved, the appointment of three (3) new female Directors during the financial year under review.

Currently, four (4) out of eight (8) of the Board members are female Directors, representing 50% of the women representation on the Board.

Nomination Committee

The Nomination Committee comprises exclusively Non-Executive Directors, with a majority of them being Independent Non-Executive Directors. The Nomination Committee is established and maintained to ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board and new members to the Board Committees and to assess the performance of the Directors, Board, Board Committees and members of the Board Committees on an ongoing basis. The current members of the Nomination Committee are as follows:

Name of Members	Designation	No. of meetings attended/held during the financial year under review
Ms. Chong Kur Sen <i>(Appointed on 27 October 2022)</i>	Chairperson	-*
Datuk Phang Ah Tong <i>(Resigned on 27 October 2022)</i>	Chairman	1/1
Mr. Koay Kah Ee	Member	1/1
Dato' Philip Chan Hon Keong <i>(Ceased on 1 December 2022)</i>	Member	1/1
Mr. Lew Jin Aun <i>(Ceased on 1 December 2022)</i>	Member	1/1
Madam Chua Hui Chen <i>(Appointed on 1 December 2022)</i>	Member	-*
Puan Jamilah Binti Kamal <i>(Appointed on 1 December 2022)</i>	Member	-*

Note * - no meeting was held after the appointment

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

During the financial year under review, one (1) meeting was held and attended by all members. The main activities carried out by the Nomination Committee during the financial year under review are as follows:

- Reviewed and assessed the effectiveness and composition of the Board and Board Committees and the contribution of each individual Director;
- Reviewed and assessed the contribution and performance of the Audit Committee and each individual Audit Committee member;
- Reviewed and assessed the independence of the Independent Non-Executive Directors; and
- Reviewed the Directors who were due for re-election at the Company's Annual General Meeting ("AGM") to determine whether or not to recommend for their re-election; and
- Reviewed the suitability of the candidates for the proposed appointments of new Directors.

During the financial year under review, the Nomination Committee has reviewed and proposed its revised terms of reference to the Board for approval and subsequently the same has been approved by the Board for adoption.

(a) Appointment to the Board

In order to comply with good practice for the appointment of new Directors through a formal and transparent procedure, the Nomination Committee is responsible for making recommendations relating to any new appointment to the Board. Any new nomination received is presented to the full Board for assessment and approval.

For the appointment of new Directors, the Nomination Committee assesses the suitability of the candidates, taking into consideration of the following:

- required mix of skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- competencies;
- time commitment;
- fit and proper; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee shall evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The proposed re-election of existing Directors who are seeking re-election at the AGM of the Company is first considered and evaluated by the Nomination Committee in accordance with the Directors' Fit and Proper Policy of the Company. Upon completion of the evaluation, the Nomination Committee will make a recommendation on the proposal to the Board for approval. The Board makes the final decision on the proposed re-election to be presented to the shareholders for approval.

The Board is entitled to the services of the Company Secretaries who ensure that all appointments are properly made and that all necessary information is obtained from Directors, both for the internal records and for the purposes of meeting statutory obligations, as well as obligations arising from Bursa Malaysia Securities Main LR or other regulatory requirements.

(b) Re-election of Directors

Re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. In this respect, the Company's Constitution provides that all Directors shall retire by rotation once in every three (3) years, or at least one-third (1/3rd) of the Board shall retire from the office but shall be eligible to offer themselves for re-election at the AGM of the Company.

This requirement would be adhered to by the Board in every AGM of the Company.

Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM of the Company held following their appointments.

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

(c) Annual assessment of the Board and Board Committees

The Directors and Board Committees are being assessed by the Nomination Committee through the following assessments annually:

- (a) Effectiveness of the Board as a whole and the Committees of the Board;
- (b) Contribution and performance of each individual Director;
- (c) Contribution and performance of the Audit Committee and each individual Audit Committee member; and
- (d) Independence of Independent Non-Executive Directors.

The outcome of the abovementioned annual assessments is disclosed in the CG Report which is available on the Company's website at <https://www.jf-technology.com/corporate-governance>.

FOSTER COMMITMENT

Time commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavours to attend meetings.

Board meetings

During the financial year under review, five (5) Board meetings were held with the presence of the Company Secretary. Details of attendance by the Board members during this financial year are as set out below:

Name of Directors	No. of meetings attended	% of attendance
Datuk Phang Ah Tong	5/5	100
Dato' Foong Wei Kuong	5/5	100
Datin Wang Mei Ling	5/5	100
Mr. Goh Kok Sing	5/5	100
Mr. Koay Kah Ee	5/5	100
Dato' Philip Chan Hon Keong <i>(Resigned on 1 December 2022)</i>	3/3*	100
Mr. Lew Jin Aun <i>(Resigned on 1 December 2022)</i>	3/3*	100
Madam Chua Hui Chen <i>(Appointed on 1 August 2022)</i>	5/5	100
Ms. Chong Kur Sen <i>(Appointed on 1 August 2022)</i>	4/5	80
Puan Jamilah Binti Kamal <i>(Appointed on 30 September 2022)</i>	4/4*	100

Note * - reflect the number of meetings attended from the date of appointment or up to the date of resignation

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in Bursa Malaysia Securities Main LR. The Board and Board Committees meetings for each financial year are scheduled before the end of the preceding financial year, to allow the Directors and members of the Board Committees to organise and plan their activities ahead to ensure that they are able to attend all meetings that have been scheduled for the following year.

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION (CONT'D)

All Directors have participated fully in the discussions during Board meetings. There is no Board dominance by any individual and the Directors are free to express their views and opinions during the Board meetings. In arriving at Board decisions, the view of the majority prevails at all times. In the same manner, the Directors are also aware of and observe the requirement that they do not participate in the deliberation on matters in which they have a material personal interest, and abstain from voting in such matters.

Proceedings of and resolutions passed at each Board meeting are documented in the minutes and signed by the Chairman. In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board will be tabled for notation at the next Board meeting.

The Board also peruses the decisions deliberated by Board Committees through minutes of the Board Committees. The Chairpersons of the Board Committees are responsible to inform the Directors at Board meetings of any salient matter noted by the Board Committees which requires the Board's notation, approval or direction.

Directors' training

Continuous learning and training are part of the Directors' development program. The Directors recognise the need to attend training to enable the Directors to discharge their duties effectively. All Directors had attended the Mandatory Accreditation Programme Part I. During the financial year under review, some of the training and briefings attended by the Directors include:

Directors	Training attended
Datuk Phang Ah Tong	<ul style="list-style-type: none"> - Future -Ready Your Board, A Global Perspective - Environmental, Social and Governance Essentials. - Conversation with Audit Committees - Global Entertainment & Media Outlook 2022-2026 - ESG Roadmap. - Can America Stop Chinese Rise. - Gearing up for Electric Vehicles Revolution- The Malaysian Story. - MITI and it's Agencies Retreat Training Programme 2023. - CGS China -ASEAN Business Leader Summit- The new EV Value Chain. - Global Perspectives on Healthcare 2030. - How to make Malaysia Great Again. - Can Malaysia benefit from an EV Boom
Dato' Foong Wei Kuong	<ul style="list-style-type: none"> - How to Use Branding to Power Up Your Business - Cyber Security Risks - Nutritional Transformation - Talent Management – 6 Key Pillars - Mergers & Acquisition - Cyber Security – Effectively Manage Cyber Threats
Datin Wang Mei Ling	<ul style="list-style-type: none"> - Tax Professional on Demand - Foreign Sourced Income, Tax or Non-Tax - E-Invoicing System
Mr. Koay Kah Ee	<ul style="list-style-type: none"> - Change Management in the New Normal - Bursa Advocacy Session – Corporate Disclosure - ESG Awareness and Sustainability Megatrends - KPMG - 2022 MFRS Updates - Organising for Sustainability Success – How the Leaders can Start
Mr. Goh Kok Sing	<ul style="list-style-type: none"> - Innovations in Interferometry: Fourier-Transform Spectroscopy in the Palm of Your Hand

Corporate Governance Overview Statement (cont'd)

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

2. BOARD COMPOSITION (CONT'D)

Directors' training (Cont'd)

Directors	Training attended
Madam Chua Hui Chen	<ul style="list-style-type: none"> - Bursa Malaysia Immersive Session – The Board “Agender” - Managing Taxpayers & LHDN Expectations in Tax Audits – A Guide for Tax Practitioners - Persidangan Cukai Kebangsaan (Persidangan MAYA) - Seminar Bajet 2023
Ms. Chong Kur Sen	<ul style="list-style-type: none"> - Family Wealth Disputes and Equitable Doctrines : Constructive and Resulting Trusts - Violations of the Companies Act 2016: Oversights by Directors and Secretaries - Franchise Law
Puan Jamilah Binti Kamal	<ul style="list-style-type: none"> - Mandatory Accreditation Programme - Corporate Briefing on Sustainability and ESG - Preparing for Corporate Liability Provision (New Section 17A of MACC Act 2009 [Amended 2018])

The Board empowers the Directors to determine their training requirements as they consider necessary to enhance their knowledge as well as an understanding of the Group's businesses and operations.

3. REMUNERATION

Remuneration Committee

The Board had established the Remuneration Committee to review and recommend the appropriate level of remuneration for the Executive Directors and senior management. The current members of the Remuneration Committee are as follows:

Name of Members	Designation	No. of meetings attended/ held during the financial year under review
Puan Jamilah Binti Kamal <i>(Appointed on 27 October 2022)</i>	Chairperson	1/1*
Mr. Koay Kah Ee <i>(Redesignated as member on 27 October 2022)</i>	Member	2/2
Datuk Phang Ah Tong <i>(Resigned on 30 September 2022)</i>	Member	1/1*
Dato' Philip Chan Hon Keong <i>(Ceased on 1 December 2022)</i>	Member	1/1*
Mr. Lew Jin Aun <i>(Ceased on 1 December 2022)</i>	Member	1/1*
Madam Chua Hui Chen <i>(Appointed on 1 December 2022)</i>	Member	1/1*
Ms. Chong Kur Sen <i>(Appointed on 1 December 2022)</i>	Member	1/1*

Note * - reflect the number of meetings attended from the date of appointment or up to the date of resignation or cessation

Corporate Governance Overview Statement (cont'd)

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

3. REMUNERATION (CONT'D)

During the financial year under review, two (2) meetings were held and attended by all members. The main activities carried out by the Remuneration Committee during the financial year under review are as follows:

- Reviewed the remuneration packages for the Managing Director and Executive Directors for the financial year ended 30 June 2023;
- Reviewed the payment of Directors' fees for the financial year ended 30 June 2022;
- Reviewed the benefits payable to the Non-Executive Directors from 2 December 2022 until the next AGM of the Company to be held in year 2023; and
- Reviewed the remuneration packages for the financial year 2023 for the senior management team.

Directors' remuneration

The Remuneration Committee considers the principles recommended by MCG in determining the Directors' remuneration whereby, the Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.

The Company has in place a Remuneration Policy for Directors and senior management team which sets out the criteria applied in recommending their remuneration packages. The Remuneration Policy is reviewed by the Remuneration Committee on a periodic basis and any amendment to the Remuneration Policy will be deliberated by the Remuneration Committee and recommended to the Board for approval.

The Executive Directors concerned, play no part in the decision on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Directors abstaining from discussion of their own remuneration.

The details of the remuneration of Directors comprising remuneration received/ receivable from the Company and its subsidiaries during the financial year ended 30 June 2023 are as follows:

(a) Company

Name of Directors	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Non-Executive Directors							
Datuk Phang Ah Tong	40,320	6,000	-	-	-	-	46,320
Dato' Philip Chan Hon Keong ¹	12,936	4,000	-	-	-	-	16,936
Koay Kah Ee	37,632	6,500	-	-	-	-	44,132
Lew Jin Aun ¹	12,936	4,000	-	-	-	-	16,936
Chua Hui Chen ²	28,308	6,500	-	-	-	-	34,808
Chong Kur Sen ²	28,308	5,500	-	-	-	-	33,808
Jamilah Binti Kamal ³	23,268	4,500	-	-	-	-	27,768
Executive Directors							
Dato' Foong Wei Kuong	-	-	-	-	-	-	-
Datin Wang Mei Ling	-	-	-	-	-	-	-
Goh Kok Sing	-	-	-	-	-	-	-
Total	183,708	37,000	-	-	-	-	220,708

Corporate Governance Overview Statement (cont'd)

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

3. REMUNERATION (CONT'D)

The details of the remuneration of Directors comprising remuneration received/ receivable from the Company and its subsidiaries during the financial year ended 30 June 2023 are as follows: (Cont'd)

(b) Group

Name of Directors	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Non-Executive Directors							
Datuk Phang Ah Tong	40,320	6,000	-	-	-	-	46,320
Dato' Philip Chan Hon Keong ¹	12,936	4,000	-	-	-	-	16,936
Koay Kah Ee ¹	37,632	6,500	-	-	-	-	44,132
Lew Jin Aun	12,936	4,000	-	-	-	-	16,936
Chua Hui Chen ²	28,308	6,500	-	-	-	-	34,808
Chong Kur Sen ²	28,308	5,500	-	-	-	-	33,808
Jamilah Binti Kamal ³	23,268	4,500	-	-	-	-	27,768
Executive Directors							
Dato' Foong Wei Kuong	-	87,350	785,280	283,560	13,185	221,477	1,390,852
Datin Wang Mei Ling	-	66,050	506,400	162,740	-	141,719	876,909
Goh Kok Sing	-	50	139,080	44,680	17,400	24,240	225,450
Total	183,708	190,450	1,430,760	490,980	30,585	387,436	2,713,919

Notes:

¹ Dato' Philip Chan Hon Keong and Mr. Lew Jin Aun have resigned on 1 December 2022.

² Madam Chua Hui Chen and Ms. Chong Kur Sen were appointed on 1 August 2022.

³ Puan Jamilah Binti Kamal was appointed on 30 September 2022.

Remuneration of top five (5) senior management staff

The top five (5) senior management's remuneration component including Employees' Provident Fund (EPF), bonus, Social Security Organisation (SOCSO), allowance and benefits-in-kind in bands of RM50,000.00 is disclosed in the CG Report which is available on the Company's website or through the announcement published on the website of Bursa Malaysia Securities.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. AUDIT COMMITTEE

Composition and activities of Audit Committee

The composition and details of activities carried out by the Audit Committee during the financial year ended 30 June 2023 are set out in the Audit Committee Report of this Annual Report.

All members of the Audit Committee are financially literate and have the necessary skills, financial experience and expertise to discharge their duties effectively. Other than overseeing the financial reporting and performance of the Group, the Audit Committee also ensures that there is proper coordination between both the Internal Auditors and External Auditors in order for the Audit Committee to be fully informed on any significant financial matters that may impact the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

4. AUDIT COMMITTEE (CONT'D)

Composition and activities of Audit Committee

The qualification and experience of the individual Audit Committee members are further disclosed in the Directors' Profile of this Annual Report.

Compliance with applicable financial reporting standards

The Company's audited financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016. The Board is responsible to ensure that the shareholders are provided with a balanced evaluation of the Company's financial performance, its position and its future prospects, through the issuance of the annual audited financial statements, quarterly financial reports and corporate announcements on significant developments affecting the Company in accordance with Bursa Malaysia Securities Main LR.

In this respect:

- Management presented to the Audit Committee and the Board, details of the Company's financial statements which include amongst others, revenues and expenditures, for review of quarter-to-quarter and year-to-date financial performance; and
- The Audit Committee discharged its function in reviewing the financial statements of the Company with the assistance of the External Auditors, prior to the recommendation of the same for the Board's approval and issuance to shareholders.

Cooling period of a former key audit partner

In line with the recommendation of the MCCG, the terms of reference of the Audit Committee include the cooling-off period of at least three (3) years to be observed before the appointment of a former partner of the external audit firm of the Company i.e., the former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) as a member of the Audit Committee.

None of the members of the Board were a former partner of the external audit firm of the Company and the Board has no intention to appoint any former partner of the external audit firm of the Company as a member of the Board.

Assessment of sustainability and independence of External Auditors

The Audit Committee applies the best practice of ensuring a full assessment to ensure the suitability, objectivity and independence of the External Auditors. Based on the annual assessment conducted for the financial year ended 30 June 2023, the Audit Committee has reviewed Crowe Malaysia PLT 2022 Transparency Report and was satisfied with the performance and independence of the External Auditors as well as the fulfilment of criteria based on several factors, including independence of the External Auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.

Crowe Malaysia PLT has also confirmed to the Audit Committee that they had been independent throughout the audit engagement with respect to the financial year under review.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound framework to manage risks

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls to safeguard shareholders' investment and the Group's assets. However, the Board recognises that such a system is structured to manage rather than eliminate the possibility of encountering the risk of failure to achieve corporate objectives.

The Statement on Risk Management and Internal Control is set out in the Annual Report providing an overview of the state of the risk management and internal controls within the Group.

Internal audit function

The outsourced Internal Auditors namely, Tricor Axcelasia Sdn. Bhd. communicate regularly with and report directly to the Audit Committee. The internal audit function conducts regular audits to review and provide assurance to the Audit Committee on the adequacy and effectiveness of the Group's risk management, control and governance processes. The outsourced Internal Auditors' representatives attended two (2) meetings of the Audit Committee for the financial year ended 30 June 2023.

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

The Statement on Risk Management and Internal Control is set out on pages 64 to 66 of this Annual Report to provide an overview of the state of risk management and internal control within the Group during the financial year under review.

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

6. COMMUNICATION WITH STAKEHOLDERS

Shareholders' communication and investor relations

The Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Where practicable, the Board is prepared to enter into a dialogue with institutional shareholders. Currently, information is disseminated through various disclosures and announcements made to Bursa Malaysia Securities. This information is also electronically published on Bursa Malaysia Securities' website at <http://www.bursamalaysia.com>. The Company also maintains its website at <https://www.jf-technology.com/> containing essential corporate information about the Group and its products as well as announcements made to Bursa Malaysia Securities for the access of the general public.

The Company is committed to exploring more opportunities to broaden its channel of dissemination of information and engagement with the shareholders.

Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations.

The Board has yet to formalise a Corporate Disclosure Policy. Nonetheless, the Board is committed to ensuring that communications to the investing public regarding the businesses, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

Corporate Governance Overview Statement (cont'd)

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

6. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Leverage information technology for effective dissemination of information

The Company's website provides all relevant information on the Company and is accessible to the public.

The Company's website is accessible at <https://www.jf-technology.com/>.

7. CONDUCT OF GENERAL MEETINGS

Shareholders' participation at general meetings

The AGM of the Company is the principal forum for dialogue and interaction with the shareholders and the shareholders are encouraged to raise any questions relating to the proposed resolutions as well as the Group's business operations and affairs. The notice of the AGM together with the form of proxy are given to shareholders at least twenty-eight (28) days before the AGM of the Company, which gives shareholders sufficient time to prepare themselves to attend the AGM of the Company or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.

The minutes of the Sixteenth AGM of the Company held on 1 December 2022 was uploaded to the Company's website no later than thirty (30) business days after the AGM of the Company. The Chairman and the Board will respond to shareholders' questions during the AGM. The External Auditors are also present to provide their professional and independent clarification, if required, on issues highlighted by the shareholders.

Corporate and financial information of the Group are also made available to the public through the Company's website at <https://www.jf-technology.com/>.

COMPLIANCE WITH MCCG

The Board is satisfied that during the financial year under review, the Company has complied with the Best Practices in MCCG on the application of the principles and best practices in corporate governance, except for those highlighted in the CG Report.

This Statement is made in accordance with a resolution of the meeting of the Board on 3 October 2023.

ADDITIONAL COMPLIANCE INFORMATION

OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Utilisation of Proceeds

The Company had on the following dates completed the first and second tranches of the private placement exercise of a total of 20,999,900 new ordinary shares ("Private Placement"). The total gross proceeds raised from the Private Placement were RM69.98 million.

Listing date	Issue price (RM)	Placement shares	Proceeds raised (RM)
4 September 2020	3.20	15,749,900	50,399,680
6 November 2020	3.73	5,250,000	19,582,500
Total		20,999,900	69,982,180

The utilisation status of the proceeds raised from the Private Placement is as set out below:-

Details of utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Intended timeframe for utilisation	Balance to be utilised (RM'000)
Factory capacity expansion	23,000	23,000	Within 36 months	-
Research and development laboratory expansion	4,000	4,000	Within 24 months	-
Setting up of new test interface and services business unit	12,000	12,000	Within 24 months	-
Purchase of input materials and manufacturing consumables	5,000	5,000	Within 60 months	-
Future working capital/investment	25,632	10,806	Within 60 months	14,826
Expenses in relation to the Private Placement exercise	350	350	Within 36 months	-
Total	69,982	55,156		14,826

Audit and Non-Audit Fees

During the financial year under review, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditors and their affiliated companies or firms are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fees	179	95
Non-Audit Fees	6	6

Material Contracts

There were no material contracts entered into by the Group involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“**the Board**”) of JF Technology Berhad (“**the Company**”) is committed towards maintaining a sound system of internal control and risk management and is pleased to provide this Statement of Risk Management and Internal Control (“**this Statement**”) which outlines the scope and nature of internal controls and risk management of the Company and its subsidiaries (“**the Group**”) for the financial year ended 30 June 2023.

For the purpose of disclosure, this Statement is prepared pursuant to Rule 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management & Internal Control : Guidelines for Directors of Listed Issuers.

Responsibility for Risk Management and Internal Control

The Board recognises that it is responsible for the Group’s system of risk management and internal control and for reviewing its effectiveness whilst the role of Management is to implement Board policies on risk management and control. The Board is committed to maintain the effective risk management practices, as it understands that such practices are essential in the maintenance of a sound system of internal control.

However, in any system of internal controls, there are inherent limitations that may impede the achievement of the Group’s business objectives. Therefore, the system of internal control can only provide reasonable assurance and not absolute assurance against any material misstatement, losses and fraud.

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.

Risk Management Framework

Throughout the financial year ended 30 June 2023 and up to the date of approval of the statement, the Board had identified, evaluated and managed the significant risks faced by the Group by monitoring the Group’s operations performance and profitability during the Board meetings. This serves as an on-going process of identifying, assessing and managing risks faced by the Group. The Board, through its Audit Committee, reviews the results of this process, including mitigating measures implemented by Management to address the key risks as identified.

This review mechanism is overseen by the Audit Committee. The process of risk management is also addressed by compilation of risk profiles of each department in the Group. The risk action plans and internal controls that Management has taken and/or is taking are documented in the minutes of the Audit Committee meetings.

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

Key Elements of Internal Control

The fundamental elements of internal controls that have been ingrained perpetually in the Group's system of internal control are:

- i. Organisation structure defining the hierarchy structure of reporting lines and;
- ii. Limit of authority and approval facilitating delegation of authority;
- iii. Compare actual result against budget to monitor and track the Company's performance;
- iv. ISO 9001:2015 Quality Management System forming the basis of operational procedures of the production processes and a reference point to Management in furthering their improvement on their operating procedures;
- v. Clearly defined Terms of Reference of the Board Committee, i.e. Audit Committee, Nomination Committee and Remuneration Committee;
- vi. Regular Management and Operation meetings are conducted to ensure activities and risk mitigation actions are executed; and
- vii. There has been active participation by the Executive Directors in the day-to-day running of business operations and regular dialogue and reporting to the Board of Directors.

The Board views that the existing level of system of internal control is reasonable to achieve the Group's business objectives. Nonetheless, the Board recognises that the system of internal control should be continuously improved to be in line with the evolving business development. It should also be noted that the risk management systems and system of internal control are only designed to manage rather than eliminate risks of failure to achieve the business objectives. Therefore, these systems can only provide reasonable and not absolute assurance against material misstatements, frauds and losses.

The presence of the internal audit function supports this review mechanism and assists the Audit Committee in conducting their review more effectively. Additionally, the Audit Committee also reviews the financial information and reports produced by Management. This financial information and reports also include quarterly financial results, annual report and Audited Financial Statements. In this respect, the Audit Committee, upon consultation with Management, deliberates the integrity of the information and data before recommending to the Board for presenting to the shareholders and public investors.

Internal Audit Function

The Group has outsourced its internal audit function to an independent internal audit service provider to carry out reviews and assessment on the adequacy and integrity of the system of internal control of the Group. The independent internal auditors report directly to the Audit Committee, who receives reports of issues and recommendations arising from each review.

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

Internal Audit Function (Cont'd)

The scope of works of the internal audit function includes but not limited to the following:-

- i. Review and assess the adequacy, efficiency and effectiveness of the Group's internal control system;
- ii. Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which possibly cause significant impact to the business operations of the Group;
- iii. Report significant issues in relation to the operations and activities of the Group and make recommendations for improvements in the internal audit reports to the Audit Committee;
- iv. Conduct follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by the respective Management and reports the same to the Audit Committee; and
- v. Highlight any irregularities to the Audit Committee.

During the financial year under review, there were no material losses incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report. The Board will continue to improve and enhance the existing risk management and internal control system to ensure its adequacy and relevance in safeguarding the shareholders' interest and the Group's assets.

The costs incurred for the internal audit function in respect of the financial year 2023 was RM35,200.00.

Review of the Statement by External Auditors

Pursuant to Paragraph 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 Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, 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 paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board is of the view that the risk management and internal control system is sound and adequate to safeguard the Group's operations and assets at the existing level of operations of the Group. No material weakness in the risk management and internal control system has resulted and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review.

This Statement was made in accordance with the resolution of the meeting of the Board on 3 October 2023.

AUDIT COMMITTEE REPORT

The Board of Directors of JF Technology Berhad is pleased to present the Audit Committee Report and its activities for the financial year ended 30 June 2023 ("FYE 2023").

COMPOSITION OF THE AUDIT COMMITTEE AND MEETINGS

During FYE 2023, the Audit Committee held a total of five (5) meetings. The members of the Audit Committee together with their attendances are set out below:

Name	Designation	Attendance*
Chua Hui Chen <i>(Appointed on 27 October 2022)</i>	Chairperson/Independent Non-Executive Director	3/3
Chong Kur Sen <i>(Appointed on 1 December 2022)</i>	Member/Independent Non-Executive Director	2/2
Jamilah binti Kamal <i>(Appointed on 1 December 2022)</i>	Member/Independent Non-Executive Director	2/2
Datuk Phang Ah Tong <i>(Ceased on 30 September 2022)</i>	Member/Independent Non-Executive Chairman	1/1
Koay Kah Ee <i>(Redesignated as member on 27 October 2022 and ceased on 15 November 2022)</i>	Member/ Non-Independent Non-Executive Director	2/2
Dato' Philip Chan Hon Keong <i>(Ceased on 1 December 2022)</i>	Member/Independent Non-Executive Director	3/3
Lew Jin Aun <i>(Ceased on 1 December 2022)</i>	Member/Independent Non-Executive Director	3/3

* No. of meetings attended upon his/her cessation or appointment, where relevant

All members of the Audit Committee have a working familiarity with finance and accounting practices. Madam Chua Hui Chen is a member of the Malaysian Institute of Accountants.

FORMATION

The Audit Committee was formed by the Board of Directors on 18 January 2008.

TERMS OF REFERENCE

The full terms of reference of the Audit Committee, outlining the Audit Committee's composition, retirement and resignation, proceeding of meetings, authorities, duties, and responsibilities, is available on the Company's website at <https://www.jf-technology.com/corporate-governance>.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES DURING FYE 2023

The activities undertaken by the Audit Committee in the discharge of its functions and duties during FYE 2023 are summarised as follows:

1) Financial Reporting

- a) Reviewed the quarterly financial statements and made recommendations to the Board of Directors for approval of the same as follows:

Date of Meetings	Review of Quarterly Financial Statements
17 August 2022	Fourth quarter results for the financial year ended 30 June 2022 ("FYE 2022")
22 November 2022	First quarter results for FYE 2023
14 February 2023	Second quarter results for FYE 2023
23 May 2023	Third quarter results for FYE 2023

The aforesaid review was to verify that the Company's quarterly results were prepared in accordance with:

- Malaysian Financial Reporting Standards ("MFRS"); in particular MFRS 134: *Interim Financial Reporting*;
 - Disclosure provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Malaysia Securities Main LR"); and
 - Companies Act 2016.
- b) Reviewed and recommended to the Board of Directors in respect of the Audited Financial Statements of the Company and the Group for FYE 2022 at its meeting held on 4 October 2022 and assessed whether the aforesaid Audited Financial Statements of the Company and the Group for FYE 2022 presented a true and fair view of the Company's financial position and performance and complied with all the regulatory requirements.

2) External Audit

- a) Reviewed and deliberated with the External Auditors at the meetings held on 17 August 2022 and 4 October 2022 on the Audit Completion Report for FYE 2022 and Audit Review Memorandum for FYE 2022 respectively.
- b) Reviewed the Audit Planning Memorandum for FYE 2023 presented by the External Auditors on 23 May 2023.
- c) Deliberated and considered the significant accounting adjustments and auditing issues arising from the final audit with the External Auditors. The Audit Committee also had two (2) private discussions with the External Auditors without the presence of Management and Executive Directors to review the issues relating to the financial controls and operational efficiencies of the Company and its subsidiaries.
- d) Crowe Malaysia PLT, the External Auditors declared their independence and confirmed that they were not aware of any relationship between Crowe Malaysia PLT and the Group that, in their professional judgement, might reasonably be thought to impair their independence.
- e) Evaluated the performance of the External Auditors covering areas such as calibre, quality processes, audit team, independence, audit scope, and audit communication as well as the audit fees. Based on the evaluation conducted, the Audit Committee had recommended to the Board of Directors for approval, the re-appointment of the External Auditors for FYE 2023 at its meeting held on 4 October 2022.

Audit Committee Report (cont'd)

3) Internal Audit

The Company has outsourced its internal audit function to Tricor Axcelasia Sdn. Bhd., an independent professional services firm, to assist the Audit Committee in discharging its duties and responsibilities more effectively.

For FYE 2023, the internal audit function has successfully conducted the following audits in accordance with the Internal Audit Plan for FYE 2023 which was approved by the Audit Committee:

Audit Activities	Audit Entities
Assessment of Material Supply Management	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd. JF TestSense Sdn. Bhd.
Assessment of Maintenance of Facility and Equipment	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd. JF TestSense Sdn. Bhd.
Follow-up assessment on prior internal audit observations on Human Capital Management	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd. JF TestSense Sdn. Bhd.
Follow-up assessment on prior internal audit observations on Anti-Corruption Programme Management	JF Technology Berhad J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd. JF TestSense Sdn. Bhd.
Follow-up assessment on prior internal audit observations on Material Supply Management	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd. JF TestSense Sdn. Bhd.

The Audit Committee reviewed the significant audit findings and recommendations in the Internal Auditors' Reports to improve any weaknesses or non-compliance, and the respective Management's responses thereto during the meetings held on 22 November 2022 and 23 May 2023.

The Audit Committee also reviewed the performance of the Internal Auditors for FYE 2022.

4) Risk Management Progress Report

The Audit Committee reviewed and deliberated on the Risk Management Reports for the period from October 2022 to March 2023 and April 2023 to September 2023 which covered the Principal Risks (Strategic, Project, and Product Risks) and Non-Principal Risks (Operational and Financial Risks) of the Group during the meetings held on 22 November 2022 and 23 May 2023, respectively.

5) Other Activities

- a) Reviewed the related party transactions to ensure that they complied with Bursa Malaysia Securities Main LR.
- b) Reviewed and recommended to the Board of Directors in respect of the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report.
- c) Reviewed and recommended to the Board of Directors in respect of the revised terms of reference of the Audit Committee.

Audit Committee Report (cont'd)

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced internal audit function that has been outsourced to a professional services firm. The Audit Committee is aware of the fact that an internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The main role of the internal audit function is to review the effectiveness of the systems of internal control and this is performed with impartiality, proficiency, and due professional care.

During FYE 2023, the internal audit activities have been carried out according to the Internal Audit Plan which has been approved by the Audit Committee. The cost incurred for the internal audit function in respect of FYE 2023 amounted to RM35,200 (FYE 2022: RM34,400).

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements (“**Bursa Malaysia Securities Main LR**”) and the applicable approved accounting policies, the Directors are required to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the financial year end and of the results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements:-

- the Group and the Company have used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company which enables them to ensure that the financial statements comply with the provisions of the Companies Act 2016, Bursa Malaysia Securities Main LR and the applicable Malaysian Accounting Standard Board approved accounting standards in Malaysia.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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DIRECTORS' REPORT

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 June 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after tax for the financial year	11,756	10,478
Attributable to:-		
Owners of the Company	12,167	10,478
Non-controlling interest	(411)	-
	11,756	10,478

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2022 are as follows:-

	RM'000
<u>In respect of the financial year 30 June 2022</u>	
A final dividend of 0.50 sen per ordinary share, paid on 30 September 2022	4,635
<u>In respect of the financial year 30 June 2023</u>	
A first interim dividend of 0.50 sen per ordinary share, paid on 17 March 2023	4,635
	9,270

On 23 August 2023, the Company declared a final dividend of 0.50 sen per ordinary share amounting to approximately RM4,635,000 in respect of the current financial year, paid on 27 September 2023, to shareholders whose names appeared in the record of depositors on 14 September 2023. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

Directors' Report (cont'd)

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) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

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.

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' Foong Wei Kuong
Datin Wang Mei Ling
Goh Kok Sing
Koay Kah Ee
Datuk Phang Ah Tong
Chong Kur Sen (Appointed on 1.8.2022)
Chua Hui Chen (Appointed on 1.8.2022)
Jamilah Binti Kamal (Appointed on 30.9.2022)
Dato' Philip Chan Hon Keong (Resigned on 1.12.2022)
Lew Jin Aun (Resigned on 1.12.2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Foong Mei Leng
Hew Wei Kong
Goh Joo Hwa (Appointed on 12.8.2022)
Jiang Dacai (姜德才) (Appointed on 12.8.2022)
Dillon A/L Atma Singh (Resigned on 12.8.2022)
Kuang Guangjian (匡光坚) (Resigned on 12.8.2022)

Directors' Report (cont'd)

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 1.7.2022/ Date of Appointment	Bought	Sold	At 30.6.2023
<i>Direct Interests in the Company</i>				
Dato' Foong Wei Kuong	219,862,088	-	-	219,862,088
Datin Wang Mei Ling	39,702,580	-	-	39,702,580
Goh Kok Sing	460,000	-	-	460,000
Koay Kah Ee	1,550,000	-	-	1,550,000
Datuk Phang Ah Tong	306,664	-	-	306,664
<i>Indirect Interests in the Company</i>				
Dato' Foong Wei Kuong#	250,000,000	-	-	250,000,000
Datuk Phang Ah Tong*	5,000	-	-	5,000
Chong Kur Sen^	5,000	-	-	5,000
Chua Hui Chen*	50,000	-	-	50,000

	← Number of Warrants →			
	At 1.7.2022	Bought	Sold/ Exercised	At 30.6.2023
<i>Direct Interests in the Company</i>				
Dato' Foong Wei Kuong	209,931,044	-	-	209,931,044
Datin Wang Mei Ling	44,851,290	-	-	44,851,290
Goh Kok Sing	250,000	-	-	250,000
Koay Kah Ee	300,000	-	-	300,000
Datuk Phang Ah Tong	153,332	-	-	153,332

Deemed interested in the shares held by Fowa Sdn. Bhd. via FOONG WANG (L) FOUNDATION pursuant to Section 8 of the Companies Act 2016.

* Deemed interested through spouse's shareholding in the Company.

^ Deemed interested through family member's shareholding in the Company.

By virtue of Section 8 of the Companies Act 2016, Dato' Foong Wei Kuong is deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has interest.

The other director 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 (cont'd)

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" 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 33(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 2023 RM'000	The Company 2023 RM'000
Fees	184	184
Emoluments other than fees	2,494	37
	2,678	221

The estimated monetary value of benefits-in-kind provided by the Group was RM31,000.

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Group and of the Company were RM5,000,000 and RM16,500 respectively.

SUBSIDIARIES

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

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

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(II) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:-
 - (i) 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 no allowance for impairment losses on receivables is required; and
 - (ii) 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.
- (b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

(III) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (a) The Directors are not aware of any circumstances:-
 - (i) which would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (b) In the opinion of the Directors:-
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) 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 (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (a) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secure the liabilities of any other person.
- (b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (c) 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.

Directors' Report (cont'd)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 38 to the financial statements.

AUDITORS

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

The details of the auditor's remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	179	95
Non-audit fee	6	6
	185	101

Signed on behalf of the Board in accordance with a resolution of the Directors dated 3 October 2023.

Dato' Foong Wei Kuong
Director

Datin Wang Mei Ling
Director

STATEMENT BY DIRECTORS

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

We, Dato' Foong Wei Kuong and Datin Wang Mei Ling, being two of the directors of JF Technology Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 84 to 157 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 June 2023 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 3 October 2023

Dato' Foong Wei Kuong
Director

Datin Wang Mei Ling
Director

STATEMENT DECLARATION

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

I, Wong Siew Phin, being the Chief Financial Officer primarily responsible for the financial management of JF Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 157 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
Wong Siew Phin, NRIC Number: 650124-08-5806
at Kuala Lumpur
in the Federal Territory
on this 3 October 2023

Wong Siew Phin

Before me
Dr. T. Yokheswaram, PHD., MBA. (No. W540)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JF TECHNOLOGY BERHAD

(Incorporated in Malaysia)

Registration No: 200601027925 (747681 – H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of JF Technology Berhad, which comprise the statements of financial position as at 30 June 2023 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 a summary of significant accounting policies, as set out on pages 84 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and 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 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. We have determined that there are no key audit matters to be communicated in our report.

Independent Auditors' Report (cont'd)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Independent Auditors' Report (cont'd)

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

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

- 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.

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. 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.

Independent Auditors' Report (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

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

3 October 2023

Elvina Tay Choon Choon
03329/10/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Investments in subsidiaries	5	-	-	27,659	26,301
Property, plant and equipment	6	45,483	32,351	47	40
Right-of-use assets	7	5,614	6,347	-	-
Intangible asset	8	5,119	5,485	-	-
Other investments	9	682	508	556	508
Goodwill	10	95	95	-	-
Amount owing by subsidiaries	11	-	-	9,629	7,284
Deferred tax asset	12	40	25	-	-
		57,033	44,811	37,891	34,133
Current assets					
Inventories	13	6,233	4,862	-	-
Trade and other receivables	14	12,794	11,455	4,825	5,531
Amount owing by subsidiaries	11	-	-	157	42
Current tax assets		2,208	2,354	65	-
Fixed deposits with licensed bank	15	241	236	241	236
Cash and cash equivalents	16(d)	70,995	84,078	59,647	61,751
		92,471	102,985	64,935	67,560
TOTAL ASSETS		149,504	147,796	102,826	101,693
EQUITY AND LIABILITIES					
Equity					
Share capital	17	94,066	94,066	94,066	94,066
Reserves	18	37,795	34,941	8,564	7,356
Equity attributable to owners of the Company		131,861	129,007	102,630	101,422
Non-controlling interest	5(b)	1,172	1,617	-	-
TOTAL EQUITY		133,033	130,624	102,630	101,422

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

Statements of Financial Position

AS AT 30 JUNE 2023 (CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current liabilities					
Other payables	19	-	378	-	-
Lease liabilities	20	1,392	2,034	-	-
Deferred income	21	2,984	1,030	-	-
Deferred tax liabilities	12	2,091	2,244	-	-
Borrowings	22	1,929	2,105	-	-
		8,396	7,791	-	-
Current liabilities					
Trade and other payables	19	7,080	7,918	196	263
Current tax liabilities		-	147	-	8
Lease liabilities	20	580	590	-	-
Borrowings	22	415	726	-	-
		8,075	9,381	196	271
TOTAL LIABILITIES		16,471	17,172	196	271
TOTAL EQUITY AND LIABILITIES		149,504	147,796	102,826	101,693

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Revenue	23	45,349	45,346	9,608	11,006
Cost of sales	24	(15,312)	(12,170)	-	-
Gross profit		30,037	33,176	9,608	11,006
Other income	25	3,688	2,956	2,340	1,566
Administrative expenses	26	(18,455)	(18,450)	(1,263)	(1,964)
Other expenses	27	(3,393)	(2,372)	(83)	(2)
Profit from operations		11,877	15,310	10,602	10,606
Finance costs	28	(202)	(231)	-	-
Profit before taxation		11,675	15,079	10,602	10,606
Tax income/(expenses)	29	81	644	(124)	(11)
Profit after tax		11,756	15,723	10,478	10,595
Other comprehensive income					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(77)	135	-	-
Total comprehensive income		11,679	15,858	10,478	10,595
Profit after tax attributable to:-					
Owners of the Company		12,167	17,241	10,478	10,595
Non-controlling interest		(411)	(1,518)	-	-
		11,756	15,723	10,478	10,595
Total comprehensive income attributable to:-					
Owners of the Company		12,124	17,316	10,478	10,595
Non-controlling interest		(445)	(1,458)	-	-
		11,679	15,858	10,478	10,595
Earnings per ordinary share (sen)	30				
- Basic		1.31	1.86		
- Diluted		1.31	1.76		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Group	Note	← Non-Distributable →		Distributable			Non-controlling interest	Total equity
		Share capital	Foreign exchange translation reserve	Capital reserve	Retained earnings	Attributable to owners of the company		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2021		90,560	[24]	2,481	24,423	117,440	3,075	120,515
Profit after tax		-	-	-	17,241	17,241	(1,518)	15,723
Other comprehensive income:								
- foreign currency translation differences		-	75	-	-	75	60	135
Total comprehensive income		-	75	-	17,241	17,316	(1,458)	15,858
Contributions by and distributions to owners of the Company:								
- Warrants exercised	17	3,506	-	-	-	3,506	-	3,506
- Dividends	31	-	-	-	(9,255)	(9,255)	-	(9,255)
Total transactions with owners		3,506	-	-	(9,255)	(5,749)	-	(5,749)
Balance as at 30 June 2022		94,066	51	2,481	32,409	129,007	1,617	130,624

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

The Group	Note	← Non-Distributable →		Distributable			Total equity RM'000	
		Share capital RM'000	Foreign exchange translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the company RM'000		Non-controlling interest RM'000
Balance as at 1 July 2022		94,066	51	2,481	32,409	129,007	1,617	130,624
Profit after tax		-	-	-	12,167	12,167	(411)	11,756
Other comprehensive income:								
- foreign currency translation differences		-	(43)	-	-	(43)	(34)	(77)
Total comprehensive income		-	(43)	-	12,167	12,124	(445)	11,679
Distributions to owners of the Company:								
- Dividends	31	-	-	-	(9,270)	(9,270)	-	(9,270)
Balance as at 30 June 2023		94,066	8	2,481	35,306	131,861	1,172	133,033

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

The Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2021		90,560	6,016	96,576
Profit after tax/Total comprehensive income		-	10,595	10,595
Contributions by and distributions to owners of the Company:				
- Warrants exercised	17	3,506	-	3,506
- Dividends	31	-	(9,255)	(9,255)
		3,506	(9,255)	(5,749)
Balance as at 30 June 2022/1 July 2022		94,066	7,356	101,422
Profit after tax/Total comprehensive income		-	10,478	10,478
Distributions to owners of the Company:				
- Dividends	31	-	(9,270)	(9,270)
Balance as at 30 June 2023		94,066	8,564	102,630

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before tax	11,675	15,079	10,602	10,606
Adjustments for:-				
Depreciation of property, plant and equipment	3,676	2,837	4	1
Depreciation of right-of-use assets	691	735	-	-
Amortisation of intangible asset	366	-	-	-
Dividend income	(8)	(6)	(9,608)	(11,006)
Interest expenses	202	231	-	-
Inventories written down	167	120	-	-
Unrealised loss on foreign exchange	458	93	79	-
Property, plant and equipment written off	-	2	-	-
Amortisation of deferred income	(225)	(202)	-	-
Gain on disposal of property, plant and equipment	-	(71)	-	-
Interest income	(2,072)	(1,137)	(2,008)	(905)
Unrealised gain on foreign exchange	(353)	(44)	-	(23)
Imputed interest on non-current amount owing by subsidiaries	-	-	(240)	-
Fair value loss on other payable	222	-	-	-
Fair value gain on other investments	(48)	(58)	(48)	(58)
Operating profit/(loss) before working capital changes	14,751	17,579	(1,219)	(1,385)
Increase in inventories	(1,534)	(1,211)	-	-
(Increase)/Decrease in trade and other receivables	(1,186)	(823)	5,506	8
(Decrease)/Increase in trade and other payables	(1,339)	6,083	(67)	143
Increase in amount owing by subsidiaries	-	-	(3,544)	(7,141)
Cash generated from/(for) operating activities	10,692	21,628	676	(8,375)
Tax paid	(103)	(2,256)	(196)	(3)
Net cash from/(for) operating activities	10,589	19,372	480	(8,378)

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Government grant received		2,179	-	-	-
Acquisition of intangible asset	10(a)	-	(3,900)	-	-
Dividends received		8	6	4,808	10,906
Withdrawn of a fixed deposit		-	250	-	-
Purchase of other investments		(126)	(450)	-	(450)
Interest received		2,067	1,133	1,888	859
Proceeds from disposal of property, plant and equipment		-	71	-	-
Purchase of property, plant and equipment	16(a)	(16,635)	(13,053)	(11)	(5)
Net cash (for)/from investing activities		(12,507)	(15,943)	6,685	11,310
CASH FLOWS FOR FINANCING ACTIVITIES					
Proceeds from exercise of warrants	17	-	3,506	-	3,506
Dividends paid	31	(9,270)	(9,255)	(9,270)	(9,255)
Interest paid	16(b)	(202)	(231)	-	-
Repayment of hire purchase payables	16(b)	(556)	(929)	-	-
Repayment of lease liability	16(b)	(598)	(529)	-	-
Repayment of term loan	16(b)	(158)	(160)	-	-
Net cash for financing activities		(10,784)	(7,598)	(9,270)	(5,749)
Net decrease in cash and cash equivalents		(12,702)	(4,169)	(2,105)	(2,817)
Cash and cash equivalents at beginning of the financial year		84,078	88,184	61,751	64,568
Effects of exchange rate changes		(381)	63	1	-
Cash and cash equivalents at end of the financial year	16(d)	70,995	84,078	59,647	61,751

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2023

1. GENERAL INFORMATION

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

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya.

The financial statements for the financial year ended 30 June 2023 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution of the Directors dated 3 October 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, 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 has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

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

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has 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
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments 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 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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 upon their initial application.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES

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 source 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 Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment 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 property, plant and equipment 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 amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(b) Amortisation of Intangible Asset

The estimates for the residual values, useful lives and related amortisation charges for the intangible asset is 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 asset will be insignificant. As a result, residual value is 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 live and the residual value of the asset, therefore future amortisation charges could be revised. The carrying amount of intangible asset as at the reporting date is disclosed in Note 8 to the financial statements.

(c) 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 13 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. 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 value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 14 to the financial statements.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) 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. Carrying amounts of the amount owing by subsidiaries and other receivables as at the reporting date are disclosed in Notes 11 and 14 to the financial statements.

(f) Impairment of Investments in Subsidiaries and Intangible Asset

The Group determines whether an item of its investments in subsidiaries and intangible asset 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 amount of investments in subsidiaries and intangible asset as at the reporting date are disclosed in Notes 5 and 8 to the financial statements.

(g) 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. The carrying amounts of current tax assets and current tax liabilities of the Group and of the Company as at the reporting date are:-

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax assets	2,208	2,354	65	-
Current tax liabilities	-	147	-	8

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss. Fair value adjustments at initial recognition of long-term loans to subsidiaries are added to the carrying value of the investments in subsidiaries in the financial statements of the Company.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee 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 Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries included the fair value adjustments on inter-company loans at inception date are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

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

Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the Company's investment in the subsidiary and accordingly, is accounted as part of the investment in the subsidiary and measured at cost.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

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

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

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	50 years
Computer and software	10 - 33%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
Plant and machinery	8 - 10%
Renovation	10 - 20%
Signboard	10%
Tools and equipment	10%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

4.8 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- its ability to measure reliably the expenditure attributable to the asset under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;
- its intention to complete and the ability to use or sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the asset under development.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 RESEARCH AND DEVELOPMENT EXPENDITURE (CONT'D)

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables as well as financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price, production costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 OPERATING SEGMENTS

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

4.16 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.17 BORROWING COSTS

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

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 INTANGIBLE ASSETS

Intangible asset acquired separately is measured initially at cost. Following initial acquisition, intangible asset is measured at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible asset is assessed to be either finite or indefinite.

Intangible asset with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The intangible asset with finite lives is amortised over its estimated useful life of 15 years (2022 - 10 years) and the amortisation expense is recognised in profit or loss.

Intangible asset with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible asset is not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

During the financial year, the Company changed the amortisation period from 10 years to 15 years.

The change in the amortisation period arose from a review of the useful lives of the assets concerned. The effect of the change in the amortisation period increased the profit before taxation of the Company by RM182,835 for the current financial year.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value-in-use (MFRS 136).

4.20 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 overtime 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.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sales of Electronic Products, Components and Test Probes

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered 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.

(b) Rendering of Test Development Engineering Services

Revenue from providing test development engineering services is recognised at a point in time which the services are rendered. Customers are invoiced once the services are rendered.

4.21 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Interest Income

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

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented as other income in profit or loss.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statements of financial position and are amortised to profit or loss on a systematic basis over the expected life of the related asset.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost	19,401	19,401
Fair value adjustment on loans to subsidiaries	1,358	-
Equity loan to a subsidiary	6,900	6,900
	27,659	26,301

Equity loan to a subsidiary is unsecured, interest-free and has no fixed terms of repayment.

The discounts on loans to subsidiaries represent the fair value adjustments on intragroup loans at inception date. These amounts are treated as part of the Company's net investment in the subsidiaries.

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
J Foong Technologies Sdn. Bhd. ("JFT")	Malaysia	100%	100%	Manufacturing and trading of electronic product components.
JF Microtechnology Sdn. Bhd. ("JFM")	Malaysia	100%	100%	Design, development, custom manufacture and sale of integrated circuit test sockets, interconnect, test solutions and equipment for the semi-conductor and electronic assembly markets.
JF International Sdn. Bhd. ("JFI")	Malaysia	100%	100%	Investment holding.
JF Testsense Sdn. Bhd. ("JFTS")	Malaysia	100%	100%	Test development engineering services, talent development and sale of test interface solutions.
<i>Subsidiary of JFI</i>				
JFH Technology (Kunshan) Co., Ltd. ("JFH") [#]	The People's Republic of China	55%	55%	Design, manufacture, sale and provision of technical support for integrated circuits test contacting solution.

Note:

[#] The statutory financial year end of JFH is 31 December. The subsidiary has been consolidated based on audited financial statements for the 12-month ended 30 June 2023. The subsidiary has been granted a relief by Companies Commission of Malaysia to continue to have financial year which does not coincide with the holding company.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest 2023	2022	The Group 2023 RM'000	2022 RM'000
JFH	45%	45%	1,172	1,617

(b) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest that is material to the Group is as follows:-

	JFH 2023 RM'000	2022 RM'000
<u>At 30 June</u>		
Non-current assets	6,256	7,966
Current assets	5,323	5,740
Non-current liabilities	(1,378)	(2,030)
Current liabilities	(7,104)	(8,083)
Net assets	3,097	3,593
<u>Financial Year Ended 30 June</u>		
Revenue	7,106	2,750
Loss for the financial year	(912)	(3,374)
Total comprehensive expenses	(989)	(3,240)
Total comprehensive expenses attributable to non-controlling interests	(445)	(1,458)
Net cash (for)/from operating activities	(3,305)	5,445
Net cash for investing activities	(72)	-
Net cash from/(for) financing activities	1,786	(642)

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

6. PROPERTY, PLANT AND EQUIPMENT

The Group 2023	Balance as at 1.7.2022 RM'000	Additions RM'000	Write off RM'000	Reclassification RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2023 RM'000
Cost						
Building	11,997	-	-	-	-	11,997
Computer and software	2,322	139	-	354	(1)	2,814
Furniture and fittings	603	14	(6)	-	-	611
Motor vehicles	2,419	376	-	-	-	2,795
Office equipment	625	109	(3)	-	-	731
Plant and machinery	15,040	100	-	-	(50)	15,090
Renovation	3,440	-	-	-	(54)	3,386
Signboard	34	-	-	-	-	34
Tools and equipment	7,631	3,066	-	-	-	10,697
Capital work-in-progress	5,139	13,058	-	(354)	-	17,843
	49,250	16,862	(9)	-	(105)	65,998

The Group 2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Write off RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2023 RM'000
Accumulated depreciation					
Building	3,113	240	-	-	3,353
Computer and software	1,489	378	-	-	1,867
Furniture and fittings	525	15	(6)	-	534
Motor vehicles	1,201	383	-	-	1,584
Office equipment	430	38	(3)	-	465
Plant and machinery	6,127	1,010	-	(2)	7,135
Renovation	779	793	-	(49)	1,523
Signboard	4	1	-	-	5
Tools and equipment	2,299	818	-	-	3,117
	15,967	3,676	(9)	(51)	19,583

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

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

The Group 2023	Balance as at 1.7.2022/ 30.6.2023 RM'000
Accumulated impairment losses	
Plant and machinery	759
Tools and equipment	173
	932

The Group 2022	Balance as at 1.7.2021 RM'000	Additions RM'000	Disposal RM'000	Write off RM'000	Balance as at 30.6.2022 RM'000
Cost					
Building	11,997	-	-	-	11,997
Computer and software	1,776	631	-	(85)	2,322
Furniture and fittings	586	17	-	-	603
Motor vehicles	1,884	870	(335)	-	2,419
Office equipment	585	48	-	(8)	625
Plant and machinery	11,438	3,602	-	-	15,040
Renovation	287	3,153	-	-	3,440
Signboard	34	-	-	-	34
Tools and equipment	6,651	991	-	(11)	7,631
Capital work-in-progress	799	4,340	-	-	5,139
	36,037	13,652	(335)	(104)	49,250

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

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

The Group 2022	Balance as at 1.7.2021 RM'000	Depreciation charges RM'000	Disposal RM'000	Write off RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2022 RM'000
Accumulated depreciation						
Building	2,873	240	-	-	-	3,113
Computer and software	1,360	214	-	(85)	-	1,489
Furniture and fittings	510	15	-	-	-	525
Motor vehicles	1,249	287	(335)	-	-	1,201
Office equipment	408	29	-	(7)	-	430
Plant and machinery	5,246	880	-	-	1	6,127
Renovation	207	566	-	-	6	779
Signboard	3	1	-	-	-	4
Tools and equipment	1,704	605	-	(10)	-	2,299
	13,560	2,837	(335)	(102)	7	15,967

The Group 2022	Balance as at 1.7.2021/ 30.6.2022 RM'000
Accumulated impairment losses	
Plant and machinery	759
Tools and equipment	173
	932

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

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

The Company 2023	Balance as at 1.7.2022 RM'000	Addition RM'000	Reclassification RM'000	Balance as at 30.6.2023 RM'000
Cost				
Computer and software	20	-	21	41
Furniture and fittings	2	-	-	2
Signboard	34	-	-	34
Capital work-in-progress	10	11	(21)	-
	66	11	-	77

The Company 2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Balance as at 30.6.2023 RM'000
Accumulated depreciation			
Computer and software	20	3	23
Furniture and fittings	2	-	2
Signboard	4	1	5
	26	4	30

The Company 2022	Balance as at 1.7.2021 RM'000	Addition RM'000	Balance as at 30.6.2022 RM'000
Cost			
Computer and software	20	-	20
Furniture and fittings	2	-	2
Signboard	34	-	34
Capital work-in-progress	5	5	10
	61	5	66

The Company 2022	Balance as at 1.7.2021 RM'000	Depreciation charge RM'000	Balance as at 30.6.2022 RM'000
Accumulated depreciation			
Computer and software	20	-	20
Furniture and fittings	2	-	2
Signboard	3	1	4
	25	1	26

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Carrying amount				
Building	8,644	8,884	-	-
Computer and software	947	833	18	-
Furniture and fittings	77	78	-	-
Motor vehicles	1,211	1,218	-	-
Office equipment	266	195	-	-
Plant and machinery	7,196	8,154	-	-
Renovation	1,863	2,661	-	-
Signboard	29	30	29	30
Tools and equipment	7,407	5,159	-	-
Capital work-in-progress	17,843	5,139	-	10
	45,483	32,351	47	40

- (a) The building has been charged to a licensed bank for a term loan facility granted to the Group as disclosed in Note 22 to the financial statements.
- (b) The details of the Group's property, plant and equipment under hire purchase arrangement are analysed as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Motor vehicles	1,113	1,166
Plant and machinery	-	1,054
	1,113	2,220

- (c) In the previous financial year, the additions of the Group included a motor vehicle amounting to approximately RM14,000, which was acquired through acquisition of business as disclosed in Note 10(a) to the financial statements.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

7. RIGHT-OF-USE ASSETS

The Group 2023	Balance as at 1.7.2022 RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2023 RM'000
Cost			
Long-term leasehold land	4,601	-	4,601
Building	3,458	(47)	3,411
	8,059	(47)	8,012

The Group 2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2023 RM'000
Accumulated depreciation				
Long-term leasehold land	683	46	-	729
Building	1,029	645	(5)	1,669
	1,712	691	(5)	2,398

The Group 2022	Balance as at 1.7.2021 RM'000	Addition RM'000	Balance as at 30.6.2022 RM'000
Cost			
Long-term leasehold land	4,601	-	4,601
Building	3,400	58	3,458
	8,001	58	8,059

The Group 2022	Balance as at 1.7.2021 RM'000	Depreciation charges RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2022 RM'000
Accumulated depreciation				
Long-term leasehold land	636	47	-	683
Building	335	688	6	1,029
	971	735	6	1,712

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

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

	The Group 2023 RM'000	2022 RM'000
Analysed by:-		
Cost	8,012	8,059
Accumulated depreciation	(2,398)	(1,712)
	5,614	6,347

- (a) The Group has lease contracts for long-term leasehold land and building used in its operations. Their lease terms are as below:-

	The Group 2023	2022
Long-term leasehold land	99 years	99 years
Building	5 years	5 years

- (b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.
- (c) The long-term leasehold land of the Group has been charged to a licensed bank as security for a term loan facility granted to the Group as disclosed in Note 22 to the financial statements.

8. INTANGIBLE ASSET

	The Group 2023 RM'000	2022 RM'000
Cost		
At 1 July 2022/2021	5,485	-
Addition through acquisition of business	-	5,485
At 30 June	5,485	5,485
Accumulated amortisation		
At 1 July 2022/2021	-	-
Amortisation during the financial year	366	-
At 30 June	366	-
Carrying amount		
At 30 June	5,119	5,485

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

8. INTANGIBLE ASSET (CONT'D)

- (a) In the previous financial year, the Company through its subsidiary, JFTS acquired the intangible asset through business acquisition as disclosed in Note 10 to the financial statements. The intangible asset of the Group represents designs, intellectual property, know-how and technology.
- (b) The Group has assessed its recoverable amount of intangible asset which is determined using the value-in-use approach. Cash flow projections are based on 15 years (2022 - 10 years) of financial budgets approved by the management. The other key assumptions used in the determination of the recoverable amount are disclosed in Note 10(b) to the financial statements.

9. OTHER INVESTMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Quoted shares, at fair value	556	508	556	508
Golf club membership, at cost	126	-	-	-
	682	508	556	508

10. GOODWILL

	The Group	
	2023	2022
	RM'000	RM'000
At 1 July 2022/2021	95	-
Addition through acquisition of business	-	95
At 30 June	95	95

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

10. GOODWILL (CONT'D)

- (a) In the previous financial year, the Company through its subsidiary, JFTS, acquired the business for a total consideration of RM4,500,000. The goodwill arose from the business acquisition.

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the date of acquisition.

	The Group 2022 RM'000
Intangible asset (Note 8)	5,485
Motor vehicles (Note 6 (c))	14
Deferred tax liability (Note 12)	(1,316)
Fair value of net identifiable assets acquired	4,183
Goodwill on acquisition	95
Fair value of purchase consideration	4,278
Contingent consideration (Note 19) (item (a)(i) below)	(378)
Net cash outflow from the acquisition of business	3,900

- (i) The Group is required to pay the vendor a consideration of RM600,000 upon JFTS achieving the targeted RM1,200,000 aggregate revenue over the period from the financial year ending 30 June 2023 to 30 June 2024. The fair value of the contingent consideration of RM378,000 is estimated by calculating the present value of the future expected cash flows based on a discount rate of 9.12% and assumed probability factor of 75%. The contingent consideration has been revised to RM600,000 as JFTS achieved the targeted revenue of RM1,200,000 during the financial year. A loss of RM222,000 was included in the profit or loss under the "other expenses" line item.
- (b) The Group has assessed its recoverable amounts of goodwill and intangible asset which are determined using the value-in-use approach. Cash flow projections are based on 15 years (2022 - 10 years) of financial budgets approved by the management. The other key assumptions used in the determination of the recoverable amount are as follows:-

(i)	Budgeted gross margin	75%	Average gross margin achieved in the current financial year immediately.
(ii)	Growth rates	0.5% - 1.5%	Based on the expected projection of the revenue to be generated from intellectual property.
(iii)	Discount rates (pre-tax)	13.68%	The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and is based on both external sources and internal historical data.

- (c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

11. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2023	2022
	RM'000	RM'000
<u>Non-current</u>		
Non-trade balances	9,629	7,284
<u>Current</u>		
Non-trade balances	157	42
	9,786	7,326

- (a) The non-trade balances (non-current) represent unsecured advances at effective interest rate of 2% (2022 - 2%) per annum which are repayable in 2026 to 2028 (2022 - 2026) and measured at amortised cost at an imputed rate of 2.72% (2022 - Nil) per annum. The amount owing is to be settled in cash.
- (b) The non-trade balances (current) represent unsecured interest-free advances. The amount owing is repayable on demand and is to be settled in cash.

12. DEFERRED TAX ASSET/(LIABILITIES)

- (a) The deferred tax asset/(liabilities) are made up of the following:-

	The Group	
	2023	2022
	RM'000	RM'000
<u>Deferred tax asset</u>		
At 1 July 2022/2021	25	-
Recognised in profit or loss (Note 29)	15	24
Foreign currency translation differences	-	1
At 30 June	40	25
<u>Deferred tax liabilities</u>		
At 1 July 2022/2021	(2,244)	(832)
Recognised in profit or loss (Note 29)	153	(96)
Acquisition of a business (Note 10)	-	(1,316)
At 30 June	(2,091)	(2,244)

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

12. DEFERRED TAX ASSET/(LIABILITIES) (CONT'D)

(b) The deferred tax asset/(liabilities) are attributable to the following:-

	The Group	
	2023	2022
	RM'000	RM'000
Unutilised tax losses	41	-
Unabsorbed capital allowances	43	-
Others	40	25
Accelerated capital allowances over depreciation	(946)	(928)
Fair value adjustments in a purchase price allocation	(1,229)	(1,316)
	(2,051)	(2,219)

13. INVENTORIES

	The Group	
	2023	2022
	RM'000	RM'000
Raw materials	2,509	2,226
Work-in-progress	330	333
Finished goods	3,394	2,303
	6,233	4,862
Recognised in profit or loss:-		
Inventories recognised as cost of sales	15,146	12,050
Inventories written down to net realisable value	167	120

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

14. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	12,124	9,332	-	-
Other receivable, deposits and prepayments				
Other receivable	2	-	-	-
Deposits	386	1,619	1	12
Prepayments	271	503	24	19
Staff advances	11	1	-	-
Dividend receivable	-	-	4,800	5,500
	670	2,123	4,825	5,531
	12,794	11,455	4,825	5,531

Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2022: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(a) The foreign currency exposure profile of trade and other receivables are as follows:-

	The Group	
	2023	2022
	RM'000	RM'000
United States Dollar	6,079	4,556
Chinese Renminbi	2,919	1,920
	8,998	6,476
Less: Assets denominated in the respective entities' functional currencies	(2,880)	(1,706)
Currency exposure	6,118	4,770

(b) Information on financial risks of trade and other receivables are disclosed in Note 37 to the financial statements.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

15. FIXED DEPOSITS WITH LICENSED BANK

- (a) The fixed deposits with licensed bank of the Group and of the Company at the end of the reporting period bore effective interest rates of 2.70% (2022: 1.75%) and 2.70% (2022: 1.75%) per annum, respectively. The fixed deposits have maturity periods of 30 (2022: 30) and 30 (2022: 30) days for the Group and the Company, respectively.
- (b) The fixed deposits with licensed bank of the Group and of the Company at the end of the reporting period were pledged to licensed bank as security for bank facilities granted to the Group.

16. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchases of property, plant and equipment are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of property, plant and equipment (Note 6)	16,862	13,652	11	5
Less: Acquired through hire purchase arrangements (Note 16(b))	(227)	(585)	-	-
Less: Acquired through business acquisition (Note 10)	-	(14)	-	-
	16,635	13,053	11	5

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

16. CASH FLOW INFORMATION (CONT'D)

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

The Group	Note	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Term Loan RM'000	Total RM'000
2023					
At 1 July 2022		2,624	1,095	1,736	5,455
<u>Changes in Financing Cash Flows</u>					
Repayment of principal		(598)	(556)	(158)	(1,312)
Repayment of interests		(91)	(39)	(72)	(202)
Proceeds from drawdown	16(a)	-	227	-	227
		(689)	(368)	(230)	(1,287)
<u>Other Changes</u>					
Interest expenses recognised in profit or loss		91	39	72	202
Foreign exchange adjustments		(54)	-	-	(54)
		37	39	72	148
At 30 June 2023		1,972	766	1,578	4,316
2022					
At 1 July 2021		3,153	1,439	1,896	6,488
<u>Changes in Financing Cash Flows</u>					
Repayment of principal		(529)	(929)	(160)	(1,618)
Repayment of interests		(113)	(55)	(63)	(231)
Proceeds from drawdown	16(a)	-	585	-	585
		(642)	(399)	(223)	(1,264)
<u>Other Changes</u>					
Interest expenses recognised in profit or loss		113	55	63	231
At 30 June 2022		2,624	1,095	1,736	5,455

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

16. CASH FLOW INFORMATION (CONT'D)

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

	The Group 2023 RM'000	2022 RM'000
Payment of short-term leases	53	53
Payment of low value assets	8	5
Interest paid on lease liabilities	91	113
Payment of lease liabilities	598	529
	750	700

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

	The Group 2023 RM'000	2022 RM'000	The Company 2023 RM'000	2022 RM'000
Cash in hand	15	17	#	#
Bank balances	4,524	10,450	185	730
Cash and bank balances	4,539	10,467	185	730
Short-term funds:				
- Money market funds	66,456	73,611	59,462	61,021
Cash and cash equivalents	70,995	84,078	59,647	61,751

Note:

- Amount below RM1,000.

Money market funds represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Included in the cash and cash equivalents of the Group and of the Company is an amount of RM45,066,000 (2022: RM62,249,000) and RM38,852,000 (2022: RM53,733,000) maintained under Islamic fund.

(e) The foreign currency exposure profile of cash and cash equivalents is as follows:-

	The Group 2023 RM'000	2022 RM'000
United States Dollar	1,847	4,331
Chinese Renminbi	254	1,326
	2,101	5,657
Less: Assets denominated in the respective entities' functional currencies	(254)	(1,326)
Currency exposure	1,847	4,331

(f) Information on financial risks of cash and cash equivalents are disclosed in Note 37 to the financial statements.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

17. SHARE CAPITAL

	Note	The Group/The Company		2022	
		2023	2022	2023	2022
		Number Of Shares '000	RM'000	Number Of Shares '000	RM'000
Issued and Fully Paid-Up					
Ordinary Shares					
At 1 July 2022/2021		927,059	94,066	924,036	90,560
Issuance of new shares, pursuant to:					
- exercise of warrants	(b)	-	-	3,023	3,506
At 30 June 2023/2022		927,059	94,066	927,059	94,066

(a) 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) In the previous financial year, the Company increased its issued and paid-up share capital from approximately RM90,560,000 to approximately RM94,066,000 by issuance of 3,022,600 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM1.16 per warrant which amounted to approximately RM3,506,000.

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

18. RESERVES

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Non-distributable reserves:-					
Capital reserve	(a)	2,481	2,481	-	-
Foreign exchange translation reserve	(b)	8	51	-	-
		2,489	2,532	-	-
Distributable reserve:-					
Retained earnings		35,306	32,409	8,564	7,356
		37,795	34,941	8,564	7,356

(a) Capital reserve

The capital reserve represents capital contribution of a shareholder which maintained by the Group's subsidiary in China.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

18. RESERVES (CONT'D)

- (b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

- (c) Warrants

Warrants 2021/2026 were listed on Bursa Malaysia on 25 January 2021. Each Warrant 2021/2026 entitles its holder the right to subscribe for 1 new ordinary share in the Company at any time up to the expiry date of 23 January 2026 at an exercise price of RM1.16 each.

The number of Warrants 2021/2026 remained unexercised at the end of the financial year is as follows:-

	The Group/The Company	
	2023 Unit ('000)	2022 Unit ('000)
At 1 June 2022/2021	458,939	461,962
Exercise during the financial year	-	(3,023)
At 30 June	458,939	458,939

Salient features of the Warrants 2021/2026 are as follows:-

- (i) Each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM1.16 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;
- (ii) The warrants may be exercised at any time on or before the maturity date falling five years (2021/2026) from the date of issue of the warrants on 25 January 2021. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;
- (iii) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment issue, rank equally in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividend, rights, allotments and/or any other forms of distributions that may be declared, made or paid to shareholders, the entitlement date of which is before the allotment and issuance of the new ordinary shares; and
- (iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrants holders exercise their warrants for new ordinary shares.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Non-current</u>				
Other payable (Note 10(a))	-	378	-	-
<u>Current</u>				
Trade payables				
Third parties	1,362	374	-	-
Other payables and accruals				
Other payables	2,567	447	6	6
Accruals	1,670	1,368	190	257
Deposits	1,459	5,337	-	-
Sales and service tax payable	22	392	-	-
	5,718	7,544	196	263
	7,080	7,918	196	263

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2022: 30 to 60 days) from date of invoice.
- (b) The deposits represent advances from overseas customer which will be netted-off against future sales.
- (c) The foreign currency exposure profile of trade and other payables is as follows:-

	The Group	
	2023	2022
	RM'000	RM'000
United States Dollar	833	83
Chinese Renminbi	1,114	377
	1,947	460
Less: Liabilities denominated in the respective entities' functional currencies	(1,114)	(377)
Currency exposure	833	83

- (d) Information on financial risks of trade and other payables are disclosed in Note 37 to the financial statements.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

20. LEASE LIABILITIES

	The Group	
	2023	2022
	RM'000	RM'000
At 1 July 2022/2021	2,624	3,153
Interest expenses recognised in profit and loss (Note 28)	91	113
Repayment of principal	(598)	(529)
Repayment of interest expenses	(91)	(113)
Foreign exchange adjustments	(54)	-
At 30 June	1,972	2,624
Analysed by:-		
Current liabilities	580	590
Non-current liabilities	1,392	2,034
	1,972	2,624

21. DEFERRED INCOME

	The Group	
	2023	2022
	RM'000	RM'000
At 1 July 2022/2021	1,030	1,232
Addition during the financial year	2,179	-
Recognised in profit or loss (Note 25)	(225)	(202)
At 30 June	2,984	1,030

The Group received government grants in relation to the purchase of property, plant and equipment. The grants are being amortised over the useful lives of the property, plant and equipment.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

22. BORROWINGS

	The Group	
	2023	2022
	RM'000	RM'000
<u>Non-current</u>		
Term loan	1,383	1,555
Hire purchase payables	546	550
	1,929	2,105
<u>Current</u>		
Term loan	195	181
Hire purchase payables	220	545
At 30 June	415	726

- (a) The term loan was drawn down by a subsidiary of the Group. The term loan of the Group at the end of the reporting period bore an effective interest rate of 4.72% (2022: 3.95%) per annum.

Term loan of the Group is secured by:-

- (i) a first party charge over the long-term leasehold land and building of a subsidiary as disclosed in Notes 6 and 7 to the financial statements; and
 - (ii) a corporate guarantee of the Company.
- (b) The hire purchase creditors of the Group are secured by motor vehicles and plant and machinery under hire purchase arrangements as disclosed in Note 6 to the financial statements. The hire purchase arrangements are expiring from 1 to 4 (2022: 1 to 5) years.

Information on financial risks of borrowings is disclosed in Note 37 to the financial statements.

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to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

23. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from Contracts with Customers</u>				
Sale of electronic products, components and test probes	42,865	44,074	-	-
Testing development engineering services	2,476	1,266	-	-
	45,341	45,340	-	-
<u>Revenue from Other Sources</u>				
Dividend income from a subsidiary	-	-	9,600	11,000
Dividend income from investment	8	6	8	6
	8	6	9,608	11,006
	45,349	45,346	9,608	11,006

The revenue represents sales which were recognised at a point in time.

24. COST OF SALES

	The Group	
	2023	2022
	RM'000	RM'000
Included in cost of sales are:-		
Depreciation of property, plant and equipment	2,571	1,495
Inventories written down	167	120
Lease expenses:		
- short-term leases	10	29
- low value assets	4	1

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

25. OTHER INCOME

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in other income are:-				
Amortisation of deferred income	225	202	-	-
Gain on disposal of property, plant and equipment	-	71	-	-
Gain on disposal of fixed income trust fund	-	457	-	457
Interest income from:				
- fixed deposit	5	4	5	4
- short-term funds	2,067	1,133	1,809	859
- loan to subsidiaries	-	-	194	42
Gain on foreign exchange:				
- realised	908	805	-	-
- unrealised	353	44	-	23
Imputed interest on non-current amount owing by subsidiaries	-	-	240	-
Fair value gain on short-term funds	42	123	42	123
Fair value gain on other investment	48	58	48	58

26. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in administrative expenses are:-				
Auditors' remuneration:				
- audit fees	179	156	95	73
- non-audit fee	6	5	6	5
Directors' remuneration:				
- fees	184	140	184	140
- emoluments other than fees	2,494	2,193	37	24
Lease expenses:				
- short-term leases	43	24	-	-
- low value assets	4	4	-	-
Commission fee	1,128	1,285	-	-
Professional fees	1,293	2,039	737	1,492

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

27. OTHER EXPENSES

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Included in other expenses are:-				
Depreciation of property, plant and equipment	1,105	1,342	4	1
Depreciation of right-of-use assets	691	735	-	-
Amortisation of intangible asset	366	-	-	-
Fair value loss on other payable	222	-	-	-
Property, plant and equipment written off	-	2	-	-
Loss on foreign exchange:				
- realised	551	200	-	1
- unrealised	458	93	79	-
	3,393	2,372	83	2

28. FINANCE COSTS

	The Group	
	2023	2022
	RM'000	RM'000
Interest expenses:		
- lease liabilities	91	113
- borrowings	111	118
	202	231

29. TAX (INCOME)/EXPENSES

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial year	124	370	124	11
- reversal of previous year tax due to approval of Pioneer Status	-	(1,058)	-	-
- overprovision in the previous financial year	(37)	(28)	-	-
	87	(716)	124	11
Deferred tax (Note 12):				
- relating to origination and reversal of temporary differences	(168)	72	-	-
	(81)	(644)	124	11

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

29. TAX (INCOME)/EXPENSES (CONT'D)

A subsidiary was granted Pioneer Status under the Promotion of Investments Act 1986, for a period of 5 years which commenced from 1 April 2006 to 31 March 2011, as an incentive for the production of interconnect and integrated circuit test socket. The Pioneer Status was extended for another 5 years which commenced from 1 April 2011 and expired on 31 March 2016. The subsidiary has been granted an extension of Pioneer Status commencing from 1 April 2016 to 31 March 2021. On 24 June 2022, the subsidiary has been granted another extension of Pioneer Status commencing from 1 April 2021 to 31 March 2026.

The salient terms of the Pioneer Status are as follows:-

- (i) the subsidiary is granted 100% tax exemption on business income;
- (ii) unabsorbed pioneer capital allowances can be carried forward to the post pioneer period; and
- (iii) unabsorbed pioneer losses can be carried forward to the post pioneer period.

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax	11,675	15,079	10,602	10,606
Tax at statutory tax rate of 24% (2022: 24%)	2,802	3,619	2,544	2,545
Tax effects in respect of:-				
Effects of differential in tax rates of a subsidiary	(9)	(34)	-	-
Non-allowable expenses	772	1,169	206	107
Non-taxable income	(442)	(116)	(2,626)	(2,641)
Deferred tax assets not recognised	230	356	-	-
Tax-exempt income from Pioneer Status	(3,397)	(4,552)	-	-
Reversal of previous year tax due to approval of Pioneer Status in the current financial year	-	(1,058)	-	-
	(44)	(616)	124	11
Overprovision in the previous financial year:				
- current tax	(37)	(28)	-	-
	(81)	(644)	124	11

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

29. TAX (INCOME)/EXPENSES (CONT'D)

The temporary differences attributable to the deferred tax asset which are not recognised in the financial statements are as follows:-

	The Group	
	2023	2022
	RM'000	RM'000
Unutilised tax losses:		
- expires in year of assessment 2026	1,739	1,739
- expires in year of assessment 2027	3,147	3,147
- expires in year of assessment 2028	295	-
- expires in year of assessment 2031	369	369
- expires in year of assessment 2032	1,008	1,008
	6,558	6,263
Unabsorbed capital allowances	1,773	1,111
	8,331	7,374

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2018 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

30. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group 2023	2022
Profit after tax attributable to owners of the Company (RM'000)	12,167	17,241
Weighted average number of ordinary shares in issue ('000):-		
Ordinary shares at 1 July 2022/2021	927,059	924,036
Effect of warrants exercised	-	1,830
	927,059	925,866
Basic earnings per ordinary share (sen)	1.31	1.86

(b) Diluted earnings per ordinary share

	The Group 2023	2022
Profit after tax attributable to owners of the Company (RM'000)	12,167	17,241
Weighted average number of ordinary shares for basic earnings per share ('000)	927,059	925,866
Effect of dilution - warrants	*	54,417
Weighted average number of ordinary shares for diluted earnings per share ('000)	927,059	980,283
Diluted earnings per ordinary share (sen)	1.31	1.76

* The potential conversion of warrants are anti-dilutive as their exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of warrants has been ignored in the calculation of dilutive earnings per share.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

31. DIVIDENDS

	The Group/The Company	
	2023 RM'000	2022 RM'000
Paid:-		
Final dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2021	-	4,620
First interim dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2022	-	4,635
Final dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2022	4,635	-
First interim dividend of 0.50 sen per ordinary share in respect of the current financial year	4,635	-
	9,270	9,255

On 23 August 2023, the Company declared a final dividend of 0.50 sen per ordinary share amounting to approximately RM4,635,000 in respect of the current financial year, paid on 27 September 2023, to shareholders whose names appeared in the record of depositors on 14 September 2023. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

32. EMPLOYEE BENEFITS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and allowances	12,103	11,293	-	-
Defined contribution plan	1,410	1,356	-	-
Other employee benefits	2,763	2,524	37	24
	16,276	15,173	37	24

Included in employee benefits of the Group and of the Company are Directors' other emoluments amounting to RM2,494,000 (2022: RM2,193,000) and RM37,000 (2022: RM24,000) respectively.

33. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

33. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related Party Transactions and Balances

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

	The Company	
	2023	2022
	RM'000	RM'000
Dividend received/receivable from a subsidiary	9,600	11,000
Loan to subsidiaries	5,344	7,284
Loan interest received/receivable from subsidiaries	194	42

The abovementioned related party transactions were carried out based on negotiated terms and conditions that were mutually agreed with respective related parties.

(c) Compensation of Key Management Personnel

The key management personnel of the Group and of the Company include executive directors, non-executive directors of the Company and certain members of senior management of the Company.

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Executive Directors:</i>				
Short-term employee benefits:				
- salaries and allowances	2,076	1,832	-	-
- defined contribution plan	381	337	-	-
<i>Non-executive Directors:</i>				
Short-term employee benefits:				
- allowances	37	24	37	24
- fee	184	140	184	140
<i>Other Key Management Personnel:</i>				
Short-term employee benefits:				
- salaries and allowances	2,057	2,220	-	-
- defined contribution plan	243	268	-	-
Total	4,978	4,821	221	164

The estimated monetary value of benefits-in-kind received by the Directors and other key management personnel other than in cash from the Group amounted to RM31,000 (2022: RM32,000) and RM124,000 (2022: RM124,000) respectively.

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to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

34. SEGMENTAL INFORMATION

(a) Segmental information

The revenue from external customers in Malaysia amounted to approximately RM15,021,000 (2022: approximately RM16,793,000), and the total revenue from external customers from other countries amounted to approximately RM30,328,000 (2022: approximately RM28,553,000).

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting systems.

The chief operating decision maker reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.

(b) Geographical information

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax asset.

The Group	Revenue		Non-current Assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	15,021	16,793	50,000	36,242
China	13,584	13,829	6,216	7,941
United States	3,419	3,252	-	-
Singapore	3,366	3,169	-	-
Philippines	5,993	4,126	-	-
Others	3,966	4,177	-	-
Total	45,349	45,346	56,216	44,183

(c) Information about major customers

Revenue from transactions with a major customer who accounted for 10% or more of the Group's revenue is as follows:-

	The Group Revenue	
	2023 RM'000	2022 RM'000
Customer A	-	4,420

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

35. CAPITAL COMMITMENT

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	14,611	29,881	6	6

36. FINANCIAL INSTRUMENTS

(a) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity ratio.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, return of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total loans and borrowings.

There was no change in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirements.

(b) CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023		2022	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Financial Assets				
<u>Amortised Cost</u>				
Trade and other receivables	12,137	4,800	9,333	5,500
Other investments	126	-	-	-
Fixed deposits with licensed bank	241	241	236	236
Cash and bank balances	4,539	185	10,467	730
Amount owing by subsidiaries	-	9,786	-	7,326
	17,043	15,012	20,036	13,792

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to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2023		2022	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term funds	66,456	59,462	73,611	61,021
Other investments	556	556	508	508
	67,012	60,018	74,119	61,529
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Trade and other payables	600	-	378	-
<u>Amortised Cost</u>				
Borrowings	2,344	-	2,831	-
Trade and other payables	4,999	196	2,189	263
	7,343	196	5,020	263

(c) GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2023		2022	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Financial Assets				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	334	122	633	68
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	2,165	1,908	1,314	1,040
Financial Liabilities				
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Net loss recognised in profit or loss	(222)	-	-	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(325)	-	(296)	-

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) FAIR VALUE INFORMATION

The fair values of the financial asset and financial liabilities of the Group and of the Company 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.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2023								
<u>Financial Asset</u>								
Short-term funds	-	66,456	-	-	-	-	66,456	66,456
Other investments								
- Quoted shares	556	-	-	-	-	-	556	556
	556	66,456	-	-	-	-	67,012	67,012
<u>Financial Liability</u>								
Borrowings								
- Term loan	-	-	-	-	1,578	-	1,578	1,578
- Hire purchase payables	-	-	-	-	810	-	810	766
	-	-	-	-	2,388	-	2,388	2,344

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) FAIR VALUE INFORMATION (CONT'D)

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2022								
<u>Financial Asset</u>								
Short-term funds	-	73,611	-	-	-	-	73,611	73,611
Other investments								
- Quoted shares	508	-	-	-	-	-	508	508
	508	73,611	-	-	-	-	74,119	74,119
<u>Financial Liability</u>								
<u>Borrowings</u>								
- Term loan	-	-	-	-	1,736	-	1,736	1,736
- Hire purchase payables	-	-	-	-	811	-	811	1,095
	-	-	-	-	2,547	-	2,547	2,831

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2023								
<u>Financial Asset</u>								
Short-term funds	-	59,462	-	-	-	-	59,462	59,462
Other investments	556	-	-	-	-	-	556	556
Amount owing by subsidiaries (Non-current)	-	-	-	-	-	9,629	9,629	9,629
	556	59,462	-	-	-	9,629	69,647	69,647

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2022								
<u>Financial Asset</u>								
Short-term funds	-	61,021	-	-	-	-	61,021	61,021
Other investments	508	-	-	-	-	-	508	508
Amount owing by subsidiaries (Non-current)	-	-	-	-	-	7,284	7,284	7,284
	508	61,021	-	-	-	7,284	68,813	68,813

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AS AT 30 JUNE 2023 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of short-term funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into at the end of the reporting period.
- (ii) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

- (i) The fair value of hire purchase payables 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.
- (ii) 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.
- (iii) The fair value of amounts owing by subsidiaries (non-current) is calculated based on the present value of the projected repayment of loans.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and equity price risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. The counterparties on trade receivables are mainly reputable multinational organisations. It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for certain new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

(i) Credit risk concentration profile

The Group determines concentration of credit risk by monitoring its trade receivables on an ongoing basis.

The Group's major concentration of credit risk relates to the amounts owing by 2 customers (2022 - 1) which constituted approximately 36% (2022 - 11%) of its trade receivables (including related parties) 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 statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity analysis' of item (b) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

(iii) Assessment of impairment losses

The Group has an informal 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 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.

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; and
- 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 365 days past due.

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Trade Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

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 individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

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

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2023			
Current (not past due)	8,293	-	8,293
1 to 30 days past due	2,958	-	2,958
31 to 60 days past due	525	-	525
61 to 90 days past due	269	-	269
more than 90 days past due	79	-	79
	12,124	-	12,124

The Group	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2022			
Current (not past due)	7,001	-	7,001
1 to 30 days past due	1,456	-	1,456
31 to 60 days past due	312	-	312
61 to 90 days past due	563	-	563
	9,332	-	9,332

Notes

to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Amount owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

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 on 12-month 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 expected to default risk (exposure at default, EAD).

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

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Fixed Deposits with Licensed Bank, Cash and Cash Equivalents

The Group considers these banks and financial institutions 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

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk

The Group actively manages its operating cash flows and the availability of funding to ensure all financing, repayment and funding needs are met. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

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	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000
2023					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	5,599	5,599	5,599	-	-
Term loan	1,578	1,874	251	1,005	618
Hire purchase payables	766	827	248	579	-
Lease liabilities	1,972	2,204	818	1,386	-
	9,915	10,504	6,916	2,970	618
2022					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	2,567	2,567	2,189	378	-
Term loan	1,736	1,975	237	1,185	553
Hire purchase payables	1,095	1,171	581	590	-
Lease liabilities	2,624	2,788	762	2,026	-
	8,022	8,501	3,769	4,179	553

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk (Cont'd)

Maturity analysis (Cont'd)

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):- (Cont'd)

The Company	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000
2023			
<u>Non-derivative Financial Liabilities</u>			
Other payables	196	196	196
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries*	-	1,578	1,578
	196	1,774	1,774
2022			
<u>Non-derivative Financial Liabilities</u>			
Other payables	263	263	263
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary*	-	2,111	2,111
	263	2,374	2,374

Note:-

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

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 is disclosed in Note 22 to the financial statements.

Sensitivity analysis for interest rate risk

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:-

	The Group 2023 RM'000	2022 RM'000
Effects on Profit After Taxation		
Increase of 100 basis points	-120	-132
Decrease of 100 basis points	+120	+132

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk are primarily United States Dollar ('USD') and Chinese Yuan ('CNY').

It is not the Group's policy to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

Information regarding foreign currency exposure are disclosed in Notes 14(a), 16(e) and 19(c) to the financial statements.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

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

		The Group 2023 RM'000 Profit after tax	2022 RM'000 Profit after tax
USD/RM	- strengthened by 10%	+539	+682
	- weakened by 10%	-539	-682
CNY/RM	- strengthened by 10%	+3	+16
	- weakened by 10%	-3	-16

(e) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment price. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Sensitivity analysis for equity price risk

Any reasonably possible change in the price of quoted investment classified as fair value through other comprehensive income at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

Notes to the Financial Statements

AS AT 30 JUNE 2023 (CONT'D)

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 June 2022, Maybank Investment Bank Berhad ("Maybank IB") to announce that Securities Commission ("SC") had, vide its letter dated 31 May 2022, approved the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and under the Bumiputera equity requirement for public listed companies in relation to the resultant equity structure of the Company pursuant to the Proposed Transfer from MESDAQ Market (now known as the ACE Market of Bursa Securities) to Main Market subject to the following conditions:-

- (i) the Company to implement the appropriate action to remedy the non-adoption with Practices 5.4 and 5.9 of the Malaysian Code on Corporate Governance ("MCCG"); and
- (ii) the Company to proceed with the Proposed Transfer upon providing confirmation to the SC on the adoption with Practices 5.4 and 5.9 of the MCCG.

On 3 November 2022, Maybank IB to announce that the Company has submitted an application to the SC today to seek its approval for an extension of time of 1 month from 1 December 2022 to 31 December 2022 for the Company to complete the implementation of the Proposed Transfer.

On 24 November 2022, Maybank IB to announce that the SC had, vide its letter dated 24 November 2022, approved the extension of time of one (1) month from 1 December 2022 until 31 December 2022 for the Company to complete the Proposed Transfer.

On 5 December 2022, Maybank IB to announce that the application in relation to the Proposed Transfer has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 5 December 2022.

On 12 December 2022, Maybank IB to announce that Bursa Securities had, vide its letter dated 12 December 2022, approved the Transfer, under the "Technology" sector. The Transfer will take effect immediately two (2) market days upon the announcement to Bursa Securities on the transfer date via Bursa LINK.

On 19 December 2022, Maybank IB to announce that the listing and quotation of the entire issued share capital and the outstanding warrants of the Company have been transferred from the ACE Market to the Main Market of Bursa Securities with effect from 9:00 a.m. on Monday, 19 December 2022, marking the completion of the Transfer.

LIST OF PROPERTIES

No.	Name of registered owner: Lot. No. /Postal address	Description/ Existing use	Tenure	Year of Expiry	Net book value RM'000	Area (sq. ft.)	Age of building (Year)	Date of revaluation
1	JF Microtechnology Sdn. Bhd. H.S. (D) 241029, PT No. PT9918, Mukim of Pekan Baru Sungai Buloh, District of Petaling, State of Selangor	2-storey office cum factory/ Corporate Headquarters & factory	99 years Leasehold (84 years)*	2106	12,516	92,783	14	18 September 2007 §
	<u>Bearing postal address:</u> Lot No. 6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan							

Note:

* Balance of leasehold tenure

§ Date of acquisition

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 26 SEPTEMBER 2023

Total Number of Issued Shares	:	927,058,140 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	14,614
Voting Rights	:	One (1) vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	67	0.46	2,431	0.00
100-1,000	2,708	18.53	1,885,215	0.20
1,001-10,000	8,371	57.28	38,935,622	4.20
10,001-100,000	3,053	20.89	91,085,107	9.83
100,001-46,352,906 (*)	412	2.82	373,501,009	40.29
46,352,907 and above (**)	3	0.02	421,648,756	45.48
Total	14,614	100.00	927,058,140	100.00

Remark: * Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect	
		No. of shares	%	No. of shares	%
1.	Fowa Sdn.Bhd.	250,000,000	26.97	-	-
2.	Dato' Foong Wei Kuong	219,862,088	23.72	250,000,000 ^(a)	26.97
3.	Foong Wang (L) Foundation	-	-	250,000,000 ^(b)	26.97

Note: -

^(a) Deemed interested by virtue of his interest in Fowa Sdn. Bhd. and Foong Wang (L) Foundation pursuant to Section 8 of the Companies Act 2016 ("the Act")

^(b) Deemed interested by virtue of its interest in Fowa Sdn. Bhd. pursuant to Section 8 of the Act

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of shares	%	No. of shares	%
1.	Dato' Foong Wei Kuong	219,862,088	23.72	250,000,000 ^(a)	26.97
2.	Datin Wang Mei Ling	39,702,580	4.28	-	-
3.	Datuk Phang Ah Tong	306,664	0.03	5,000 ^(b)	^
4.	Goh Kok Sing	460,000	0.05	-	-
5.	Koay Kah Ee	1,550,000	0.17	-	-
6.	Chong Kur Sen	-	-	5,000 ^(c)	^
7.	Chua Hui Chen	-	-	-	-
8.	Jamilah binti Kamal	-	-	-	-

Notes: -

^(a) Deemed interested by virtue of his interest in Fowa Sdn. Bhd. and Foong Wang (L) Foundation pursuant to Section 8 of the Act

^(b) Deemed interested by virtue of the shares held by his spouse pursuant to Section 59(11)(c) of the Act

^(c) Deemed interested by virtue of the shares held by her father pursuant to Section 8 of the Act

^ Negligible

Analysis of Shareholdings (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Fowa Sdn. Bhd.	250,000,000	26.97
2.	Dato' Foong Wei Kuong	122,279,292	13.19
3.	Dato' Foong Wei Kuong	49,369,464	5.33
4.	Datin Wang Mei Ling	39,702,580	4.28
5.	Sim Ah Yoong	29,113,332	3.14
6.	Kok Kean Loon	22,611,864	2.44
7.	Hubble Ventures Co., Limited	17,687,200	1.91
8.	Dato' Foong Wei Kuong	17,213,332	1.86
9.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Dato' Foong Wei Kuong (Smart)	15,000,000	1.62
10.	Chong Toh Wee	12,600,000	1.36
11.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore (Foreign)	9,835,300	1.06
12.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Foong Wei Kuong	9,000,000	0.97
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Foong Wei Kuong	7,000,000	0.76
14.	Hor Lee Chen	6,819,000	0.74
15.	Tam Juat Hong	4,915,600	0.53
16.	Sureshraj a/l Krishnan	4,533,200	0.49
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kok Kean Loon	4,500,032	0.49
18.	Ooi Sock Hoon	4,001,000	0.43
19.	Oon Soon Keat	3,941,900	0.43
20.	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG	3,941,500	0.43
21.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Swan Choo	3,300,000	0.36
22.	TASEC Nominees (Tempatan) Sdn. Bhd. Exempt An for TA Investment Management Berhad (Clients)	3,229,536	0.35
23.	iFAST Nominees (Tempatan) Sdn. Bhd. Lew Jin Aun	2,800,064	0.30
24.	Low Wan Choon	2,572,332	0.28
25.	Helmi Sin bin Abdullah	2,389,900	0.26
26.	Yeow Teck Chai	2,305,000	0.25
27.	Chow Yik Peng	2,272,000	0.25
28.	Zakaria bin Arshad	2,070,000	0.22
29.	Tan Suan Tiam	2,005,564	0.22
30.	Ng Ah Tiam	2,000,000	0.22

Analysis of Shareholdings (cont'd)

ANALYSIS OF WARRANT HOLDINGS AS AT 26 SEPTEMBER 2023

Total Number of Outstanding Warrants Issued : 458,939,370 Warrants
 Number of Warrant holders : 3,503

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant holders	%	No. of Warrants	%
1-99	112	3.20	5,061	0.00
100-1,000	465	13.27	279,987	0.06
1,001-10,000	1,544	44.08	7,756,828	1.69
10,001-100,000	1,077	30.75	36,417,888	7.94
100,001- 22,946,967 (*)	302	8.62	171,803,938	37.44
22,946,968 and above (**)	3	0.09	242,675,668	52.88
Total	3,503	100.00	458,939,370	100.00

Remark: * Less than 5% of issued warrants
 ** 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1.	Dato' Foong Wei Kuong	209,931,044	45.74	-	-
2.	Datin Wang Mei Ling	44,851,290	9.77	-	-
3.	Datuk Phang Ah Tong	153,332	0.03	-	-
4.	Goh Kok Sing	250,000	0.05	-	-
5.	Koay Kah Ee	-	-	-	-
6.	Chong Kur Sen	-	-	-	-
7.	Chua Hui Chen	-	-	-	-
8.	Jamilah binti Kamal	-	-	-	-

Analysis of Shareholdings (cont'd)

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	Warrant holdings	%
1.	Dato' Foong Wei Kuong	165,639,646	36.09
2.	Datin Wang Mei Ling	44,851,290	9.77
3.	Dato' Foong Wei Kuong	32,184,732	7.01
4.	Dato' Foong Wei Kuong	12,106,666	2.64
5.	Kok Kean Loon	12,052,932	2.63
6.	Chong Toh Wee	10,700,000	2.33
7.	Hubble Ventures Co., Limited	8,843,600	1.93
8.	HLIB Nominees (Tempatan) Sdn. Bhd. Hong Leong Bank Bhd for Sin Ket Hin	4,464,600	0.97
9.	Chow Hong Lit	3,761,900	0.82
10.	Oon Soon Keat	3,500,600	0.76
11.	Ng Poh Chan	2,622,500	0.57
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Heng Chee Hong	2,351,800	0.51
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kok Kean Loon	2,200,066	0.48
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Kwee Lian	2,100,000	0.46
15.	Low Wan Choon	1,714,866	0.37
16.	Lim Weng Tai	1,600,000	0.35
17.	Tam Juat Hong	1,599,300	0.35
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Chong Hap (Penang-CL)	1,597,800	0.35
19.	Helmi Sin bin Abdullah	1,509,600	0.33
20.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Loy Huat (7000875)	1,500,000	0.33
21.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chai Lee Lee (MY2254)	1,500,000	0.33
22.	Chow Yoon Cheng	1,500,000	0.33
23.	TASEC Nominees (Tempatan) Sdn. Bhd. Exempt An for TA Investment Management Berhad (Clients)	1,477,368	0.32
24.	Boon Sim Fah	1,400,000	0.31
25.	iFAST Nominees (Tempatan) Sdn. Bhd. Lew Jin Aun	1,399,732	0.30
26.	- CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Khoo Chai Pek (MY1030)	1,330,000	0.29
27.	Yee Chee Chen	1,300,000	0.28
28.	Ng Seok Moi	1,291,600	0.28
29.	Chow Yik Peng	1,204,400	0.26
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeoh Ooi Chat (E-BBB/BBA)	1,190,000	0.26

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting (“**AGM**”) of the Company will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 5 December 2023 at 9:00 a.m. for the following purposes:

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon. (Refer to Explanatory Note 1)
- To approve the payment of Directors’ fees amounting to RM183,708.00 for the financial year ended 30 June 2023. Resolution 1
- To approve an amount of up to RM63,000.00 as benefits payable to the Non-Executive Directors from 6 December 2023 until the next Annual General Meeting of the Company to be held in year 2024. Resolution 2
- To re-elect the following Directors who shall retire by rotation pursuant to Clause 117 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - Dato’ Foong Wei Kuong Resolution 3
 - Datuk Phang Ah Tong Resolution 4
 - Mr. Koay Kah Ee Resolution 5
- To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. Resolution 6
- As Special Business:

To consider and, if thought fit, with or without any modifications, to pass the following resolutions as ordinary resolutions:

- ORDINARY RESOLUTION NO. 1** Resolution 7
- **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** subject to the provisions of the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

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

THAT pursuant to Section 85 of the Act to be read together with Clause 13 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

Notice of Annual General Meeting (cont'd)

(b) **ORDINARY RESOLUTION NO. 2**
- **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

Resolution 8

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and any other applicable laws, guidelines, rules and regulations for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manners:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividends to the shareholders and/or resell on the market of Bursa Malaysia Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or
- (iv) transfer the shares for the purposes of or under an employees' share scheme; and

in any other manner as prescribed by the Act, rules, regulations, and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force;

THAT such authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which such resolution was passed, at which time the authority will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

Notice of Annual General Meeting (cont'd)

AND THAT the Directors of the Company be authorised to do all acts, deeds, and things and to take all such steps as they may deem fit, appropriate, expedient, or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the interest of the Company.”

7. To transact any other ordinary business for which due notice has been given.

By Order of the Board

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

CHIN MUN YEE (SSM PC NO. 201908002785) (MAICSA 7019243)

Company Secretaries

Kuala Lumpur

Dated: 23 October 2023

Explanatory notes:

1. Audited Financial Statements for the financial year ended 30 June 2023

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“**the Act**”) does not require the formal approval of the shareholders of the Company and hence, is not put forward for voting.

2. Resolution 2 – Directors’ benefits

The Directors’ benefits comprise the meeting allowances payable to the Non-Executive Directors. In determining the estimated total Directors’ benefits, the size of the Board of Directors (“**Board**”) and Board Committees and the number of meetings estimated to be held were taken into consideration.

3. Resolutions 3 to 5 – Re-election of Directors who retire by rotation pursuant to Clause 117 of the Constitution of the Company

Pursuant to Clause 117 of the Constitution of the Company, at every AGM of the Company, one-third (1/3rd) of the Directors for the time being or, if the number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3rd) shall retire from office and be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting. A retiring Director shall be eligible for re-election. Hence, three (3) out of eight (8) Directors are to retire in accordance with Clause 117 of the Constitution of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the Seventeenth AGM of the Company, the Board through its Nomination Committee undertakes a formal evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:

- (i) Contribution and performance of each individual Director;
- (ii) Independence of the Independent Non-Executive Director, where relevant; and
- (iii) Fit and proper assessment.

Notice of Annual General Meeting (cont'd)

Based on the results of the abovementioned evaluations, the Board considered the performance of Dato' Foong Wei Kuong, Datuk Phang Ah Tong, and Mr. Koay Kah Ee (each referred to as "**retiring Director**") to be effective. The retiring Directors were able to meet the Board's expectations in terms of experience, expertise, integrity, competency, participation, and contribution. Each retiring Director demonstrates a commitment to the role and has sufficient time to meet his commitment to the Company. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

The details of the retiring Directors are available in the Directors' Profile of the Annual Report 2023.

4. Resolution 7 - Authority to issue shares pursuant to the Act and waiver of pre-emptive rights

The proposed adoption of Ordinary Resolution No. 1 is to grant a renewed general mandate ("**General Mandate**") and empower the Directors pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixteenth AGM of the Company held on 1 December 2022 and which will lapse at the conclusion of the Seventeenth AGM of the Company.

The General Mandate will provide flexibility to the Company for the allotment of shares for any possible fundraising activities for the purpose of funding future investment project(s), working capital, and/or acquisition(s).

Pursuant to Section 85(1) of the Act be read together with Clause 13 of the Constitution of the Company, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The following are excerpted from the Act and the Company's Constitution:

Section 85(1) of the Act

Pre-Emptive Rights to New Shares

Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 13 of the Company's Constitution

Subject to any direction to the contrary that may be given by the Company in general meeting and subject always to this Constitution and the Act, all new shares or other Securities shall, before issue, be offered to Members who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Notice of Annual General Meeting (cont'd)

5. Resolution 8 - Proposed renewal of authority for the Company to purchase its own shares

The proposed adoption of Ordinary Resolution No. 2 is to renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 23 October 2023 for further information.

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 28 November 2023 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend, participate, speak, and vote in his/her stead. Where the member appoints two (2) proxies in relation to a Meeting, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. A proxy need not be a member of the Company and a member may appoint any person to be his/her proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak, and vote at the Meeting.
4. Where a member of the Company 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.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or, if the member is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting. The lodging of the Form of Proxy does not preclude any shareholder from attending and voting at the Meeting should any shareholder subsequently wish to do so, provided a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of Seventeenth AGM are to be voted by poll.

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We Bring Possibilities

JF TECHNOLOGY BERHAD

[Registration No. 200601027925 (747681-H)]
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We _____

*NRIC/Passport no./Company no./Registration no. _____

being *a member/members of **JF TECHNOLOGY BERHAD**, hereby appoint:

(1) Name of proxy : _____ NRIC/Passport no. : _____
 Address : _____
 Email address : _____ Telephone no. : _____

*and/or

(2) Name of proxy : _____ NRIC/Passport no. : _____
 Address : _____
 Email address : _____ Telephone no. : _____

*and/or the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf, at the Seventeenth Annual General Meeting of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 5 December 2023 at 9:00 a.m., or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below, how you wish your votes to be cast. In the absence of specific directions, your proxy or proxies will vote or abstain at *his/her/their discretion.

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon.		
2.	To approve the payment of Directors' fees amounting to RM183,708.00 for the financial year ended 30 June 2023. (Resolution 1)		
3.	To approve an amount of up to RM63,000.00 as benefits payable to the Non-Executive Directors from 6 December 2023 until the next Annual General Meeting of the Company to be held in year 2024 (Resolution 2)		
4. (a)	To re-elect Dato' Foong Wei Kuong, who shall retire by rotation pursuant to Clause 117 of the Company's Constitution. (Resolution 3)		
4. (b)	To re-elect Datuk Phang Ah Tong, who shall retire by rotation pursuant to Clause 117 of the Company's Constitution. (Resolution 4)		
4. (c)	To re-elect Mr. Koay Kah Ee, who shall retire by rotation pursuant to Clause 117 of the Company's Constitution. (Resolution 5)		
5.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)		
As Special Business:			
6. (a)	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights. (Resolution 7)		
6. (b)	Proposed renewal of authority for the Company to purchase its own shares. (Resolution 8)		

Dated this _____ day of _____, 2023

Signature/ Seal

*Strike out whichever is not applicable

For the appointment of two (2) proxies, the percentage of shareholdings to be represented by each proxy:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100

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Notes:

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2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend, participate, speak, and vote in his/her stead. Where the member appoints two (2) proxies in relation to a Meeting, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
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AFFIX
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The Company Secretaries

JF TECHNOLOGY BERHAD

[Registration No. 200601027925 (747681-H)]

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

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Annual Report 2023



JF TECHNOLOGY BERHAD

Registration No. 200601027925 (747681-H)

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