THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

BERJAYA

BERJAYA CORPORATION BERHAD

(Registration No. 200101019033 (554790-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A
PROPOSED DISPOSAL BY BERJAYA GROUP BERHAD, A WHOLLY-OWNED SUBSIDIARY OF BERJAYA CORPORATION BERHAD ("BCORPORATION"), OF ITS ENTIRE 100% EQUITY INTEREST IN BERJAYA ENVIRO HOLDINGS SDN BHD TO NAZA CORPORATION HOLDINGS SDN BHD FOR A CASH CONSIDERATION OF RM700.00 MILLION ("PROPOSED DISPOSAL")

PART B
INDEPENDENT ADVICE LETTER FROM BDO CAPITAL CONSULTANTS SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF BCORPORATION IN RELATION TO THE PROPOSED DISPOSAL

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

AmInvestment Bank

AmInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

BDO

BDO Capital Consultants Sdn Bhd
Registration No. 199601032957 (405309-T)

The Notice of Extraordinary General Meeting of BCorporation ("**EGM**") and the Form of Proxy for the EGM are enclosed in this Circular. This Circular together with the Administrative Guide for the EGM can be viewed and downloaded from the websites of BCorporation and Bursa Securities at https://www.berjaya.com and https://www.bursamalaysia.com respectively. The details of the EGM which will be conducted on a fully virtual basis through live streaming, are as follows:

Date and time of the EGM	:	Thursday, 30 November 2023 at 10.00 a.m., or any adjournment thereof
Broadcast venue of the EGM	:	Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur

If you are unable to attend and vote remotely via the Remote Participation and Voting facilities provided by the poll administrator, SSE Solutions Sdn Bhd, which are available on Securities Services e-Portal at https://sshsb.net.my/, you may appoint a proxy to attend and vote remotely on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy in accordance with the instructions thereon so as to arrive at the Registered Office of BCorporation at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at https://sshsb.net.my not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the EGM should you subsequently decide to do so. Shareholders/proxy(ies) from the public will not be allowed to be physically present at the broadcast venue on the day of the EGM.

This Circular is dated 14 November 2023.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the appendices thereto:

Act	:	Companies Act 2016
AmInvestment Bank or Principal Adviser	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V)), being the Principal Adviser for the Proposed Disposal
Announcement	:	The announcement dated 17 July 2023 made by AmInvestment Bank on behalf of BCorporation on Bursa Securities in relation to the Proposed Disposal
Balance Deposit	:	A sum of RM56.00 million, being 8% of the Sale Consideration
Balance Sale Consideration	:	A sum of RM595.00 million, being 85% of the Sale Consideration
BCorporation or Company	:	Berjaya Corporation Berhad (Registration No. 200101019033 (554790-X))
BCorporation Group or Group	:	Collectively, BCorporation and its subsidiaries
BCorporation Share(s)	:	Ordinary share(s) of BCorporation
BDOCC or Independent Adviser	:	BDO Capital Consultants Sdn Bhd (Registration No. 199601032957 (405309-T)), being the Independent Adviser for the Proposed Disposal
BEnviro	:	Berjaya Enviro Holdings Sdn Bhd (Registration No. 200401030994 (669502-H)), currently a wholly-owned subsidiary of BGroup
BEnviro Group	:	Collectively, BEnviro together with its subsidiaries, including a jointly-controlled entity
BEnviro Share(s)	:	Ordinary share(s) of BEnviro
BGroup or Vendor	:	Berjaya Group Berhad (Registration No. 196701000330 (7308-X)), a wholly-owned subsidiary of BCorporation
Board	:	Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Business Day	:	A day on which commercial banks in Kuala Lumpur are open for general banking business other than a Saturday, Sunday or public holiday
Circular	:	This circular issued by BCorporation to its shareholders dated 14 November 2023 in relation to the Proposed Disposal
Completion	:	The completion of the Proposed Disposal
Completion Date	:	The date falling within thirty (30) days from the Unconditional Date or such extended period to be mutually agreed by the Parties
Condition(s) Precedent	:	The condition(s) precedent of the SSA as set out in Section 1 of Appendix II of this Circular
Deposit Sum	:	A sum of RM70.00 million, being 10% of the Sale Consideration

Director	:	A director of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon: (i) a director of the Company, its subsidiary or holding company; and (ii) a chief executive of the Company, its subsidiary or holding company
Due Diligence	:	Due diligence exercise to be carried out by the Purchaser
EGM	:	The extraordinary general meeting of the Company
Encik Faliq	:	Encik Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal
EPS	:	Earnings per share
FHMH	:	FHMH Corporate Advisory Sdn Bhd (Registration No. 200701016946 (774955-D)), the independent business valuer appointed by BCorporation for the Proposed Disposal
FYE	:	Financial year ended/ending, as the case may be
IAL	:	Independent advice letter issued by BDOCC to the Non-Interested Shareholders in relation to the Proposed Disposal
ICULS	:	Irredeemable Convertible Unsecured Loan Stocks
Interested Directors	:	The Directors of the Company who are deemed interested in the Proposed Disposal, namely Ms. Chryseis and Ms. Nerine as disclosed in Section 11.1 of Part A of this Circular
Interested Major Shareholder	:	The major shareholder of the Company who is deemed interested in the Proposed Disposal, namely TSVT as disclosed in Section 11.2 of Part A of this Circular
JV Company	:	A joint venture company to be set up between BEnviro (or its nominee) and the Vendor (or its nominee)
LATAMI	:	Loss attributable to the owners of the company, being loss after taxation and minority/non-controlling interests
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 October 2023, being the latest practicable date prior to the printing and despatch of this Circular
LPS	:	Loss per share

Major Shareholder	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (i) 10% or more of the total number of voting shares in the Company; or (ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company, and includes any person who is or was within the preceding six (6) months of the date on which the terms of the Proposed Disposal were agreed upon, such major shareholder of the Company or any other company which is its subsidiary or holding company For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
Ms. Chryseis	:	Ms. Chryseis Tan Sheik Ling
Ms. Nerine	:	Ms. Nerine Tan Sheik Ping
NA	:	Net assets
Naza or Purchaser	:	Naza Corporation Holdings Sdn Bhd (Registration No. 200901039123 (882262-K)), a wholly-owned subsidiary of NCHL
NCHL	:	Naza Corporation Holdings Ltd (Registration No. LL09312)
Non-Interested Directors	:	The Directors of the Company who are not interested in the Proposed Disposal
Non-Interested Shareholders	:	The shareholders of the Company who are not interested in the Proposed Disposal
Parties	:	Collectively, the Vendor and the Purchaser
PAT	:	Profit after taxation
PATAMI	:	Profit attributable to the owners of the company, being profit after taxation and minority/non-controlling interests
Proposed Disposal	:	The proposed disposal by BGroup of the Sale Shares to Naza for the Sale Consideration pursuant to the terms and conditions of the SSA
Retention Sum	:	A sum of RM35.00 million, being 5% of the Sale Consideration payable by the Purchaser upon Completion and to be held by a stakeholder in an interest-bearing account
Sale Consideration	:	The cash consideration for the Sale Shares to be paid by the Purchaser to the Vendor amounting to RM700.00 million or at approximately RM2.25 per BEnviro Share
Sale Shares	:	310.60 million BEnviro Shares, representing 100% of the total issued share capital of BEnviro
SSA	:	The share sale agreement dated 17 July 2023 between BGroup and Naza for the Proposed Disposal

Stakeholder	:	A reputable law firm or institutional stakeholders to be appointed by the Vendor for the purpose of dealing with the Retention Sum
Subsidiaries	:	Has the meaning ascribed in Section 4 of the Act
Supplemental SSA	:	Supplemental share sale agreement dated 30 October 2023 between BGroup and Naza to vary the terms of the SSA in relation to the Vendor's warranties and limitation of liabilities
Total Balance Sale Consideration	:	A sum of RM630.00 million, being 90% of the Sale Consideration payable by the Purchaser upon Completion, which comprises the Balance Sale Consideration and the Retention Sum
TSVT	:	Tan Sri Dato' Seri Vincent Tan Chee Yioun
Unconditional Date	:	The date of which the last of the Conditions Precedent being fulfilled or satisfied
Valuation Certificate	:	The valuation certificate on the BEnviro Group issued by FHMH dated 14 July 2023

Currencies

RM	:	Ringgit Malaysia, being the lawful currency of Malaysia

All references to "**the Company**" in this Circular are to BCorporation and the references to "**the Group**" or "**BCorporation Group**" are to the Company and its subsidiaries, except where the context requires otherwise or as otherwise defined. All references to "**you**" in this Circular are to the shareholders of the Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment, rules and regulations is a reference to that enactment, rules and regulations as for the time being amended or re-enacted.

Any reference to time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Group's plans and objectives will be achieved.

(The rest of this page has been intentionally left blank)

TABLE OF CONTENTS

APPENDICES

(The rest of this page has been intentionally left blank)

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSED DISPOSAL IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN IN ITS ENTIRETY WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

Key Information		Description	Reference to this Circular
Details of the Proposed Disposal	:	The Proposed Disposal involves the disposal by BGroup of 310.60 million BEnviro Shares, representing 100% of the issued share capital of BEnviro, to Naza for a sale consideration of RM700.00 million to be fully satisfied in cash, subject to the terms and conditions of the SSA. The Proposed Disposal is deemed a related party transaction pursuant to the Listing Requirements.	Section 2 of Part A of this Circular
Basis and justification in arriving at the Sale Consideration	:	The Sale Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration, the valuation of the BEnviro Group, ranges from RM585.95 million to RM713.45 million, as appraised by FHMH and the rationale for the Proposed Disposal which is set out in Section 4 of Part A of this Circular.	Section 2.3 of Part A of this Circular
Use of proceeds	:	The Company intends to utilise the cash proceeds from the Proposed Disposal in the following manner:	Section 3 of Part A of this Circular

Description of use	%	RM'mil	Estimated utilisation timeframe from receipt of full proceeds
Part repayment of bank borrowings	78.9	552.00	Within 12 months
Working capital	20.9	146.65	Within 12 months
Defray estimated expenses relating to the Proposed Disposal	0.2	1.35	Within 3 months
Total	**100.0**	**700.00**	

Key Information		Description	Reference to this Circular
Rationale and benefits of the Proposed Disposal	:	The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the Group's investments in BEnviro. The Group is expected to record an estimated gain on disposal of approximately RM474.11 million from the Proposed Disposal and thereby is expected to improve the NA and earnings of the Group.	Section 4 of Part A of this Circular
Risk factors of the Proposed Disposal	:	(i) Non-completion of the Proposed Disposal – Failure to fulfill any of the Conditions Precedent may delay or terminate the Proposed Disposal; and	Section 5 of Part A of this Circular

Key Information		Description	Reference to this Circular
		(ii) Loss of income from BEnviro - BEnviro Group will no longer be subsidiaries of BCorporation and as such, the Group will lose the source of revenue and potential profit contribution from the BEnviro Group.	
Approvals required	:	The Proposed Disposal is subject to the following being obtained: (i) the approval of the shareholders of BCorporation at the forthcoming EGM; (ii) the approvals/consents of the relevant authorities and/or parties, which form part of the Conditions Precedent as set out in **Section 1** of **Appendix II** of this Circular; and (iii) the approvals of any other relevant authority or party, if required.	Section 7 of Part A of this Circular
Interests of Directors, major shareholders and/or persons connected with them	:	Ms. Chryseis and Ms. Nerine are Interested Directors in the Proposed Disposal. They have abstained and shall continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the Proposed Disposal. TSVT is the Interested Major Shareholder in the Proposed Disposal as he is the father of Ms. Chryseis and Ms. Nerine and the father-in-law of Encik Faliq. The Interested Directors and the Interested Major Shareholder will abstain from voting in respect of their direct and indirect shareholdings in the Company on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them shall abstain from voting in respect of their direct and/or indirect interests (if any) in the Company on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.	Section 11 of Part A of this Circular
Directors' statement / recommendation	:	The Board (save for the Interested Directors) is of the opinion that the Proposed Disposal is in the best interest of the Group and recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.	Section 15 of Part A of this Circular

Please refer to Part B of this Circular for the Independent Adviser's views and recommendation in relation to the Proposed Disposal.

PART A

LETTER TO THE SHAREHOLDERS OF BCORPORATION
IN RELATION TO THE PROPOSED DISPOSAL

BERJAYA

BERJAYA CORPORATION BERHAD

Registered Office:
Lot 13-01A, Level 13 (East Wing),
Berjaya Times Square,
No. 1 Jalan Imbi,
55100 Kuala Lumpur.

14 November 2023

Board of Directors

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail *(Non-Independent Non-Executive Chairman)*
Vivienne Cheng Chi Fan (*Joint Chief Executive Officer / Executive Director*)
Nerine Tan Sheik Ping (*Joint Chief Executive Officer / Executive Director*)
Norlela Binti Baharudin (*Executive Director*)
Chryseis Tan Sheik Ling (*Executive Director*)
Penelope Gan Paik Ling (*Independent Non-Executive Director)*
Dato' Sri Leong Kwei Chun (*Independent Non-Executive Director*)
Nor Afida Binti Abdul Ali (*Independent Non-Executive Director*)

To: Shareholders of BCorporation

Dear Sir/Madam,

PROPOSED DISPOSAL

---

1. INTRODUCTION

On 17 July 2023, AmInvestment Bank had, on behalf of the Board, announced that BGroup, a wholly-owned subsidiary of BCorporation, had on even date entered into the SSA with Naza for the Proposed Disposal. On 30 October 2023, BGroup had entered into the Supplemental SSA with Naza to vary the terms of the SSA, particularly, in connection with additional warranties by BGroup following the Due Diligence conducted.

On 1 November 2023, AmInvestment Bank had, on behalf of the Board, announced that Public Private Partnership Unit, the Prime Minister's Department had, via its letter dated 31 October 2023, approved the transfer of the Sale Shares to Naza, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023.

The Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements. Accordingly, BDOCC has been appointed on 3 July 2023 to act as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and the reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the Non-Interested Shareholders. The IAL in relation to the Proposed Disposal is set out in Part B of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DISPOSAL AND TO SEEK YOUR APPROVAL BY WAY OF POLL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED TOGETHER IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS LETTER IN PART A OF THIS CIRCULAR AND THE IAL IN PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal involves the disposal by BGroup of 310.60 million BEnviro Shares, representing 100% of the issued share capital of BEnviro, to Naza for a sale consideration of RM700.00 million to be fully satisfied in cash, subject to the terms and conditions of the SSA.

BEnviro was incorporated in Malaysia as a private limited liability company on 15 October 2004. Its current issued share capital is RM310.60 million comprising 310.60 million BEnviro Shares. BEnviro is an investment holding company while its principal subsidiaries and a jointly-controlled entity are involved in the environmental business segments of solid waste management with engineered sanitary landfill, landfill gas management via renewable energy generation from landfill gas, as well as scheduled waste management through recycling, treatment and disposal.

Kindly refer to Appendix I of this Circular for further details of the BEnviro Group.

Upon Completion, the BEnviro Group will cease to be subsidiaries of BCorporation.

2.1 Information on Naza

Naza was incorporated on 10 December 2009 in Malaysia as a private limited company under the name of Aqua Odyssey Sdn Bhd and it assumed its present name since 9 August 2012. Naza is principally an investment holding company. It is a wholly-owned subsidiary of NCHL. As at the LPD, the shareholders of NCHL and their respective shareholdings in NCHL are as follows:-

	No. of shares	**%**
Encik Sheikh Mohd Nasarudin Bin Sheikh Mohamad Nasimuddin Kamal	1	16.67
Encik Faliq	1	16.67
Puan Sri Datin Seri Utama Zaleha Binti Ismail	1	16.67
Datuk Wira Haji Sheikh Mohd Faisal Bin Sheikh Mohamad Nasimuddin Kamal, DCSM, DSDK	1	16.67
Puan Nur Diana Binti Sheikh Mohamad Nasimuddin Kamal	1	16.67
Puan Nur Nadia Binti Sheikh Mohamad Nasimuddin Kamal	1	16.67
Total	**6**	**100.00***

***** *After rounding down.*

As at the LPD, the issued share capital of Naza is RM1,053,976,227 comprising 421,590,492 ordinary shares. The directors of Naza are Encik Sheikh Mohd Nasarudin Bin Sheikh Mohamad Nasimuddin Kamal and Encik Faliq.

2.2 Salient terms of the SSA

(i) Sale Consideration

The Sale Consideration of RM700.00 million shall be fully settled by the Purchaser by way of cash in the following manner:-

(a) Deposit Sum: RM70.00 million, being 10% of the Sale Consideration of which RM14.00 million (2%) has been paid upon acceptance of the conditional letter of acceptance on 26 May 2023 and the Balance Deposit of RM56.00 million (8%) has been fully paid on 31 July 2023; and

(b) Total Balance Sale Consideration: RM630.00 million, being 90% of the Sale Consideration, comprising the following:

(i) Balance Sale Consideration: RM595.00 million, being 85% of the Sale Consideration is payable upon Completion, failing which will attract a late payment interest at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from the day after the due date until the date of payment of the same; and

(ii) Retention Sum: RM35.00 million, being 5% of the Sale Consideration, is payable upon Completion and to be held by the Stakeholder in an interest-bearing account.

The Retention Sum together with the interests accrued thereon shall be released to the Vendor on the 1st anniversary of the Completion Date after deducting any amount due to the Purchaser in respect of any claim for breach of warranties and representations as set out in the SSA.

(ii) Profit Guarantee

In accordance with the terms of the SSA, BGroup agrees to guarantee and undertake to Naza in respect of the audited consolidated PAT of BEnviro of not less than RM38.00 million for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, which sums up to an aggregate profit guarantee of not less than RM114.00 million for the aforesaid three (3) financial years.

The Board is of the view that the profit guarantee of RM38.00 million per annum for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is realistic, taking into consideration amongst others, the following:-

(a) The BEnviro Group will commence full-scale commercial operations of its integrated facility for scheduled waste treatment, disposal and recycling in Bukit Tagar Enviro Park, Selangor, which will contribute significantly to the PAT of the BEnviro Group;

(b) The BEnviro Group has recently enhanced its offerings to provide scheduled waste collection and transportation services to waste generators, which is a new revenue stream to the BEnviro Group; and

(c) The BEnviro Group has upgraded its existing renewable energy plant to increase its capacity from 10MW to 12MW, which is expected to contribute positively to the PAT of the BEnviro Group.

In the event the profit guarantee is not met, the Vendor shall top-up the shortfall by way of cash to the Purchaser. Please refer to Section 3.2, Appendix II of this Circular on the top-up mechanism of the shortfall.

(iii) Joint Venture

Upon Completion, the Parties irrevocably undertake to set up the JV Company to undertake all new projects (including but not limited to sanitary landfills, environmental and waste management in Malaysia and overseas). The shareholding in the JV Company shall be 49% owned by the Vendor (or its nominee) and 51% owned by BEnviro (or its nominee). As at the LPD, the Parties have yet to enter into any joint venture arrangement.

Further details on the profit guarantee and the other salient terms of the SSA are set out in Appendix II of this Circular.

2.3 Basis and justification in arriving at the Sale Consideration

The Sale Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following:

(i) The valuation of the BEnviro Group as appraised by FHMH, as set out in the Valuation Certificate in Appendix IV of this Circular. The valuation of the BEnviro Group, which was derived by FHMH using the discounted free cashflow to equity method, ranges from RM585.95 million to RM713.45 million. The discounted free cashflow to equity method is prepared based on the financial projection of the BEnviro Group from FYE 30 June 2024 until FYE 30 June 2044 with the following key assumptions:

(a) the discount rate of 10.13% is derived from the capital asset pricing model formula with the relevant assumptions estimated based on the expected yield of 10-year Malaysian government securities, beta coefficient derived from the median beta as prescribed by Ashwath Damodaran for the environmental & waste services industry of 0.85 and net debt/equity ratio of the BEnviro Group and the expected market risk premium for Malaysia estimated based on Malaysia's average market return for the past ten years. The discount rate is then assigned with a 1% sensitivity range (i.e. 9.13% - 11.13%) to cater for unforeseen circumstances in the business of the BEnviro Group; and

(b) the potential disposal of the quoted shares held by Berjaya EnviroParks Sdn Bhd ("**BEParks**") and the free cash resulting therefrom, in BEParks.

There is no terminal value ascribed by FHMH in the valuation of the BEnviro Group. The valuation was undertaken based on the financial projection of the BEnviro Group for the remaining 21 years up till 30 June 2044, being the expiry of the concession period for BEParks.

The Sale Consideration is within the range of the valuation ascribed by FHMH. The Sale Consideration represents 7.7% premium to the midpoint of the valuation of RM649.70 million.

(ii) The rationale as set out in Section 4 of Part A of this Circular.

For the FYE 30 June 2022 (based on the latest available audited financial statements prior to the announcement of the Proposed Disposal), BEnviro recorded an audited consolidated NA of RM193.77 million and a consolidated PATAMI of RM17.35 million. For information only, the Sale Consideration represents a premium of RM506.23 million or price to book ratio of 3.6 times over the BEnviro Group's NA as at 30 June 2022. Based on the profit guarantee of RM38.00 million per annum for each of the next 3 financial years, the Sale Consideration represents a price-earnings ratio of 18.4 times.

2.4 Liabilities to be remained

Except for the profit guarantee as stated in Section 2.2(ii) of Part A of this Circular and Section 3 of Appendix II of this Circular, there are no other liabilities, contingent liabilities and guarantees relating to the Proposed Disposal which will remain with the BCorporation Group following the Completion.

2.5 Date and original cost of investment

The BCorporation Group's original cost of investment in BEnviro and the respective dates of investment are as follows:-

Date of investment	No. of shares	Cost of investment (RM)
15 October 2004	2	2
26 August 2019	2,599,998	2,599,998
9 March 2020	5,000,000	5,000,000
24 March 2021	1,500,000	1,500,000
30 April 2021	1,500,000	1,500,000
30 June 2022	300,000,000	300,000,000
	310,600,000	**310,600,000**

2.6 Estimated gain from the Proposed Disposal

Upon Completion, the BCorporation Group is expected to realise an estimated one-off gain on the Proposed Disposal of approximately RM474.11 million based on its audited financial statements as at 30 June 2023 as follows:

	RM'mil
Sale Consideration	700.00
Less: BCorporation Group's carrying value in BEnviro	(225.89)
Estimated one-off gain on the Proposed Disposal	**474.11**

For information, the actual gain will vary as it will be based on the Group's carrying value in BEnviro on Completion.

3. USE OF PROCEEDS

The Company intends to utilise the cash proceeds from the Proposed Disposal in the following manner:

Description of use	%	RM'mil	Estimated utilisation timeframe from receipt of full proceeds
Part repayment of bank borrowings[(1)]	78.9	552.00	Within 12 months
Working capital[(2)]	20.9	146.65	Within 12 months
Defray estimated expenses relating to the Proposed Disposal[(3)]	0.2	1.35	Within 3 months
Total	**100.0**	**700.00**	

Notes:

(1) The Group intends to utilise part of the proceeds from the Proposed Disposal to pare down RM552.00 million of the Group's existing borrowings. The repayment of bank borrowings is expected to result in interest savings of approximately RM33.12 million per annum based on the principal repayment of RM552.00 million and the average effective interest rate of 6.00% per annum. The total borrowings of the Group as at 30 June 2023 is approximately RM5.98 billion.

(2) *The Group intends to allocate RM146.65 million for the following working capital purposes:-*

Purpose	***%***	***RM'mil***
Payment to trade and other creditors	*83.6*	*122.65*
Staff cost (e.g. staff salaries, statutory contributions and staff benefits)	*16.4*	*24.00*
Total	***100.0***	***146.65***

The actual proceeds to be used for each component of working capital may differ subject to the Group's operating requirements at the time of the utilisation of the allocated proceeds.

(3) *Consisting of mainly professional fees, fees payable to relevant authorities and other ancillary expenses in relation to the Proposed Disposal. Any surplus or shortfall to the amount allocated for the estimated expenses for the Proposed Disposal, will be used for or funded from the working capital of the Group.*

Pending usage of the cash proceeds from the Proposed Disposal, the money will be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as the Board (save for the Interested Directors) may deem fit. The interests derived from the deposits with financial institutions and/or any gain arising from the short-term money market instruments will be used for the Group's working capital requirements.

4. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the Group's investments in BEnviro. The Group is expected to record an estimated gain on disposal of approximately RM474.11 million from the Proposed Disposal and thereby is expected to improve the NA and earnings of the Group.

The Proposed Disposal will also enable the Group to raise cash proceeds of RM700.00 million to be utilised for the purposes as set out in Section 3 of Part A of this Circular which include part repayment of bank borrowings and working capital requirements of the Group. As part of the proceeds from the Proposed Disposal will be used towards part repayment of the Group's bank borrowings, this will give rise to interest savings and in turn, will improve the BCorporation Group's financial position and is expected to contribute positively to the future earnings of the Group.

5. RISK FACTORS OF THE PROPOSED DISPOSAL

5.1 Non-completion of the Proposed Disposal

The Completion is conditional upon the Conditions Precedent being fulfilled or waived. In the event that any of the Conditions Precedent is not fulfilled, the Proposed Disposal may be delayed or terminated and all the potential benefits arising therefrom may not be materialised.

There can be no assurance that all of the Conditions Precedent are able to be fulfilled. Nevertheless, the Management anticipates that such risk can be mitigated by proactively engaging with the relevant authorities/parties to obtain all the necessary approvals and documents required for the Completion.

5.2 Loss of income from BEnviro

BEnviro recorded an audited consolidated PATAMI of RM17.35 million for the FYE 30 June 2022. Upon Completion, the BEnviro Group will no longer be subsidiaries of the Company and as such, the Group will lose the source of revenue and potential profit contribution from the BEnviro Group.

The Group intends to utilise the cash proceeds to be raised from the Proposed Disposal in the manner as set out in Section 3 of Part A of this Circular. However, there is no assurance that the earnings to be derived from the use of proceeds will be equivalent to or above the earnings of the BEnviro Group.

6. EFFECTS OF THE PROPOSED DISPOSAL

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholding in the Company as the Proposed Disposal does not involve the issuance of any new shares in the Company.

6.2 NA and Gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of BCorporation as at 30 June 2023 and on the assumption that the Proposed Disposal had been effected on that day, the proforma effects of the Proposed Disposal on the NA and gearing of the Group are as follows:

	Audited as at 30 June 2023 (RM'000)	**(I) Upon completion of the Proposed Disposal (RM'000)**
Share capital	5,347,774	5,347,774
Equity component of ICULS	110	110
Reserves	897,423	1,401,586[5]
Treasury shares	(91,677)	(91,677)
Shareholders' funds	6,153,630	6,657,793
Non-controlling interest	2,693,561	2,681,294
Total Equity	**8,847,191**	9,339,087
No. of BCorporation Shares in issue (excluding treasury shares) ('000)[1]	5,583,491	5,583,491
NA[2]	6,040,481	6,544,644
NA per BCorporation Share (RM)[3]	1.08	1.17
Gearing (times)[4]	0.68	0.56[6]

Notes:

(1) Excluding 379,059,527 treasury shares as at 30 June 2023.

(2) Computed based on shareholders' funds less equity component of ICULS and warrants reserve.

(3) Computed based on NA divided by number of BCorporation Shares in issue with voting rights.

(4) Computed based on total borrowings (excluding lease liabilities) divided by total equity.

(5) After accounting for, amongst others, the following:

(i) one-off estimated gain from the Proposed Disposal of approximately RM474.11 million;

(ii) effects of consolidation adjustment arising from the Proposed Disposal amounting to RM31.4 million; and

(iii) estimated expenses of approximately RM1.35 million in relation to the Proposed Disposal.

(6) Decrease in gearing mainly due to the following:-

(i) part repayment of the Group's bank borrowings of RM552.00 million from the proceeds received from the Proposed Disposal;

(ii) deconsolidation of the total borrowings of the BEnviro Group amounting to RM158.30 million as at 30 June 2023; and

(iii) increase in the total equity of the BCorporation Group mainly as a result of the gain on the Proposed Disposal.

6.3 EPS

The Proposed Disposal is expected to be completed in the last quarter of year 2023. Upon Completion, BCorporation will cease to consolidate the results of the BEnviro Group.

For illustration purposes, assuming the Proposed Disposal had been completed at the beginning of FYE 30 June 2023, the proforma effects to the earnings and EPS of the BCorporation Group based on the audited consolidated financial statements of BCorporation for the FYE 30 June 2023 are as follows:-

	(RM'000)
LATAMI as at 30 June 2023	(110,262)
Add:	
Estimated gain on the Proposed Disposal[(1)]	474,113
Estimated interest savings from part repayment of bank borrowings	33,121[(2)]
Less:	
Profits of the BEnviro Group for the FYE 30 June 2023	(6,756)
Estimated expenses[(3)]	(1,350)
Adjusted PATAMI	**388,866**
Weighted number of BCorporation Shares in issue for the FYE 30 June 2023 ('000 shares)	5,610,539
LPS before the Proposed Disposal (sen)	(1.97)
EPS after the Proposed Disposal (sen)	6.93

Notes:

(1) The estimated gain on the Proposed Disposal was derived based on the Group's carrying value in BEnviro as at 30 June 2023.

(2) Estimated interest savings is based on the average effective interest rate of 6.00% per annum.

(3) The estimated expenses include, amongst others, the professional fees, fees payable to relevant authorities and other ancillary expenses in relation to the Proposed Disposal.

7. APPROVALS REQUIRED

The Proposed Disposal is subject to the following being obtained:

(i) the approval of the shareholders of BCorporation at the forthcoming EGM;

(ii) the approvals/consents of the relevant authorities and/or parties, which form part of the Conditions Precedent, (please refer to Sections 1(b) and 1(e), Appendix II of this Circular for further details of the approvals/consents required); and

(iii) the approvals of any other relevant authority or party, if required.

8. HIGHEST PERCENTAGE RATIO

Upon announcement of the Proposed Disposal, the highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 33.51% computed based on the audited consolidated PATAMI of BEnviro for the FYE 30 June 2022 of RM17.35 million as compared to the audited consolidated PATAMI of the Company for the FYE 30 June 2022 of approximately RM51.77 million.

9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposal (being the subject matter of this Circular) and as disclosed below, there are no other corporate exercises which have been announced by BCorporation but are pending completion prior to the date of this Circular:

(i) On 13 July 2022, Mercury Securities Sdn Bhd, had on behalf of the Board announced that the Company proposed to list its indirect 51.62%-owned subsidiary, Singapore Institute of Advanced Medicine Holdings Pte Ltd on the Catalist Board of the Singapore Stock Exchange Securities Trading Limited by way of an initial public offering ("**Proposed Listing**"). The shareholders of the Company had on 6 October 2022 in the EGM approved the Proposed Listing. As at the LPD, the Proposed Listing is pending completion.

(ii) On 28 December 2022, the Board announced that Berjaya Yokohama Hospitality Asset TMK, a 100%-owned indirect subsidiary of the Company, had on the even date entered into a Land Sale and Purchase Reservation Agreement ("**Reservation Agreement**") with the City of Yokohama for the proposed acquisition of 6 parcels of freehold land measuring in aggregate about 20,997.15 square metres located in Minato Mirai, Nishi District, Yokohama, Japan ("**Land**") from the City of Yokohama for a total cash consideration of about JPY12.657 billion (equivalent to approximately RM408.82 million based on the assumed exchange rate of JPY100 = RM3.23) ("**Proposed Land Acquisition**").

    On 30 June 2023, the Board announced that the parties to the Reservation Agreement have mutually agreed to an extension of time to 29 March 2024 for the execution of the Land Sale and Purchase Agreement pursuant to the Proposed Land Acquisition following some modifications to the master plan on the development of the Four Seasons Yokohama Harbor Edge project on the Land comprising a luxury hotel and upscale residences, aquarium and retail outlets.

10. CONDITIONALITY OF THE PROPOSED DISPOSAL

The Proposed Disposal is not conditional upon any other corporate exercise of the Company.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED WITH THEM

11.1 Directors' interests

Ms. Chryseis is an Executive Director and a shareholder of BCorporation. Her spouse, Encik Faliq, is a director of Naza and NCHL. Encik Faliq is also a major shareholder of NCHL which is 100%-owned and controlled by Encik Faliq and his family members. By virtue of Ms. Chryseis' relationship with Encik Faliq, Ms. Chryseis is deemed interested in the Proposed Disposal.

Ms. Nerine, a sister of Ms. Chryseis, is a Joint Chief Executive Officer cum Executive Director and a shareholder of BCorporation. Ms Nerine is deemed interested in the Proposed Disposal by virtue of her being a person connected with Ms. Chryseis.

The Interested Directors' shareholdings in BCorporation as at the LPD are set out below:-

	Direct		Indirect	
Interested Directors	**No. of shares**	**(1)%**	**No. of shares**	**(1)%**
Ms. Chryseis	486,026	0.01	(2)80,000,000	1.43
Ms. Nerine	132,000	#	-	-

Notes:

\# *The amount is insignificant.*

(1) Computed based on the number of BCorporation Shares in issue as at the LPD, excluding treasury shares.

(2) By virtue of interest held by her spouse.

The Interested Directors have abstained and shall continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the Proposed Disposal.

The Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in BCorporation on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect interests (if any) in BCorporation on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

11.2 Major Shareholder's Interest

TSVT, being the major shareholder of BCorporation, is deemed interested in the Proposed Disposal as he is the father of Ms. Chryseis and Ms. Nerine and the father-in-law of Encik Faliq. TSVT was also the Non-Independent Non-Executive Chairman of BCorporation within the preceding 6 months prior to the date of the SSA.

TSVT's shareholdings in BCorporation as at the LPD are set out below:-

	Direct		Indirect	
Interested Major Shareholder	**No. of shares**	**(1)%**	**No. of shares**	**(1)%**
TSVT	419,058,581	7.51	(2) 589,701,606	10.56

Notes:

(1) Computed based on the number of BCorporation Shares in issue as at the LPD, excluding treasury shares.

(2) *Deemed interested by virtue of his interests in Ascot Sports Sdn Bhd, Hotel Resort Enterprise Sdn Bhd, Berjaya Assets Berhad (the holding company of Berjaya Bright Sdn Bhd and Berjaya Times Square Sdn Bhd), Berjaya Media Berhad (the holding company of Gemtech (M) Sdn Bhd), B & B Enterprise Sdn Bhd and HQZ Credit Sdn Bhd (the ultimate holding company of Desiran Unggul Sdn Bhd and Premier Merchandise Sdn Bhd) and his deemed interests in Berjaya Infrastructure Sdn Bhd, Convenience Shopping (Sabah) Sdn Bhd and Lim Kim Hai Sales & Services Sdn Bhd.*

Accordingly, TSVT will abstain from voting in respect of his direct and indirect shareholdings in BCorporation on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM and shall undertake to ensure that persons connected with him will abstain from voting in respect of their direct and/or indirect interests (if any) in BCorporation on the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals and/or consents being obtained, the Proposed Disposal is expected to be completed by the 4th quarter of year 2023.

The tentative timetable in relation to the Proposed Disposal is as follow:

Date	Event
30 November 2023	EGM to approve the Proposed Disposal
End November / Early December 2023	Fulfilment or satisfaction of the Conditions Precedent
End December 2023	Completion of the Proposed Disposal

13. TRANSACTIONS WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

Save for the Proposed Disposal, there were no other transactions entered into by the Company with Naza for the preceding 12 months from the LPD.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, after having considered all aspects of the Proposed Disposal (including but not limited to the valuation by FHMH, rationale, risks and effects of the Proposed Disposal as well as the recommendation by the Independent Adviser), is of the opinion that the Proposed Disposal is:-

(i) in the best interest of the Group;
(ii) fair, reasonable and on normal commercial terms; and
(iii) not detrimental to the interest of the Non-Interested Shareholders.

15. DIRECTORS' STATEMENT / RECOMMENDATION

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Disposal (including but not limited to the valuation by FHMH, rationale, risks and effects of the Proposed Disposal as well as the recommendation by the Independent Adviser), is of the opinion that the Proposed Disposal is in the best interest of the Group.

Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

16. INDEPENDENT ADVISER

In view that the Proposed Disposal is regarded as a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, the Board (save for the Interested Directors) had on 3 July 2023 appointed BDOCC to act as the Independent Adviser to:

(i) comment as to whether the Proposed Disposal is fair and reasonable insofar as the Non-Interested Shareholders are concerned and whether the Proposed Disposal is to the detriment of the Non-Interested Shareholders; and

(iii) advise the Non-Interested Shareholders on whether they should vote in favour of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

17. EGM

The Notice convening the EGM and the Form of Proxy are enclosed in this Circular. Further information on how to participate in the EGM is set out in the Administrative Guide for the EGM which can be viewed and downloaded from the websites of the Company and Bursa Securities at https://www.berjaya.com and https://www.bursamalaysia.com respectively. The EGM will be conducted on a virtual basis through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 30 November 2023 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Disposal.

If you are unable to attend and vote remotely via the Remote Participation and Voting ("**RPV**") facilities provided by the poll administrator, SS E Solutions Sdn Bhd, which are available on Securities Services e-Portal at https://sshsb.net.my/, you may appoint a proxy to attend and vote remotely on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy in accordance with the instructions thereon so as to arrive at the Registered Office of the Company at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at https://sshsb.net.my not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the EGM should you subsequently decide to do so. Shareholders/proxy(ies) from the public will not be allowed to be physically present at the broadcast venue on the day of the EGM.

18. FURTHER INFORMATION

Shareholders are advised to refer to the ensuing appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
BERJAYA CORPORATION BERHAD

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail
Non-Independent Non-Executive Chairman

PART B

INDEPENDENT ADVICE LETTER FROM BDOCC TO THE NON-INTERESTED SHAREHOLDERS OF BCORPORATION IN RELATION TO THE PROPOSED DISPOSAL

EXECUTIVE SUMMARY

All definitions or defined terms used in this Executive Summary shall have the same meanings as the words and expressions defined in the "Definitions" section of the Circular as well as the relevant sections in Part A of the Circular, except where the context requires otherwise or as otherwise defined in this IAL.

All references to "we", "us" and "our" in this Executive Summary are ascribed to BDOCC, being the Independent Adviser for the Proposed Disposal.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THIS IAL. THE NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ AND UNDERSTAND THIS IAL IN ITS ENTIRETY, TOGETHER WITH THE LETTER FROM THE BOARD AS SET OUT IN PART A OF THE CIRCULAR AND THE ACCOMPANYING APPENDICES FOR ANY OTHER RELEVANT INFORMATION, AND ARE NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED DISPOSAL. YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION RELATING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

1. INTRODUCTION

On 17 July 2023, AmInvestment Bank had, on behalf of the Board, announced that BGroup, a wholly-owned subsidiary of BCorporation, had on even date entered into the SSA with Naza for the Proposed Disposal. On 30 October 2023, BGroup had entered into the Supplemental SSA with Naza to vary the terms of the SSA, particularly, in connection with additional warranties by BGroup following the Due Diligence conducted.

On 1 November 2023, AmInvestment Bank had, on behalf of the Board, announced that Public Private Partnership Unit, the Prime Minister's Department had, via its letter dated 31 October 2023, approved the transfer of the Sale Shares to Naza, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023.

The Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements by virtue of the interests of the Interested Directors and the Interested Major Shareholder as set out in **Section 11, Part A** of the Circular.

Accordingly, BDOCC has been appointed by BCorporation on 3 July 2023 as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the Non-Interested Shareholders.

The purpose of this IAL is to provide the Non-Interested Shareholders with an independent evaluation of the fairness and reasonableness of the Proposed Disposal, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.

2. EVALUATION OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken into consideration the following:

Section in this IAL	Area of Evaluation	Our Evaluation
Section 7	Rationale and benefits of the Proposed Disposal	The rationale and benefits of the Proposed Disposal outlined in **Section 4, Part A** of the Circular are as set out below: (i) The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the BCorporation Group's investments in BEnviro. The BCorporation Group is expected to record an estimated gain on disposal of approximately RM474.11 million from the Proposed Disposal and thereby is expected to improve the NA and earnings of the Group. (ii) The Proposed Disposal will also enable the BCorporation Group to raise cash proceeds of RM700.00 million to be utilised for the purposes as set out in **Section 3, Part A** of the Circular which include part repayment of bank borrowings and working capital requirements of the Group. As part of the proceeds from the Proposed Disposal will be used towards part repayment of the Group's bank borrowings, this will give rise to interest savings and, in turn, will improve the BCorporation Group's financial position and is expected to contribute positively to the future earnings of the Group. Based on our evaluation of the rationale and benefits of the Proposed Disposal as set out in Section 7 of this IAL, we are of the view that the rationale and benefits of the Proposed Disposal are **reasonable**.
Section 8	Basis and justification for the Sale Consideration	In our evaluation of the Sale Consideration, we have compared the Sale Consideration against our estimated range of indicative values of the entire equity interest in the BEnviro Group. In view that BEnviro comprises 2 distinct business segments: (1) the BEnviro Group, excluding BEnergies (as defined hereinafter), which engages in waste management and related businesses, and (2) BEnergies, which involves in the waste-to-energy business, we have performed the DCF (as defined hereinafter) approach separately on each of the business segments. Thereafter, the estimated range of indicative values of the entire equity interest in the BEnviro Group was derived based on the aggregate estimated range of indicative equity values of (1) BEnviro's waste management and related businesses and (2) BEnviro's waste-to-energy business.

EXECUTIVE SUMMARY

Section in this IAL	Area of Evaluation	Our Evaluation
		The DCF approach is adopted in view of the principal activities and the financial performance of the BEnviro Group as well as the availability of the Financial Projections (as defined hereinafter). Based on our assessment as set out in Section 8 of this IAL, the Sale Consideration of RM700.00 million is within the estimated range of indicative values of the entire equity interest in the BEnviro Group of RM675.38 million to RM711.27 million. As such, we are of the view that the Sale Consideration is **fair**.
Section 9	Evaluation of the salient terms of the SSA	Based on our evaluation as set out in Section 9 of this IAL on the following salient terms of the SSA: (i) Sale Consideration; (ii) Joint Venture; (iii) Conditions Precedent; (iv) Due Diligence; (v) Profit guarantee; (vi) Post completion matter; and (vii) Termination, we are of the view that the salient terms of the SSA are **reasonable** and **not detrimental** to the Non-Interested Shareholders.
Section 10	Effects of the Proposed Disposal	Based on our evaluation as set out in Section 10 of this IAL, we noted the following: (i) The Proposed Disposal does not involve the issuance of any new shares in BCorporation, as it will be fully satisfied in cash. As such, the Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholdings in BCorporation; (ii) Pursuant to the Proposed Disposal, the proforma NA of the BCorporation Group is expected to increase from RM6,040.48 million as at 30 June 2023 to RM6,544.64 million, after taking into account, amongst others, the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and the estimated expenses in relation to the Proposed Disposal of approximately RM1.35 million; (iii) Upon Completion, the proforma gearing of the BCorporation Group is expected to improve from 0.68 times as at 30 June 2023 to 0.56 times after taking into consideration, amongst others, the part repayment of the Group's bank borrowings of RM552.00 million; and

Section in this IAL	Area of Evaluation	Our Evaluation
		(iv) Assuming the Proposed Disposal had been effected at the beginning of FYE 30 June 2023, the consolidated LATAMI of RM110.26 million is expected to improve to a proforma consolidated PATAMI of RM388.87 million. The LPS of the BCorporation Group of 1.97 sen is expected to increase to a proforma EPS of 6.93 sen based on the weighted average number of BCorporation Shares in issue of 5,610,539,000 for the FYE 30 June 2023. The increase to the proforma consolidated PATAMI and the proforma EPS is mainly due to the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and estimated interest savings of RM33.12 million per annum (based on the average effective interest rate of 6.00% per annum assuming part of the Group's bank borrowings of RM552.00 million is paid immediately). Premised on the above, the overall effects of the Proposed Disposal are **reasonable** and **not detrimental** to the interests of the Non-Interested Shareholders.
Section 11	Risk factors in relation to the Proposed Disposal	In considering the Proposed Disposal, the Non-Interested Shareholders are advised to give careful consideration to the following risk factors: (i) Non-completion of the Proposed Disposal; and (ii) Loss of income from BEnviro. We wish to highlight that although efforts and measures will be taken by the BCorporation Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to a material impact on the financial, business and operations of the BCorporation Group.

3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have taken into account various consideration factors as set out in this IAL. Based on our evaluation, we are of the view that the Proposed Disposal is **fair** and **reasonable** and is **not detrimental** to the Non-Interested Shareholders.

Accordingly, we advise and recommend that the Non-Interested Shareholders **vote in favour** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

14 November 2023

To: The non-interested shareholders of Berjaya Corporation Berhad

Dear Sir / Madam,

BERJAYA CORPORATION BERHAD ("BCORPORATION" OR THE "COMPANY")

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF BCORPORATION IN RELATION TO THE PROPOSED DISPOSAL

This IAL has been prepared to accompany the Circular in relation to the Proposed Disposal. All definitions or defined terms used in this IAL shall have the same meanings as the words and expressions defined in the "Definitions" section of the Circular as well as the relevant sections in Part A of the Circular, except where the context requires otherwise or as otherwise defined in this IAL.

All references to "we", "us" and "our" in this IAL are ascribed to BDOCC, being the Independent Adviser for the Proposed Disposal.

1. INTRODUCTION

On 17 July 2023, AmInvestment Bank had, on behalf of the Board, announced that BGroup, a wholly-owned subsidiary of BCorporation, had on even date entered into the SSA with Naza for the Proposed Disposal. On 30 October 2023, BGroup had entered into the Supplemental SSA with Naza to vary the terms of the SSA, particularly, in connection with additional warranties by BGroup following the Due Diligence conducted.

On 1 November 2023, AmInvestment Bank had, on behalf of the Board, announced that Public Private Partnership Unit, the Prime Minister's Department had, via its letter dated 31 October 2023, approved the transfer of the Sale Shares to Naza, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023.

The Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements by virtue of the interests of the Interested Directors and the Interested Major Shareholder as set out in **Section 11, Part A** of the Circular.

Accordingly, BDOCC has been appointed by BCorporation on 3 July 2023 as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the Non-Interested Shareholders.

The purpose of this IAL is to provide the Non-Interested Shareholders with an independent evaluation of the fairness and reasonableness of the Proposed Disposal, together with our recommendation thereon, subject to the limitations of our role and evaluation as specified in this IAL.

THE NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD AS SET OUT IN PART A OF THE CIRCULAR, TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED WITH THEM

The Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements by virtue of the interests of the Interested Directors and the Interested Major Shareholder as set out in **Section 11, Part A** of the Circular.

3. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE PROPOSED DISPOSAL

BDOCC was not involved in the formulation of the Proposed Disposal and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Disposal. BDOCC's terms of reference as the Independent Adviser are limited to expressing an independent evaluation on the fairness and reasonableness of the Proposed Disposal, which is based on the information and documents provided to, including but not limited to the following:

(i) information contained in Part A of the Circular and the appendices attached thereto;

(ii) the SSA;

(iii) the audited financial statements of the BEnviro Group for the FYE 30 June 2020, FYE 30 June 2021 and FYE 30 June 2022, as well as the unaudited management accounts of the BEnviro Group for the 9-month financial period ended 31 March 2023;

(iv) the income statements and cash flow projections of the BEnviro Group for the 3 months financial period ended 30 June 2023 (from 1 April 2023 to 30 June 2023) to FYE 30 June 2044, together with the key underlying bases and assumptions as provided by the management of the BEnviro Group (hereinafter referred to as the **"Financial Projections"**);

(v) the discussions with the management of the BEnviro Group on 7 July 2023 and 15 July 2023;

(vi) other relevant information, documents, confirmations and representations furnished to us by the Board and/or the management of BCorporation and/or the BEnviro Group; and

(vii) other publicly available information which we deemed to be relevant.

We have made such reasonable enquiries to the Board and management of BCorporation and/or the BEnviro Group. We have relied upon the information and/or documents as mentioned above as well as the relevant facts and information and/or representations necessary for our evaluation of the Proposed Disposal that have been disclosed to us, and that such information is accurate, valid and there is no omission of material facts which would make any information provided to us to be incomplete, misleading or inaccurate. We express no opinion on any such information and have not undertaken any independent investigation into the business and affairs of BCorporation, the BEnviro Group and all relevant parties involved in the Proposed Disposal. Based on the above, we are satisfied with the information and documents provided by BCorporation and/or the BEnviro Group and are not aware of any fact or matter not disclosed that renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. After making all reasonable enquiries and to the best of our knowledge and belief, the information used is reasonable, complete and free from material omission.

In rendering our advice, we had taken note of pertinent issues, which we believe are necessary and important to an assessment of the implications of the Proposed Disposal and, therefore of general concern to the Non-Interested Shareholders. As such:

(i) The scope of BDOCC's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Disposal. Comments or points of consideration which may be commercially oriented, such as the rationale and effects of the Proposed Disposal are included in our overall evaluation as we deem it necessary for disclosure purposes to enable the Non-Interested Shareholders to consider and form their views thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposed Disposal;

(ii) BDOCC's views and advice as contained in this IAL only cater to the Non-Interested Shareholders at large and not to any shareholder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual shareholder or any specific group of shareholders; and

(iii) We recommend that any individual shareholder or group of shareholders of BCorporation who are in doubt as to the action to be taken or require advice in relation to the Proposed Disposal in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, should consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account the information, events and conditions arising after the LPD.

The Board has read, seen, understood and approved the contents of this IAL. They collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAL and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief:-

(i) there is no statement and/or information in this IAL is incomplete, false and/or misleading;

(ii) there are no other facts and/or information, the omission of which would render any statement and/or information in this IAL incomplete, false and/or misleading; and

(iii) all material facts and/or information relevant to this IAL have been accurately and completely disclosed in this IAL.

The responsibility of the Board in respect of the independent advice and expression of opinion by BDOCC in relation to the Proposed Disposal as set out above, is to ensure that accurate information in relation to BCorporation and/or the BEnviro Group was provided to BDOCC for its evaluation of the Proposed Disposal and to ensure that all information in relation to BCorporation and/or the BEnviro Group that is relevant to BDOCC's evaluation of the Proposed Disposal have been completely disclosed to BDOCC and that there is no omission of material facts which would make any information provided to BDOCC false or misleading.

We shall notify the shareholders of BCorporation if, after the despatch of this IAL, we become aware of the following:

(i) significant change affecting the information contained in this IAL;

(ii) there is reasonable ground to believe that the statements in this IAL are false, misleading and/or deceptive; and

(iii) there is a material omission in this IAL.

If circumstances require, a supplementary IAL will be sent to the shareholders of BCorporation.

4. DECLARATION OF CONFLICT OF INTEREST

BDOCC confirms that it is not aware of any existing conflict of interest or any circumstances which would or are likely to give rise to a possible conflict of interest by virtue of BDOCC's appointment as the Independent Adviser in respect of the Proposed Disposal.

Save as disclosed below and the current appointment as the Independent Adviser of the Proposed Disposal, we did not have any other professional relationship with BCorporation at any time during the past 2 years prior to the date of this IAL.

- Appointment of BDO Tax Services Sdn Bhd, an associated company of BDOCC, on 2 February 2023 for the preparation and submission of the company tax return (i.e. Form C) for several subsidiaries and/or associates of BCorporation. The services provided are not related to the Proposed Disposal.

- Appointment of BDO Governance Advisory Sdn Bhd, an associated company of BDOCC, on 21 March 2023 for independent internal control review service for Inter-Pacific Securities Sdn Bhd, an indirect 100%-owned subsidiary of BCorporation. The service provided is not related to the Proposed Disposal.

- Appointment of BDO Tax Services Sdn Bhd, an associated company of BDOCC, on 14 April 2023 for the preparation and filing of return form of employer for a remuneration year (i.e. Form E) for several subsidiaries and/or associates of BCorporation. The services provided are not related to the Proposed Disposal.

5. CREDENTIALS, EXPERIENCE AND EXPERTISE OF BDOCC

BDOCC is a corporate advisory firm in Malaysia with a corporate finance advisory team which provides an extensive range of services to both the corporate and financial sectors as well as the investment community. The areas of expertise include valuation services, capital market transactions as well as mergers and acquisitions.

The credentials and experience of BDOCC as an independent adviser, where we have been appointed in the past 2 years prior to the date of this IAL, include the following proposals:

(i) Appointment by MPHB Capital Berhad as the independent adviser in relation to the proposed disposal of 51% equity interest in MPI Generali Insurans Berhad to Generali Asia N.V. for a cash consideration of RM485.00 million, subject to adjustments. Our independent advice letter was issued on 28 June 2022;

(ii) Appointment by Citaglobal Berhad as the independent adviser in relation to the proposed acquisition of 100% equity interest in Citaglobal Engineering Services Sdn Bhd from the vendor for a purchase consideration of RM140.00 million, to be satisfied via the issuance of consideration shares. Our independent advice letter was issued on 21 September 2022;

(iii) Appointment by Heng Huat Resources Group Berhad as the independent adviser for the conditional mandatory take-over offer by GH Consortium Sdn Bhd to acquire all the offer securities for a cash consideration of RM0.3771 per offer share and RM0.2971 per offer warrant. The independent advice circular was issued on 31 October 2022;

(iv) Appointment by Iskandar Waterfront City Berhad as the independent adviser in relation to the proposed disposal of a piece of freehold vacant land for a cash consideration of RM53.24 million and settlement of debt owing by the company and its subsidiaries amounting to RM50.76 million by way of set-off against the disposal consideration. Our independent advice letter was issued on 31 October 2022;

(v) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed sale and leaseback of 4 real property assets involving the interest of related parties. Our independent advice letter was issued on 22 November 2022;

(vi) Appointment by Comintel Corporation Bhd as the independent adviser for the unconditional mandatory take-over offer by JT Conglomerate Sdn Bhd to acquire the offer shares for a cash consideration of RM0.15 per offer share. Our independent advice circular was issued on 27 December 2022;

(vii) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed disposal of 2 parcels of freehold land in Bethania Queensland Australia by Jeta Gardens (Qld) Pty Ltd, an indirect subsidiary of KPJ Healthcare Berhad, to JLand Australia Pty Ltd for a total cash consideration of approximately RM19.61 million. Our independent advice letter was issued on 22 March 2023;

(viii) Appointment by Tropicana Corporation Berhad as the independent adviser in relation to the proposed capitalisation of the advances amounting to RM180.00 million via issuance of new shares. Our independent advice letter was issued on 8 June 2023;

(ix) Appointment by DPS Resources Berhad as the independent adviser in relation to the proposed exemptions to Tan Sri (Dr) Sow Chin Chuan and persons acting in concert with him from the obligation to undertake a mandatory offer for the remaining shares and convertible securities in DPS Resources Berhad not already held by them. Our independent advice letter was issued on 14 June 2023;

(x) Appointment by PTT Synergy Group Berhad as the independent adviser in relation to the proposed acquisition of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd for a total purchase consideration of RM152.00 million. Our independent advice letter was issued on 30 June 2023;

(xi) Appointment by KPJ Healthcare Berhad as the independent adviser in relation to the proposed renewal of lease of 4 properties involving the interest of related parties. Our independent advice letter was issued on 31 July 2023; and

(xii) Appointment by Malaysian Bulk Carriers Berhad as the independent adviser in relation to the proposed acquisition of a parcel of freehold land for a total cash consideration of RM165.00 million and proposed joint venture between Malaysian Bulk Carriers Berhad and Golden Valley Ventures Sdn Bhd to jointly acquire and develop the land. Our independent advice letter was issued on 9 November 2023.

Premised on the foregoing, BDOCC is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the Non-Interested Shareholders in relation to the Proposed Disposal.

6. EVALUATION OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken into consideration the following factors in forming our opinion:

	Section in this IAL
(1) Rationale and benefits of the Proposed Disposal	7
(2) Basis and justification for the Sale Consideration	8
(3) Evaluation of the salient terms of the SSA	9
(4) Effects of the Proposed Disposal	10
(5) Risk factors in relation to the Proposed Disposal	11

7. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

The rationale and benefits of the Proposed Disposal outlined in **Section 4, Part A** of the Circular are as set out below:

(i) The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the BCorporation Group's investments in BEnviro. The BCorporation Group is expected to record an estimated gain on disposal of approximately RM474.11 million from the Proposed Disposal and thereby is expected to improve the NA and earnings of the Group.

(ii) The Proposed Disposal will also enable the BCorporation Group to raise cash proceeds of RM700.00 million to be utilised for the purposes as set out in **Section 3, Part A** of the Circular which include part repayment of bank borrowings and working capital requirements of the Group. As part of the proceeds from the Proposed Disposal will be used towards part repayment of the Group's bank borrowings, this will give rise to interest savings and, in turn, will improve the BCorporation Group's financial position and is expected to contribute positively to the future earnings of the Group.

Our comments:

We take cognisance of the rationale and benefits of the Proposed Disposal and our evaluation is as follows:

(i) The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the BCorporation Group's investments in BEnviro.

Notwithstanding that the BCorporation Group will cease to recognise the share of profit from the BEnviro Group upon Completion, we noted that the Proposed Disposal provides the BCorporation Group with an immediate opportunity to monetise its investments in BEnviro after taking into consideration the BCorporation Group's carrying value in BEnviro of approximately RM225.89 million as at 30 June 2023. The Proposed Disposal is expected to result in the one-off estimated gain on disposal of RM474.11 million, which is expected to improve the proforma NA and the proforma earnings of the BCorporation Group upon Completion.

For information purposes, the BEnviro Group recorded an audited consolidated NA of RM193.77 million and a consolidated PATAMI of RM17.35 million for the FYE 30 June 2022.

(ii) **The Proposed Disposal will also enable the BCorporation Group to raise cash proceeds of RM700.00 million to be utilised for the purposes as set out in Section 3, Part A of the Circular.**

We noted from **Section 3, Part A** of the Circular, that BCorporation intends to utilise the Sale Consideration in the following manner:

Description of use	%	RM (million)	Estimated utilisation timeframe from receipt of full proceeds
Part repayment of bank borrowings	78.9	552.00	Within 12 months
Working capital	20.9	146.65	Within 12 months
Defray estimated expenses relating to the Proposed Disposal	0.2	1.35	Within 3 months
Total	**100.0**	**700.00**	

We noted that BCorporation intends to utilise RM552.00 million or approximately 78.9% of the Sale Consideration to pare down its existing borrowings. Assuming such sums are paid immediately, the BCorporation Group is expected to benefit from interest cost savings of approximately RM33.12 million per annum (based on the average effective interest rate of approximately 6.00% per annum), which is above the audited consolidated PATAMI of RM17.35 million recorded by the BEnviro Group for the FYE 30 June 2022.

We further noted that the part repayment of bank borrowings is expected to improve the proforma gearing from 0.68 times (audited as at the FYE 30 June 2023 as set out in **Section 6.2, Part A** of the Circular) to 0.56 times. The proceeds from the Proposed Disposal, which will be utilised for the part repayment of bank borrowings, will also provide financial flexibility to the BCorporation Group where funds which were originally allocated for the repayment of the Group's bank borrowings can now be utilised for other business purposes.

In addition, we noted that the BCorporation Group intends to utilise RM146.65 million or approximately 20.9% of the Sale Consideration for the BCorporation Group's working capital purposes (e.g. payment of trade, other creditors and staff cost), which is expected to improve the BCorporation Group's financial flexibility in managing its cash flows. On the other hand, RM1.35 million or approximately 0.2% of the Sale Consideration would be used by the BCorporation Group to defray estimated expenses relating to the Proposed Disposal.

We also noted that pending usage of the cash proceeds from the Proposed Disposal, the money will be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments to generate income that will be used for the BCorporation Group's working capital requirements.

Premised on our evaluation as set out above, we are of the opinion that the rationale and benefits of the Proposed Disposal are reasonable. Nevertheless, the Non-Interested Shareholders should note that the potential benefits arising from the Proposed Disposal are subject to certain risk factors as outlined in Section 11 of this IAL.

8. BASIS AND JUSTIFICATION FOR THE SALE CONSIDERATION

As stated in **Section 2.3, Part A** of the Circular, we noted that the Sale Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following:

(i) The valuation of the BEnviro Group as appraised by FHMH, as set out in the Valuation Certificate in **Appendix IV** of the Circular. The valuation of the BEnviro Group, which was derived by FHMH using the discounted free cash flow to equity method, ranges from RM585.95 million to RM713.45 million. The discounted free cash flow to equity method is prepared based on the financial projection of the BEnviro Group from FYE 30 June 2024 until FYE 30 June 2044 with the following key assumptions:

(a) the discount rate of 10.13% is derived from the capital asset pricing model formula with the relevant assumptions estimated based on the expected yield of 10-year Malaysian government securities, beta coefficient derived from the median beta as prescribed by Ashwath Damodaran for the environmental & waste services industry of 0.85 and net debt/equity ratio of the BEnviro Group and the expected market risk premium for Malaysia estimated based on Malaysia's average market return for the past ten years. The discount rate is then assigned with a 1% sensitivity range (i.e. 9.13% - 11.13%) to cater for unforeseen circumstances in the business of the BEnviro Group; and

(b) the potential disposal of the quoted shares held by BEParks and the free cash resulting therefrom, in BEParks.

There is no terminal value ascribed by FHMH in the valuation of the BEnviro Group. The valuation was undertaken based on the financial projection of the BEnviro Group for the remaining 21 years up till 30 June 2044, being the expiry of the concession period for BEParks.

The Sale Consideration is within the range of the valuation ascribed by FHMH. The Sale Consideration represents 7.7% premium to the midpoint of the valuation of RM649.70 million.

(ii) The rationale as set out in **Section 4, Part A** of the Circular.

In our evaluation of the Sale Consideration, we have compared the Sale Consideration against the estimated range of indicative values of the entire equity interest in the BEnviro Group performed by us based on the discounted cash flow (**"DCF"**) approach.

Under the DCF approach, the free cash flow to the firm (**"FCFF"**) projected to be generated from the business of the BEnviro Group is discounted at an appropriate weighted average cost of capital (**"WACC"**) to derive the present value of all future cash flows from the business available to the providers of capital for the business. A key assumption for the DCF approach is the choice of a discount rate that takes into account the relevant expected market return and interest rates as well as the business and financial risks relating to the business. The present value of FCFF is also known as the enterprise value.

8.1 Indicative valuation of the entire equity interest in the BEnviro Group using the DCF approach

BEnviro was incorporated in Malaysia as a private limited liability company on 15 October 2004. BEnviro is an investment holding company. The details of its subsidiaries and a jointly-controlled entity are shown in the table below:

Company Name	Equity Interest Held		Principal Activities
BPJ-Berjaya Sdn Bhd	Subsidiary of BEnviro	51%	Manage and operate sanitary landfill and other construction activities.
Berjaya Eco Services Sdn Bhd ("**BESSB**")	Subsidiary of BEnviro	60%	Provide sales and marketing, handling and packaging of scheduled waste and other eco-related services to stakeholders involved in scheduled waste management.
Save The Sea Sdn Bhd	Subsidiary of BEnviro	100%	Dormant. The intended principal activity is the provision of environment engineering and river cleaning services.
J&T Berjaya Alam Murni Sdn Bhd ("**JBAM**")	Subsidiary of BEnviro	70%	Collection, transportation, storage, treatment, recovery, disposal and management of scheduled (hazardous and toxic) and medical waste.
BEParks	Subsidiary of BEnviro	100%	Investment holdings and treatment of waste, involving, amongst others, the development, design, construction, management, operation and maintenance of sanitary landfill and construction activities.
Berjaya Energies Sdn Bhd ("**BEnergies**")	Subsidiary of BEParks	100%	Generation and sale of electricity.
Amita Berjaya Sdn Bhd ("**ABSB**")	Jointly-controlled entity of BEnviro	60%	Providing industrial waste recycling services.

As stated in **Section 2, Part A** of the Circular, the Proposed Disposal involves the disposal by BGroup of 310.60 million BEnviro Shares, representing 100% of the issued share capital of BEnviro for a sale consideration of RM700.00 million to be fully satisfied in cash.

In view that BEnviro comprises 2 distinct business segments: (1) the BEnviro Group, excluding BEnergies, which engages in waste management and related businesses, and (2) BEnergies, which involves in the waste-to-energy business, we have performed the DCF approach separately on each of the business segments. Thereafter, the estimated range of indicative values of the entire equity interest in the BEnviro Group was derived based on the aggregate estimated range of indicative equity values of (1) BEnviro's waste management and related businesses and (2) BEnviro's waste-to-energy business.

In arriving at the estimated range of indicative values of the entire equity interest in the BEnviro Group, we have adopted the income approach using the DCF approach. The DCF approach is used as the primary approach in view of the principal activities and the financial performance of the BEnviro Group as well as the availability of the Financial Projections.

We have adopted the DCF approach as the sole method in valuing the BEnviro Group as the DCF approach measures the intrinsic values of the businesses which takes into consideration, amongst others, the BEnviro Group's cost of capital, capital structure and its potential growth.

The DCF approach considers both the time value of money and the future cash flows to be generated from the business over a specified period of time. As the methodology entails the discounting of future cash flows to be generated from the said business at a specified discount rate to arrive at the enterprise value of the business, the riskiness of generating such cash flows will also be taken into consideration.

In undertaking the DCF approach, we held discussions with the management of the BEnviro Group to obtain a general understanding of the business and operations of the BEnviro Group. We also obtained an understanding of the bases and assumptions of the Financial Projections for which the management of the BEnviro Group is responsible and that the specific assumptions are reflected in the Financial Projections. We also reviewed the arithmetic accuracy of the Financial Projections. Based on the above, we are satisfied that the Financial Projections were prepared on a reasonable basis. However, BDOCC in no way guarantees or otherwise warrants the achievability of the Financial Projections. As far as the Financial Projections are concerned, BCorporation and/or the BEnviro Group remains ultimately responsible for the accuracy, completeness and reliability of the Financial Projections including the underlying bases and assumptions.

In arriving at the respective discount rates, we have selected 2 sets of publicly listed comparable companies: (1) involved in waste management, which we view as broadly comparable to BEnviro's waste management and related businesses, and (2) involved in waste-to-energy generation, which we view as broadly comparable to BEnviro's waste-to-energy business. We have applied the prevailing risk-free rate, equity risk premium and beta of the respective sets of comparable companies as at 31 March 2023 (**"Valuation Date"**). We have also relied on the data of the comparable companies in estimating the discount rates with adjustments taking into consideration the size, unlisted status, country risk as well as profile of the BEnviro Group. Please note that the selection of comparable companies and adjustments made are highly subjective and judgmental and the selected comparable companies may not be entirely comparable due to various factors.

The key bases and assumptions adopted in the preparation of the Financial Projections by the management of the BEnviro Group are as follows:

(i) The management of the BEnviro Group has prepared the Financial Projections based on the concession period of the BEnviro Group's projects up to the FYE 30 June 2044;

(ii) The capital expenditure to be incurred are for the maintenance of the operations of the BEnviro Group during the Financial Projections period;

(iii) There will not be any significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of the BEnviro Group;

(iv) Sufficient internally generated funds and borrowings will be made available to finance the working capital and capital expenditure requirements of the BEnviro Group;

(v) The corporate tax rate is based on the effective tax rate of the BEnviro Group;

(vi) There will not be any significant or material changes in the principal activities and the existing structure of the BEnviro Group, environmental conditions, political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements which could impact the BEnviro Group; and

(vii) There is no significant or material change in the accounting policies of the BEnviro Group.

We noted that the management of the BEnviro Group has prepared the Financial Projections after taking into consideration the concession period of the BEnviro Group based on the management of the BEnviro Group's best estimate.

Based on the above and the representations from the Board and/or management of BCorporation and/or the BEnviro Group, nothing has come to our attention that the bases and assumptions adopted in the preparation of the Financial Projections are not reasonable.

Please note that the Financial Projections inherently has its limitation as it is projected over an extended period of time and is subject to meeting the bases and assumption which might be affected by the then prevailing market conditions and business risks which may not be within the control or foreseen by the management of BCorporation and/or the BEnviro Group during the period of the Financial Projections.

The key bases and assumptions adopted in our valuation are as follows:

(i) The unaudited financial statements of the BEnviro Group for the 9-month financial period ended 31 March 2023 provide a true and fair view of the financial position of the BEnviro Group as at the Valuation Date;

(ii) The corporate tax rate is based on the Malaysian statutory tax rate of 24% of the profit before tax;

(iii) The Financial Projections as provided by the management of the BEnviro Group is achievable. BCorporation and/or the BEnviro Group assumes full responsibility for the accuracy, completeness and reliability of the Financial Projections;

(iv) That the BEnviro Group has/will have all the relevant licences, permits, approvals, agreements, contracts or any other contractual agreements to carry out the business (**"Licences/Agreements"**). Accordingly, it is further assumed that there are no breaches and there will not be any breaches of any provision in the Licences/Agreements;

(v) That all the terms and conditions of the concession will be complied with;

(vi) There is no material change to the valuation of the BEnviro Group from the Valuation Date up to the Completion Date;

(vii) The time value implications, if any, from the Valuation Date up to the Completion Date is not material;

(viii) The BEnviro Group is in full compliance with all applicable regulations and laws;

(ix) The business interest of the BEnviro Group is free and clear of any liens or encumbrances;

(x) There will be no material changes in the present legislation, government regulations, inflation rates, interest rates, foreign exchange rates, bases and rates of taxation, and other lending guidelines in the countries where the BEnviro Group is operating which will affect the activities of the BEnviro Group during the Financial Projections period;

(xi) There will be no material changes in the present management of the BEnviro Group and principal activities as well as the accounting and operating policies presently adopted by the BEnviro Group. There will be continuity in responsible ownership and competent management with respect to the operation of the business of the BEnviro Group;

(xii) There are no material changes in the financial position and performance as well as business operations of the BEnviro Group that will affect the BEnviro Group after the Valuation Date;

(xiii) There are no undisclosed actual or contingent assets or liabilities, including but not limited to any contracts and/or off-balance sheet financial instruments, no unusual obligations or commitments other than in the ordinary course of business, nor any pending litigation which would have a material effect on the financial position or operations of the BEnviro Group now and in the future;

(xiv) There will be no material changes to the condition of the assets which will affect the operations in the future; and

(xv) There will be no event of *force majeure* occurring such as any act of God, act of public enemies, war, act of terrorism, restraint of Government or people of any nation, riots, insurrections, civil commotion, floods, fire, restrictions due to quarantines, epidemics, storms, or any other causes beyond the reasonable control of the management of the BEnviro Group, which could materially affect the financial position and/or business operations of the BEnviro Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

In arriving at the estimated range of indicative equity values of (1) BEnviro's waste management and related businesses and (2) BEnviro's waste-to-energy business, we have discounted the projected FCFF to be generated at the respective WACC using the approach described below:

No.	Details	Key bases and assumption		Description
		Waste management and related businesses	**Waste-to-energy business**	
1.	Valuation cut-off date	31 March 2023		The cut-off date is based on the unaudited financial statements of the BEnviro Group for the 9-month financial period ended 31 March 2023.
2.	Valuation date	31 March 2023		This is the reference date for the risk-free rate of return, expected market rate of return and beta, which were used in the DCF valuation.
3.	FCFF	Based on the Financial Projections of the BEnviro Group		FCFF is the free cash flows from operations available to the providers of the capital of a business after taking into consideration all operating expenses, movement in working capital and net investing cash flows.
4.	Cost of equity (**"K_e"**)	7.42% to 9.03%	7.50% to 8.37%	Cost of equity represents the rate of return on the entity required by an investor on the cash flow streams generated by the entity, given, amongst others, the risks associated with the cash flow. We have derived the estimated cost of equity using the Capital Asset Pricing Model with the following inputs: $K_e = R_f + \beta\ (R_m - R_f)$ Capital Asset Pricing Model is one of the common models used to determine the required rate of return for an asset. It is used to estimate the cost of equity based on the risk-free rate of return (refer to item 5 below), the expected market rate of return (refer to item 6 below) and beta (refer to item 7 below). The K_e has been adjusted to take into consideration the inherent risk as well as size and marketability adjustments. Inherent risk has been applied to reflect the uncertainty involved in the Financial Projections of the BEnviro Group. In addition, we have also applied size and marketability adjustments of 25% and 30% for the waste management and related businesses and waste-to-energy business, respectively, in the estimated range of indicative equity values of (1) BEnviro's waste management and related businesses and (2) BEnviro's waste-to-energy business in view of their unlisted status. The computation of the adjusted cost of equity is as follows: Adjusted K_e = (Unadjusted K_e + inherent risk) x (1 + size and marketability adjustment)

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Details</th><th colspan="2">Key bases and assumption</th><th rowspan="2">Description</th></tr>
<tr><th>Waste management and related businesses</th><th>Waste-to-energy business</th></tr>
<tr><td></td><td></td><td></td><td></td><td>The impact to the K_e based on the adjustments above is as follows:
<table><tr><th></th><th>Impact to K_e</th></tr><tr><td>Waste management and related businesses</td><td>Increase of 1.98% to 2.81%</td></tr><tr><td>Waste-to-energy business</td><td>Increase of 2.23% to 2.93%</td></tr></table>
We wish to highlight that in the process of a valuation, it is not uncommon for valuer to apply adjustments based on their judgements to derive a value. We have for this valuation applied our judgements to arrive at the adjustments after considering, amongst others, the inputs and assumptions of the Financial Projections and the selected comparable companies to derive the estimated range of indicative equity values of (1) BEnviro’s waste management and related businesses and (2) BEnviro’s waste-to-energy business. Please note that the adjustments made are highly subjective and judgmental.</td></tr>
<tr><td>5.</td><td>Risk-free rate of return (“R_f”)</td><td colspan="2">4.21%</td><td>A risk-free rate of return represents the expected rate of return from a risk-free investment.

The best available approximation of the risk-free rate of return is the gross yield of approximately twenty-one (21)-year Malaysian Government Securities. We are of the view that the longer tenure Malaysian Government Securities, rather than the shorter tenure Malaysian Government Securities, is appropriate to approximate the $R_{f,}$ of the business which is being valued based on the concession period.

As extracted from the Bank Negara Malaysia’s website, the said yield is 4.21% as at the Valuation Date.</td></tr>
<tr><td>6.</td><td>Expected market rate of return (“R_m”)</td><td colspan="2">9.73%</td><td>The expected market rate of return is the expected rate of return for investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.

In our opinion, the expected market rate of return for the FTSE Bursa Malaysia Index is an indicator of the equity market return in Malaysia. As extracted from Bloomberg, the expected market rate of return for the FTSE Bursa Malaysia Index as at the Valuation Date, which is based on the dividend discount model, is 9.73%.</td></tr>
<tr><td>7.</td><td>Beta (“β”)</td><td>0.22 to 0.37</td><td>0.19 to 0.22</td><td>Beta is the sensitivity of an asset’s returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than one (1) signifies that the asset is riskier than the market and vice versa.</td></tr>
</table>

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Details</th><th colspan="2">Key bases and assumption</th><th rowspan="2">Description</th></tr>
<tr><th>Waste management and related businesses</th><th>Waste-to-energy business</th></tr>
<tr><td></td><td></td><td></td><td></td><td>For information purposes, the term “unlevered β” refers to the β of a company without any debt. Unlevering a β removes the financial effects from leverage. The formula to calculate a company’s unlevered β is as follows:
Unlevered β = levered β / [1 + (1-T) x D/E]

The term “levered β” refers to the β of a company with debt. Levering a β includes the financial effects of leverage. The unlevered β should be adjusted to levered β of as per the formula below:
Levered β = Unlevered β x [1 + (1-T) x D/E]

In deriving the estimated beta for (1) BEnviro’s waste management and related businesses and (2) BEnviro’s waste-to-energy business, we have relied on the raw three (3)-year weekly betas up to the Valuation Date of 2 sets of publicly listed comparable companies: (1) involved in waste management which we view as broadly comparable to BEnviro’s waste management and related businesses, and (2) involved in waste-to-energy generation which we view as broadly comparable to BEnviro’s waste-to-energy business, respectively. As the raw beta extracted from Bloomberg is based on the capital structure of the respective comparable companies, we have unlevered the raw beta and re-levered it based on the expected capital structure of (1) BEnviro’s waste management and related businesses and (2) BEnviro’s waste-to-energy business, accordingly.

(1) To obtain the raw betas of the comparable companies for BEnviro’s waste management and related businesses, we selected listed companies that we deemed comparable based on the following selection criteria:

(i) More than 80% of revenue is derived from the waste management business and involved in solid waste management;

(ii) The comparable companies are listed in Malaysia; and

(iii) The comparable companies have been listed for more than 3 years.

The comparable company identified and used in determining the estimated beta to derive the estimated range of indicative equity values of BEnviro’s waste management and related businesses based on the said criteria is as follow:</td></tr>
</table>

No.	Details	Key bases and assumption		Description
		Waste management and related businesses	Waste-to-energy business	

No.	Comparable company	Stock exchange listing	Market capitalisation as at 31 March 2023 (RM million)
(a)	Taliworks Corporation Bhd	Bursa Securities	1,713.44

(2) To obtain the raw betas of the comparable companies for BEnviro's waste-to-energy business, we selected listed companies that we deemed comparable based on the following selection criteria:

(i) More than 80% of revenue is derived from the waste-to-energy business and involved in the generation of energy through waste;

(ii) The comparable companies are listed in Southeast Asia; and

(iii) The comparable companies have been listed for more than 3 years.

The comparable companies identified and used in determining the estimated beta to derive the estimated range of indicative equity values of BEnviro's waste-to-energy business based on the said criteria are as follows:

No.	Comparable company	Stock exchange listing	Market capitalisation as at 31 March 2023 (RM million)	Country risk adjustment
(a)	TPI Polene Power Plc	Thailand Stock Exchange	3,645.33[(1)]	0%
(b)	PT Maharaksa Biru Energi Tbk	Indonesia Stock Exchange	241.08[(2)]	-5%

Notes:-
(1) Converted at the exchange rate of THB 7.7425 to RM 1.00 as at 31 March 2023.
(2) Converted at the exchange rate of IDR 3,396.29 to RM 1.00 as at 31 March 2023.

As TPI Polene Power Plc and PT Maharaksa Biru Energi Tbk are operating at different countries as compared to the BEnviro Group which is operating in Malaysia, the country risk adjustments have been taken into consideration to reflect the different country risks of doing business in different countries as compared to the BEnviro Group which is operating in Malaysia.

No.	Details	Key bases and assumption		Description
		Waste management and related businesses	Waste-to-energy business	
				Please note that the selection of comparable companies and adjustments made are highly subjective and judgmental and the selected comparable companies may not be entirely comparable due to various factors, which include amongst others, size, geographical location of the operating assets, business model and management expertise.
8.	Pre-tax cost of debt (**"K_d"**)	4.30%	4.00%	K_d is the effective rate that a corporation pays on its total borrowings. We have assumed that the estimated prevailing interest rates for the borrowings of (1) BEnviro's waste management and related businesses of 4.30% and (2) BEnviro's waste-to-energy business of 4.00%, would be the future estimated pre-tax cost of debt.
9.	WACC	6.02% to 8.00%	6.85% to 8.10%	The WACC is the weighted average of the rates of return required by each of the capital providers (usually just equity and debt) where the weights are the proportions of the firm's total market value from each capital source: WACC = E (K_e) + D(K_d) (1-T) where: E = Proportion of equity to the capital structure D = Proportion of debt to the capital structure K_e = Cost of equity K_d = Pre-tax cost of debt T = Malaysian corporate income tax rate of 24%
10.	Debt-to-equity ratio	0.02 to 0.87	0.02 to 0.23	Debt-to-equity ratio is a ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity based on the expected capital structure for the respective financial years.

No.	Details	Key bases and assumption		Description
		Waste management and related businesses	Waste-to-energy business	
11.	Enterprise value	Ranges from RM631.85 million to RM664.45 million	Ranges from RM128.67 million to RM131.96 million	The formula used to derive enterprise value i.e. the net present value of FCFF is as follows: Enterprise Value = Present value of projected FCFF[(1)] + Present value of terminal value[(2)] *Notes:-* (a) *The present value of projected FCFF is computed based on the following formula:-* $\text{Present value of FCFF} = \dfrac{\text{FCFF}}{(1 + \text{WACC})^n}$ *whereby, n represents time, in years into the future.* (b) *The present value of terminal value is computed based on the following formula:-* $\text{Terminal value (in present terms)} = \dfrac{\text{Expected sustainable level of FCFF} \times (1 + g)}{(\text{WACC} - g)} \times \dfrac{1}{(1 + \text{WACC})^n}$

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8.1.1 Indicative valuation of the entire equity interest in the BEnviro Group

Based on the above, the estimated range of indicative values of the entire equity interest in the BEnviro Group is set out as follows:

		RM million	
		Low	**High**
BEnviro's waste management and related businesses			
Range of enterprise values [(1)]		631.85	664.45
Minus: Net borrowings [(2)]		(120.75)	(120.75)
Add: Cash and bank balances		28.47	28.47
Add: Quoted investments [(3)]		9.77	9.77
Range of indicative equity values	**(A)**	549.34	581.94
BEnviro's waste-to-energy business			
Range of enterprise values [(4)]		128.67	131.96
Minus: Net borrowings [(2)]		(13.21)	(13.21)
Add: Cash and bank balances		10.58	10.58
Range of indicative equity values	**(B)**	126.04	129.33
Range of indicative values of the entire equity interest in the BEnviro Group	**(A+B)**	**675.38**	**711.27**

***Notes*:**

(1) *In arriving at the estimated range of enterprise values for BEnviro's waste management and related businesses, the Financial Projections as provided by the management of the BEnviro Group are discounted at derived discount rates of between 6.02% to 8.00%. In deriving the discount rates to arrive at its range of enterprise values, we have applied the prevailing risk-free rate and equity risk premium and betas of comparable companies as at the Valuation Date. We have also relied on the data of the comparable companies in estimating the discount rates with adjustments taking into consideration the size and marketability of BEnviro's waste management business relative to the comparable companies and the inherent risks and uncertainties of the Financial Projections.*

Please note that the selection of the comparable companies and the adjustments made are highly subjective and judgmental and the selected comparable companies may not be entirely comparable due to various factors.

(2) *Net borrowings consist of loans, revolving credits, hire purchase/lease creditors, lease liabilities and inter-company balances.*

(3) *Quoted investments consist of shares held by BEParks in the listed companies (i.e. Berjaya Food Berhad and Sports Toto Berhad). The cut-off date for the value of the quoted investments is based on the Valuation Date.*

(4) *In arriving at the estimated range of enterprise values for BEnviro's waste-to-energy business, the Financial Projections as provided by the management of the BEnviro Group are discounted at derived discount rates of between 6.85% to 8.10%. In deriving the discount rates to arrive at its range of enterprise values, we have applied the prevailing risk-free rate and equity risk premium and betas of comparable companies as at the Valuation Date. We have also relied on the data of the comparable companies in estimating the discount rates with adjustments taking into consideration the size and marketability of BEnviro's waste-to-energy business relative to the comparable companies and the inherent risks and uncertainties of the Financial Projections.*

Please note that the selection of the comparable companies and the adjustments made are highly subjective and judgmental and the selected comparable companies may not be entirely comparable due to various factors.

Our comments:

Based on the table above, the Sale Consideration of RM700.00 million is within the estimated range of indicative values of the entire equity interest in the BEnviro Group of RM675.38 million to RM711.27 million.

Please note that the estimated range of indicative values of the entire equity interest in the BEnviro Group of RM675.38 million to RM711.27 million as at 31 March 2023 as derived above should be read in conjunction with the approach used, together with the key bases and assumptions as disclosed in Section 8.1 of this IAL.

As such, we are of the view that the Sale Consideration is fair.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

9. EVALUATION OF THE SALIENT TERMS OF THE SSA

As extracted from **Section 2.2, Part A and Appendix II** of the Circular, the salient terms of the SSA and our comments are as follows:

No.	Salient terms of the SSA	Our comments
1.	**Sale Consideration** The Sale Consideration of RM700.00 million shall be fully settled by the Purchaser by way of cash in the following manner:- (a) Deposit Sum: RM70.00 million, being 10% of the Sale Consideration of which RM14.00 million (2%) has been paid upon acceptance of the conditional letter of acceptance on 26 May 2023 and the Balance Deposit of RM56.00 million (8%) has been paid on 31 July 2023; and (b) Total Balance Sale Consideration: RM630.00 million, being 90% of the Sale Consideration, comprising the following: (i) Balance Sale Consideration: RM595.00 million, being 85% of the Sale Consideration is payable upon Completion, failing which will attract a late payment interest at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from the day after the due date until the date of payment of the same; and (ii) Retention Sum: RM35.00 million, being 5% of the Sale Consideration, is payable upon Completion and to be held by the Stakeholder in an interest-bearing account. The Retention Sum together with the interests accrued thereon shall be released to the Vendor on the 1st anniversary of the Completion Date after deducting any amount due to the Purchaser in respect of any claim for breach of warranties and representations as set out in the SSA.	We noted that the Sale Consideration of RM700.00 million is fair as it is based on a "willing-buyer willing-seller" basis. Based on our assessment as set out in Section 8 of this IAL, the Sale Consideration of RM700.00 million is within our estimated range of indicative values of the entire equity interest in the BEnviro Group of RM675.38 million to RM711.27 million. We further noted that the payment terms of the Sale Consideration were mutually agreed upon by the Vendor and the Purchaser. The payment of an earnest deposit of RM14.00 million has been received by the Vendor upon the Vendor's acceptance of the conditional letter of acceptance on 26 May 2023, and the payment of the Balance Deposit of RM56.00 million has been fully settled by the Purchaser on 31 July 2023. We further noted that upon Completion, the Balance Sale Consideration of RM595.00 million is payable by the Purchaser to the Vendor, while a Retention Sum of RM35.00 million is payable and to be held by the Stakeholder in an interest-bearing account. The term is not detrimental to the Non-Interested Shareholders. The rate of 8% per annum is reasonable for late payment interest on the unpaid amount for transactions of such nature.
2.	**Joint Venture** Upon Completion, the Parties irrevocably undertake to set up the JV Company to undertake all new projects (including but not limited to sanitary landfills, environmental and	Notwithstanding that the BEnviro Group would cease to be subsidiaries of BCorporation upon Completion, the term is reasonable as it will

No.	Salient terms of the SSA	Our comments
	waste management in Malaysia and overseas). The shareholding in the JV Company shall be 49% owned by the Vendor (or its nominee) and 51% owned by BEnviro (or its nominee). As at the LPD, the Parties have yet to enter into any joint venture arrangement.	enable the Vendor to remain to be involved in all new projects, including but not limited to sanitary landfills, environmental and waste management in Malaysia and overseas, which to be undertaken by the BEnviro Group. As at the LPD, the Parties have yet to enter into any joint venture arrangement.
3.	**Conditions Precedent** The SSA is conditional, amongst others the fulfilment of the following Conditions Precedent by 6 months from the date of the SSA or such extended period to be mutually agreed by the Parties: (a) the completion of the Due Diligence to the satisfactory of the Purchaser; (b) the approval of Public Private Partnership Unit, the Prime Minister's Department (for information, Public Private Partnership Unit, the Prime Minister's Department has approved the sale and purchase of the Sale Shares via its letter dated 31 October 2023, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023); (c) the consent of the relevant existing financiers of BEParks, ABSB, JBAM, BESSB on the change of control of its controlling shareholder and/or alteration of the present ownership structure; (d) the shareholders' approval of BCorporation in the EGM to be convened for the Proposed Disposal; (e) the approval to be obtained by BEnergies from Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia (for information, Sustainable Energy Development Authority Malaysia has approved the sale and purchase of the Sale Shares via its letter dated 21 September 2023, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023); (f) written confirmation from the Vendor that all shares held by the BEnviro Group in Berjaya Food Berhad and Sports Toto	The term is reasonable as it represents the relevant requisite approvals, consents and/or procedures which are required to be fulfilled by the Vendor, the Purchaser, BCorporation and/or the BEnviro Group to facilitate the Completion. The term also ensures that the transaction is in compliance with the applicable laws and regulatory requirements. We also noted that a time period of 6 months from the date of the SSA to fulfil the Conditions Precedent or such other extended period has been mutually agreed in writing by the Vendor and the Purchaser.

No.	Salient terms of the SSA	Our comments
	Berhad have been carved out from the BEnviro Group and replaced with cash equivalent to the recorded asset value in the audited financials of the BEnviro Group as at 30 June 2023, to the satisfaction of the Purchaser; and (g) waiver of exercise of put option rights over the shares in JBAM under the Shareholders' Agreement for JBAM dated 29 July 2021 from J&T Recycling Corporation (**"J&T"**) and JFE Engineering (M) Sdn Bhd (**"JFEM"**).	
4.	**Due Diligence** (i) The Purchaser shall, at any time after the execution of the SSA, conduct the Due Diligence, which shall be completed within 60 days. (ii) In the event the Vendor is in material breach of any of its representations and warranties under the SSA, the Parties shall discuss in good faith and, if necessary, make and agree adjustment to the Balance Sale Consideration in accordance with the terms and conditions of the SSA.	The term is not detrimental to the Non-Interested Shareholders as it sets out that the due diligence exercise shall be conducted at the Purchaser's own cost and to be completed by the Purchaser within 60 days from the date of the SSA. The term is to ensure that the transaction is conducted in good faith and to the satisfaction of the Purchaser as mutually agreed by the Vendor and the Purchaser.
5.	**Profit guarantee** (i) The Vendor agrees to guarantee and undertake to the Purchaser in respect of the audited consolidated PAT of BEnviro of not less than RM38.00 million for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 (**"Annual Profit Guarantee"**), which sums up to an aggregate profit guarantee of not less than RM114.00 million for the aforesaid three financial years (**"Aggregate Profit Guarantee"**). (ii) If the audited consolidated PAT of BEnviro for any of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 shall be less than a sum of RM38.00 million for each respective financial year, then the Vendor shall be liable to top-up the shortfall (**"Shortfall"**) by way of cash to the Purchaser within 90 days from the date the audited consolidated accounts of BEnviro for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is made available to the Vendor, failing which shall attract a late payment interest	The profit guarantee is in relation to the existing business of the BEnviro Group. We further noted that the Annual Profit Guarantee of RM38.00 million for each FYEs 30 June 2024, 30 June 2025 and 30 June 2026, which sums up to the Aggregate Profit Guarantee of not less than RM114.00 million, was derived after considering the projected profit from the existing businesses of the BEnviro Group. The term is reasonable as the Vendor is given a timeframe of 90 days from the date the audited consolidated accounts of BEnviro for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026, to compensate the Shortfall (if any) in cash. We further noted that in the event that the aggregate audited consolidated PAT of BEnviro for FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is more than the Aggregate Profit Guarantee

No.	Salient terms of the SSA	Our comments
	at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from such due date until the date of payment of the same. (iii) In the event the audited consolidated PAT of BEnviro for each FYEs 30 June 2024 and 30 June 2025 is more than the RM38.00 million resulting in an excess sum (**"Surplus"**), the Surplus in excess of the said RM38.00 million shall be carried forward for the purpose of determining the sufficiency to meet the Annual Profit Guarantee for the subsequent financial year(s). (iv) For the avoidance of doubt, if the aggregate audited consolidated PAT of BEnviro for FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is more than the Aggregate Profit Guarantee, then the Purchaser shall reimburse to the Vendor the Shortfall (if any) paid by the Vendor to the Purchaser pursuant to Section 3 (ii) above, within 14 days from the date of the Vendor's request, failing which shall attract a late payment interest at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from such due date until the date of payment of the same.	of RM114.00 million, the Purchaser shall reimburse the Vendor the Shortfall (if any) paid by the Vendor to the Purchaser within 14 days from the date of the Vendor's request. The rate of 8% per annum for the late payment interest to each party is parallel. The term protects the interest of both Parties.
6.	**Post completion matter** (i) The Purchaser shall procure that BCorporation is released and discharged from the existing corporate guarantees given by BCorporation in favour of AmBank Islamic Berhad, the Government of Malaysia, J&T and JFEM (collectively, **"Guarantees"**) in respect of any obligations of the BEnviro Group within 21 days of the Completion Date (**"Guarantee Release Period"**). (ii) The Purchaser fully indemnifies and save harmless BCorporation in respect of any and all losses, claims, damages, liabilities, costs and expenses which BCorporation may suffer or incur by reason of or arising from the enforcement of any of the Guarantees substantially due to reasons attributable to the Purchaser; and/or in the event any of the Guarantees is not discharged and	The term is reasonable and serves to protect the interest of the Vendor as it sets out the conditions and obligations to be carried out by the Purchaser within the stipulated timeframe after the Completion.

No.	Salient terms of the SSA	Our comments
	released by the expiry of the Guarantee Release Period substantially due to reasons attributable to the Purchaser. (iii) The Purchaser shall cause BEnviro (including all its existing subsidiaries and the jointly-controlled entity) to take all necessary steps within 90 days from the Completion Date to cease to use the name or expression of "Berjaya" in the name or business operations of the BEnviro Group.	
7.	**Termination** (i) Where a breach is rectifiable, the Vendor and the Purchaser (as the case may be) shall rectify such material breach of any of its obligations, covenants, undertakings and representations and warranties contained in the SSA within 10 Business Days upon receiving a written notice from the other party, failing which the Vendor or the Purchaser (as the case may be) shall be entitled to terminate the SSA by serving a notice in writing to such effect. Upon a written termination notice being duly given, if to the Purchaser, any deposit paid by the Purchaser shall be absolutely forfeited by the Vendor; and if to the Vendor, the Vendor shall return any part of the Sale Consideration so received to the Purchaser. (ii) In the event non-satisfaction or non-fulfilment of the Conditions Precedent is not due to the breach or default of either party, the SSA can be terminated by either party serving a notice in writing and the Vendor shall return any part of the Sale Consideration so received to the Purchaser.	The remedies available to each party upon termination of the SSA are parallel. The term protects the interest of each party. The term allows either party to rectify any breach under the SSA within 10 Business Days upon receiving written notice from the other party of such default or breach. The term is reasonable as it entitles the Vendor/the Purchaser to terminate the SSA in the event the Purchaser/the Vendor is in material breach of any of its obligations, covenants, undertakings and representations and warranties contained in the SSA.

Premised on the above, we are of the view that the salient terms of the SSA are <u>reasonable</u> and <u>not detrimental</u> to the Non-Interested Shareholders.

10. EFFECTS OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken note of the effects of the Proposed Disposal as set out in **Section 6, Part A** of the Circular. Our comments on the effects of the Proposed Disposal are as follows:

10.1 Share capital and substantial shareholders' shareholdings

We noted that the Proposed Disposal does not involve the issuance of any new shares in BCorporation, as it will be fully satisfied in cash. As such, the Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholdings in BCorporation.

10.2 NA and Gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of BCorporation as at 30 June 2023 and on the assumption that the Proposed Disposal had been effected on that day, the proforma effects of the Proposed Disposal on the NA and gearing of the BCorporation Group are as follows:

	Audited as at 30 June 2023 (RM'000)	**Upon completion of the Proposed Disposal (RM'000)**
Share capital	5,347,774	5,347,774
Equity component of ICULS	110	110
Reserves	897,423	1,401,586[5]
Treasury shares	(91,677)	(91,677)
Shareholders' funds	6,153,630	6,657,793
Non-controlling interest	2,693,561	2,681,294
Total equity	**8,847,191**	**9,339,087**
No. of BCorporation Shares in issue (excluding treasury shares) ('000) [1]	5,583,491	5,583,491
NA[2]	**6,040,481**	**6,544,644**
NA per BCorporation Share (RM)[3]	**1.08**	**1.17**
Gearing (times)[4]	**0.68**	**0.56**[6]

Notes:

(1) *Excluding 379,059,527 treasury shares as at 30 June 2023.*

(2) *Computed based on shareholders' funds less equity component of ICULS and warrants reserve.*

(3) *Computed based on NA divided by number of BCorporation Shares in issue with voting rights.*

(4) *Computed based on total borrowings (excluding lease liabilities) divided by total equity.*

(5) *After accounting for, amongst others, the following:*

(i) one-off estimated gain after tax from the Proposed Disposal of approximately RM474.11 million;

(ii) effects of consolidation adjustment arising from the Proposed Disposal amounting to RM31.4 million; and

(iii) estimated expenses of approximately RM1.35 million in relation to the Proposed Disposal.

(6) *Decrease in gearing mainly due to the following:-*

(i) *part repayment of the Group's bank borrowings of RM552.00 million from the proceeds received from the Proposed Disposal;*

(ii) *deconsolidation of the total borrowings of the BEnviro Group amounting to RM158.30 million as at 30 June 2023; and*

(iii) *increase in the total equity of the BCorporation Group mainly as a result of the gain on the Proposed Disposal.*

Pursuant to the Proposed Disposal, the proforma NA of the BCorporation Group is expected to increase from RM6,040.48 million as at 30 June 2023 to RM6,544.64 million, after taking into account, amongst others, the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and the estimated expenses in relation to the Proposed Disposal of approximately RM1.35 million.

Upon Completion, the proforma gearing of the BCorporation Group is expected to improve from 0.68 times as at 30 June 2023 to 0.56 times after taking into consideration, amongst others, the part repayment of bank borrowings of RM552.00 million.

10.3 EPS

The Proposed Disposal is expected to be completed in the last quarter of year 2023. Upon Completion, BCorporation will cease to consolidate the results of the BEnviro Group.

For illustration purposes, assuming the Proposed Disposal had been completed at the beginning of FYE 30 June 2023, the proforma effects to the earnings and EPS of the BCorporation Group based on the audited consolidated financial statements of BCorporation for the FYE 30 June 2023 are as follows:

	(RM'000)
LATAMI as at 30 June 2023	(110,262)
Add:	
Estimated gain on the Proposed Disposal[(1)]	474,113
Estimated interest savings from part repayment of bank borrowings	33,121[(2)]
Less:	
Profits of the BEnviro Group for the FYE 30 June 2023	(6,756)
Estimated expenses[(3)]	(1,350)
Adjusted PATAMI	**388,866**
Weighted number of BCorporation Shares in issue for the FYE 30 June 2023 ('000 shares)	5,610,539
LPS before the Proposed Disposal (sen)	(1.97)
EPS after the Proposed Disposal (sen)	6.93

Notes:

(1) *The estimated gain on the Proposed Disposal was derived based the BCorporation Group's carrying value in BEnviro as at 30 June 2023.*

(2) *Estimated interest savings is based on the average effective interest rate of 6.00% per annum.*

(3) *The estimated expenses include, amongst others, the professional fees, fees payable to relevant authorities and other ancillary expenses in relation to the Proposed Disposal.*

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the last quarter of 2023. Assuming the Proposed Disposal had been effected at the beginning of FYE 30 June 2023, the consolidated LATAMI of RM110.26 million is expected to improve to a proforma consolidated PATAMI of RM388.87 million, and the LPS of the BCorporation Group of 1.97 sen is expected to improve to a proforma EPS of 6.93 sen based on the weighted average number of BCorporation Shares in issue of 5,610,539,000 for the FYE 30 June 2023.

The increase to the proforma consolidated PATAMI and the proforma EPS is mainly due to the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and estimated interest savings of RM33.12 million per annum (based on the average effective interest rate of 6.00% per annum assuming part of the Group's bank borrowings of RM552.00 million is paid immediately).

Upon Completion, the BEnviro Group would cease to be subsidiaries of BCorporation. Therefore, the future financial results of the BEnviro Group will no longer be consolidated with the financial results of the BCorporation Group.

Premised on the above, the overall effects of the Proposed Disposal are <u>reasonable</u> and <u>not detrimental</u> to the interests of the Non-Interested Shareholders.

11. RISK FACTORS IN RELATION TO THE PROPOSED DISPOSAL

In considering the Proposed Disposal, the Non-Interested Shareholders are advised to give careful consideration to the risk factors as set out in **Section 5, Part A** of the Circular. Our comments on the risk factors relating to the Proposed Disposal are as follows:

11.1 Non-completion of the Proposed Disposal

We noted that the Completion is subject to the fulfilment of the Conditions Precedent. If any of the Conditions Precedent are not fulfilled or waived, as the case may be, within the stipulated timeframe, the Proposed Disposal may be delayed or terminated, and all the potential benefits arising therefrom may not be materialised.

We further noted that the Management of the BCorporation Group anticipates that such risk can be mitigated by proactively engaging with the relevant authorities/parties to obtain all the necessary approvals and documents required for the Completion.

We are of the view that the non-completion risk of the Proposed Disposal is a common term of other acquisition or disposal transactions. We noted that in the event any of the Conditions Precedent are not able to be fulfilled, some of which are beyond the control of the BCorporation Group, the BCorporation Group will not be able to complete the Proposed Disposal, thus resulting in non-materialisation of the potential benefits expected from the Proposed Disposal.

11.2 Loss of income from BEnviro

We noted that upon Completion, the BEnviro Group would cease to be subsidiaries of BCorporation. Accordingly, the future financial results to be achieved by the BEnviro Group will not be consolidated into the financial performance of the BCorporation Group.

While there is no assurance that the utilisation of the Sale Consideration will generate a better return than if the BCorporation Group continues to grow the business of the BEnviro Group, the Proposed Disposal represents an opportunity for the BCorporation Group to realise the one-off estimated gain on disposal of approximately RM474.11 million immediately.

BEnviro recorded an audited consolidated PATAMI of RM17.35 million for the FYE 30 June 2022. The potential loss of income from the BEnviro Group is minimal as compared to the one-off estimated gain on the Proposed Disposal.

We take note of the highlighted risk factors in the Proposed Disposal. We wish to highlight that although efforts and measures will be taken by the BCorporation Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to a material impact on the financial, business and operations of the BCorporation Group.

12. CONCLUSION AND RECOMMENDATION

The Non-Interested Shareholders should carefully consider the terms of the Proposed Disposal based on all relevant and pertinent factors including those which are set out above, and other considerations as set out in this IAL, the Circular and any other publicly available information.

In arriving at our conclusion and recommendation, we have taken into account the various consideration factors which are summarised as follows:

Section in this IAL	Area of Evaluation	Our Evaluation
Section 7	Rationale and benefits of the Proposed Disposal	The rationale and benefits of the Proposed Disposal outlined in **Section 4, Part A** of the Circular are as set out below: (i) The Proposed Disposal represents an opportunity for BCorporation to unlock the value of and monetise the BCorporation Group's investments in BEnviro. The BCorporation Group is expected to record an estimated gain on disposal of approximately RM474.11 million from the Proposed Disposal and thereby is expected to improve the NA and earnings of the Group. (ii) The Proposed Disposal will also enable the BCorporation Group to raise cash proceeds of RM700.00 million to be utilised for the purposes as set out in **Section 3, Part A** of the Circular which include part repayment of bank borrowings and working capital requirements of the Group. As part of the proceeds from the Proposed Disposal will be used towards part repayment of the Group's bank borrowings, this will give rise to interest savings and, in turn, will improve the BCorporation Group's financial position and is expected to contribute positively to the future earnings of the Group. Based on our evaluation of the rationale and benefits of the Proposed Disposal as set out in Section 7 of this IAL, we are of the view that the rationale and benefits of the Proposed Disposal are **reasonable**.
Section 8	Basis and justification for the Sale Consideration	In our evaluation of the Sale Consideration, we have compared the Sale Consideration against our estimated range of indicative values of the entire equity interest in the BEnviro Group. In view that BEnviro comprises 2 distinct business segments: (1) the BEnviro Group, excluding BEnergies, which engages in waste management and related businesses, and (2) BEnergies, which involves in the waste-to-energy business, we have performed the DCF approach separately on each of the business segments. Thereafter, the estimated range of indicative values of the entire equity interest in the BEnviro Group was derived based on the aggregate estimated range of indicative equity values of (1)

Section in this IAL	Area of Evaluation	Our Evaluation
		BEnviro's waste management and related businesses and (2) BEnviro's waste-to-energy business. The DCF approach is adopted in view of the principal activities and the financial performance of the BEnviro Group as well as the availability of the Financial Projections. Based on our assessment as set out in Section 8 of this IAL, the Sale Consideration of RM700.00 million is within the estimated range of indicative values of the entire equity interest in the BEnviro Group of RM675.38 million to RM711.27 million. As such, we are of the view that the Sale Consideration is **<u>fair</u>.**
Section 9	Evaluation of the salient terms of the SSA	Based on our evaluation as set out in Section 9 of this IAL on the following salient terms of the SSA: (i) Sale Consideration; (ii) Joint Venture; (iii) Conditions Precedent; (iv) Due Diligence; (v) Profit guarantee; (vi) Post completion matter; and (vii) Termination, we are of the view that the salient terms of the SSA are **<u>reasonable</u>** and **<u>not detrimental</u>** to the Non-Interested Shareholders.
Section 10	Effects of the Proposed Disposal	Based on our evaluation as set out in Section 10 of this IAL, we noted the following: (i) The Proposed Disposal does not involve the issuance of any new shares in BCorporation, as it will be fully satisfied in cash. As such, the Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholdings in BCorporation; (ii) Pursuant to the Proposed Disposal, the proforma NA of the BCorporation Group is expected to increase from RM6,040.48 million as at 30 June 2023 to RM6,544.64 million, after taking into account, amongst others, the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and the estimated expenses in relation to the Proposed Disposal of approximately RM1.35 million; (iii) Upon Completion, the proforma gearing of the BCorporation Group is expected to improve from 0.68 times as at 30 June 2023 to 0.56 times after taking into consideration, amongst others, the part repayment of bank borrowings of RM552.00 million; and (iv) Assuming the Proposed Disposal had been effected at the beginning of FYE 30 June 2023, the consolidated LATAMI of RM110.26 million is expected to improve to a proforma

Section in this IAL	Area of Evaluation	Our Evaluation
		consolidated PATAMI of RM388.87 million. The LPS of the BCorporation Group of 1.97 sen is expected to improve to a proforma EPS of 6.93 sen based on the weighted average number of BCorporation Shares in issue of 5,610,539,000 for the FYE 30 June 2023. The increase to the proforma consolidated PATAMI and the proforma EPS is mainly due to the one-off estimated gain on the Proposed Disposal of approximately RM474.11 million and estimated interest savings of RM33.12 million per annum (based on the average effective interest rate of 6.00% per annum assuming part of the Group's bank borrowings of RM552.00 million is paid immediately). Premised on the above, the overall effects of the Proposed Disposal are **reasonable** and **not detrimental** to the interests of the Non-Interested Shareholders.
Section 11	Risk factors in relation to the Proposed Disposal	In considering the Proposed Disposal, the Non-Interested Shareholders are advised to give careful consideration to the following risk factors: (i) Non-completion of the Proposed Disposal; and (ii) Loss of income from BEnviro. We wish to highlight that although efforts and measures will be taken by the BCorporation Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to a material impact on the financial, business and operations of the BCorporation Group.

In arriving at our conclusion and recommendation, we have taken into account various consideration factors as set out in this IAL. Based on our evaluation, we are of the view that the Proposed Disposal is **fair** and **reasonable** and is **not detrimental** to the Non-Interested Shareholders.

Accordingly, we advise and recommend that the Non-Interested Shareholders **vote in favour** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

Yours faithfully
For and on behalf of
BDO CAPITAL CONSULTANTS SDN BHD

Wong Wing Seong
Executive Director - Advisory

Eng Cha Lun
Executive Director - Advisory

1. HISTORY AND BUSINESS

BEnviro was incorporated in Malaysia as a private limited liability company on 15 October 2004. Since 2020, an internal restructuring has been carried out to consolidate subsidiaries of BGroup that are involved in environment-related projects to be held under BEnviro ("**Restructuring**"). The Restructuring involved the following transactions:

(i) the transfer of 3.00 million ordinary shares representing 60% equity interest in Amita Berjaya Sdn Bhd ("**ABSB**") from Berjaya Energies Sdn Bhd ("**BEnergies**") to BEnviro via the entry into a sale and purchase of shares agreement between BEnviro and BEnergies dated 28 July 2020; and

(ii) the transfer of 22.50 million ordinary shares representing 100% equity interest in BEParks (together with its subsidiary, BEnergies) from BGroup to BEnviro via the entry into a share sale agreement between BGroup and BEnviro dated 21 June 2022.

BEnviro is an investment holding company while its principal subsidiaries and a jointly-controlled entity are involved in the environmental business segments of solid waste management with engineered sanitary landfill, landfill gas management via renewable energy generation from landfill gas, as well as scheduled waste management through recycling, treatment and disposal. The target market of the BEnviro Group is in Malaysia. The main entities under BEnviro are as follows:-

(i) BEParks, a wholly-owned subsidiary of BEnviro, has been granted a 30-year concession by the Malaysian government to develop, design, construct, operate, manage and maintain the Bukit Tagar Sanitary Landfill ("**BTSL**") ("**Concession**") *(further details of the Concession are set out in Section 10 of this Appendix I)*. BTSL is located approximately 55 km from Kuala Lumpur and is accessible from the North-South Expressway through the Bukit Tagar interchange to enable direct and easy access to the BTSL from Kuala Lumpur and Selangor. Currently, BTSL receives municipal solid waste from Kuala Lumpur, the Selayang District and Hulu Selangor District in the state of Selangor.

    BEParks derives its income from treatment of municipal and household waste through BTSL, a waste disposal facility. Municipal waste delivered to BTSL is deposited onto a landfill cell. It is further levelled and compacted to prevent slope erosion as well as to maximise the cell's operating capacity. At the end of each operating day, the landfill cell will be covered with earth or liner cover as odour and leachate control measure. A tipping fee is charged by BEParks based on the tonnage of waste received and disposed at BTSL.

    BTSL has an estimated capacity to receive and dispose a total of 120 million tonnes of waste within its 659 acres of land area. BTSL has now advanced to Phase 4 landfill cell and has a current estimated capacity of 6.5 million tonnes of waste. BTSL has safely disposed 17 million tonnes of waste since April 2005.

(ii) BEnergies, a wholly-owned subsidiary of BEParks, which is involved in the generation and sale of green electricity from landfill gas since 1 June 2011 was granted the Renewable Energy Generation Licence by Suruhanjaya Tenaga under the Ministry of Energy and Natural Resources, while approval for sale of electricity to Tenaga National Berhad ("**TNB**") was granted by the Sustainable Energy Development Authority. The generated electricity is sold to TNB under the Feed-in Tariff scheme based on Renewable Energy Power Purchase Agreements ("**REPPA**").

    Electricity is generated from its 7 gas engines which essentially uses methane from landfill gas as fuel. The 7 gas engines have a total capacity of 12 MW of electricity and the expected output is approximately 73 – 74 Gigawatt-hour (GWh) per annum. BEnergies has signed 4 successive REPPAs with TNB for the 7 gas engines. The REPPAs have a lifespan of 16 or 21 years with the latest REPPA to expire in 2043.

(iii) ABSB, a jointly-controlled entity of BEnviro, is involved in the recycling of scheduled wastes categorised in the First Schedule of the Environment Quality (Scheduled Wastes) Regulation 2005. ABSB is licensed by the Department of Environment, Malaysia to manage 15 scheduled waste description, including transportation of scheduled waste under the Environmental Quality Act 1974. Through the proprietary technology supplied by its joint venture partner AMITA Corporation (Japan), ABSB offers a sustainable alternative to the conventional method of managing scheduled waste. Instead of disposing or incinerating the waste, or partially recovering recyclable elements in the waste, ABSB's process enables scheduled waste to be 100% recycled without any residue by turning scheduled waste into Alternative Raw Materials ("**ARM**") and Alternative Fuel ("**AF**"). Both ARM and AF are supplied to the cement industry to be used as substitute for natural raw material and fossil fuel in the production of cement.

ABSB was granted a license by Department of Environment, Malaysia to receive and process up to 100,800 tonnes of scheduled waste per annum. ABSB charges disposal fees to factories and other waste generators based on tonnage of scheduled waste delivered to its premises. ABSB's process involves the mixing of different types of scheduled waste according to specific proprietary formulations to produce ARM and AF for the cement industry.

Currently, BEnviro holds 60% equity interest in ABSB and the remaining 40% equity interest in ABSB is held by Amita Environmental Strategic Support (Malaysia) Sdn Bhd.

(iv) J&T Berjaya Alam Murni Sdn Bhd ("**JBAM**"), a 70%-owned subsidiary of BEnviro, is involved in the treatment and disposal of scheduled wastes categorised in the First Schedule of the Environment Quality (Scheduled Wastes) Regulation 2005. JBAM is licensed by the Department of Environment, Malaysia to manage 73 scheduled waste description, including transportation of scheduled waste under the Environmental Quality Act 1974. JBAM's revenue is derived principally from disposal fees charged to waste generators based on the tonnage of scheduled waste received and treated at its facility. JBAM offers sustainable and advanced treatment methods of managing scheduled waste from its facilities within the Sustainable Scheduled Waste Treatment Center. There are 3 types of waste treatment depending on the waste characteristics. These include disposal at a secured landfill, solidification and thermal treatment plant with a total combined capacity of approximately 60,000 tonnes of scheduled wastes per annum. Different fee rate is imposed for each disposal method used that are also subject to the waste acceptance criteria of the incoming scheduled waste.

The remaining 25% and 5% equity interests in JBAM are held by J&T Recycling Corporation ("**J&T**") and JFE Engineering (M) Sdn Bhd ("**JFEM**"), respectively.

2. SHARE CAPITAL

As at the LPD, the issued share capital of BEnviro is RM310,600,000 comprising 310,600,000 BEnviro Shares.

3. DIRECTORS AND SHAREHOLDER'S SHAREHOLDINGS

The shareholder of BEnviro as at the LPD are as follows:-

		Direct		Indirect	
Shareholder	**Place of incorporation**	**No. of shares '000**	**%**	**No. of shares '000**	**%**
BGroup	Malaysia	310,600	100	-	-
BCorporation	Malaysia	-	-	310,600	100

As at the LPD, the directors of BEnviro are as follows:

Name	Nationality
Peter Wong Chuan Keat	Malaysian
Koh Chee Yong	Malaysian
Vivienne Cheng Chi Fan	Malaysian

As at the LPD, none of the directors of BEnviro has any direct or indirect shareholdings in BEnviro.

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, BEnviro has the following subsidiaries:-

Name	Date / Place of incorporation	Commencement date of business operations	No. of issued shares	Effective equity interest held (%)	Principal activities
BPJ-Berjaya Sdn Bhd	5 July 2011 / Malaysia	17 November 2011	1,000,000	51	Manage and operate sanitary landfill and other construction activities
Berjaya Eco Services Sdn Bhd ("**BESSB**")	8 November 2019 / Malaysia	24 August 2020	5,000,000	60	Provide sales and marketing, handling and packaging of scheduled waste and other eco related services to stakeholders involved in scheduled waste management
Save The Sea Sdn Bhd	1 August 2018 / Malaysia	Not available as it has not commenced operations	2	100	Dormant. The intended principal activity is provision of environment engineering and river cleaning services
JBAM	22 July 2019 / Malaysia	24 February 2023	9,432,000	70	Collection, transportation, storage, treatment, recovery, disposal and management of scheduled (hazardous and toxic) and medical waste

Name	Date / Place of incorporation	Commencement date of business operations	No. of issued shares	Effective equity interest held (%)	Principal activities
BEParks	8 May 2003 / Malaysia	1 April 2005	22,500,000	100	Investment holdings and treatment of waste, involving amongst others, the development, design, construction, management, operation and maintenance of sanitary landfill and construction activities.

As at the LPD, BEParks has the following subsidiary:-

Name	Date / Place of incorporation	Commencement date of business operations	No. of issued shares	Effective equity interest held (%)	Principal activities
BEnergies	2 September 2009 / Malaysia	1 June 2011	15,000,000	100	Generation and sale of electricity

As at the LPD, BEnviro has the following jointly-controlled entity:-

Name	Date / Place of incorporation	Commencement date of business operations	No. of issued shares	Effective equity interest held (%)	Principal activities
ABSB	3 December 2015 / Malaysia	27 May 2017	5,000,000	60	Providing industrial waste recycling services

5. SUMMARY FINANCIAL INFORMATION

A summary of the financial information of the BEnviro Group for the past 3 financial years based on its audited financial statements for the FYEs 30 June 2020 to 2022 and unaudited financial statements for the FYE 30 June 2023 are as follows:

FYE 30 June	**Audited**			**Unaudited**
	2020	**2021**	**2022**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	2,919	1,948	120,977	115,651
Gross profit / Gross Loss	107	(563)	30,907	25,206
Profit before tax	1,387	3,557	21,380	9,281
PAT	1,535	3,509	16,265	6,516
Profit attributable to:				
- Owners of the parent ("**PATAMI**")	2,000	3,983	17,346	6,756
- Non-controlling interests	(465)	(474)	(1,081)	(240)
Share capital	7,600	10,600	310,600	310,600
Reserves	1,962	5,946	(116,827)[4]	(114,267)
NA	9,562	16,546	193,773	196,333
Non-controlling interests	2,540	4,065	12,280	12,267
Shareholders' funds	**12,102**	**20,611**	**206,053**	**208,600**
Total borrowings[1]	-	-	74,033[5]	158,305
Current assets	12,549	8,385	48,434	63,448
Current liabilities	2,626	7,000	66,635	103,392
Number of issued shares	7,600	10,600	310,600	310,600
EPS (RM)[2]	0.26	0.38	0.06	0.02
NA per share (RM)	1.26	1.56	0.62	0.63
Gearing ratio (times)[3]	-	-	0.36	0.76
Current ratio (times)	4.78	1.20	0.73	0.61

(Source: Audited financial statements of BEnviro for the FYE 30 June 2020, FYE 30 June 2021 and FYE 30 June 2022 and unaudited financial statements of BEnviro for the FYE 30 June 2023)

Notes:

(1) Excluding lease liabilities.

(2) Computed based on PATAMI divided by number of issued shares.

(3) Computed based on total borrowings (excluding lease liabilities) divided by shareholders' funds.

(4) The change in the reserves of BEnviro was mainly due to the following:-

Details	***FYE 2021 RM'000***	***FYE 2022 RM'000***
Merger deficit	*-*	*(277,500)*
Consolidation reserves	*-*	*19,204*
Fair value through other comprehensive income	*-*	*8,737*
Retained earnings	*5,946*	*132,732*
Reserves	***5,946***	***(116,827)***

Notes:-

(a) merger deficit arising from acquisition of BEParks by BEnviro from BGroup;

(b) consolidation reserves arising from the issuance of new ordinary shares in JBAM to J&T and JFEM (which resulted in a dilution of equity interest of BEnviro in JBAM from 100% to 70% and the remaining equity interests are held by J&T and JFEM) at a premium issue price as compared to the net assets of JBAM; and

(c) fair value through other comprehensive income of investment in quoted shares.

(5) The borrowings increased to RM74.0 million in FYE 2022 (FYE 2021: Nil) mainly due to consolidation of borrowings of BEParks following the completion of the acquisition of BEParks as well as drawdown of credit facilities by JBAM in FYE 2022. The breakdown of the borrowings in FYE 2022 is as follows:-

Details	***RM'000***
Term loans	*39,233*
Revolving credit	*33,743*
Hire purchase liabilities	*1,057*
Total borrowings	***74,033***

Commentaries on financial performance

FYE 2021 vs FYE 2020

For the FYE 2021, the BEnviro Group's revenue decreased by RM0.97 million (or 33.2%) to RM1.95 million as compared to the revenue of the preceding year of RM2.92 million. This was mainly due to a substantial reduction in construction contracts from RM2.81 million for the FYE 2020 to RM0.25 million in FYE 2021. This was off-set by the increase in revenue of RM1.59 million from sales commission, disposal charges and transport charges.

For the FYE 2021, notwithstanding higher administrative expenses of RM2.54 million (FYE 2020 : RM1.52 million), coupled with lower other income of RM2.25 million (FYE 2020 : RM2.81 million), the BEnviro Group recorded a higher PATAMI of RM3.98 million (FYE 2020 : RM2.00 million) due to the inclusion of share of result from ABSB of RM4.48 million.

FYE 2022 vs FYE 2021

For the FYE 2022, the BEnviro Group acquired BEParks which in turn owns BEnergies.

With the inclusion of revenue from waste disposal operations in BEParks and generation and sale of electricity in BEnergies, the BEnviro Group recorded a significant increase in revenue to RM120.98 million (FYE 2021: RM1.95 million). This gives rise to a significant increase in the BEnviro Group's PATAMI for FYE 2022 to RM17.35 million as compared to RM3.98 million for FYE 2021.

FYE 2023 vs FYE 2022

For the FYE 2023, the BEnviro Group's revenue decreased by RM5.33 million (or 4.4%) to RM115.65 million as compared to the revenue of the preceding year of RM120.98 million. This was mainly due to a substantial reduction in construction revenue from RM51.48 million for the FYE 2022 to RM40.78 million in FYE 2023. This was off-set by the increase in revenue from JBAM of RM4.82 million from the commencement of commercial operations of the integrated facility for scheduled waste treatment in Bukit Tagar Enviro Park, Selangor in FYE 2023.

For the FYE 2023, the BEnviro Group's PATAMI decreased by RM10.59 million (or 61.0%) to RM6.76 million as compared to the PATAMI of the preceding year of RM17.35 million. This was mainly due to higher operating costs and higher finance cost for the construction programmes as well as the write-off of 2 units of gas engines in BEnergies.

Accounting Policies and Audit Qualification

Based on the audited consolidated financial statements of BEnviro for the FYEs 30 June 2020 to 2022, there are no accounting policies adopted by the BEnviro Group which are peculiar due to the nature of the business or industry in which the BEnviro Group is involved in.

There have been no audit qualifications reported in the audited financial statements of BEnviro for the FYEs 30 June 2020 to 2022.

Please refer to **Appendix III** of this Circular for the latest audited consolidated financial statements of BEnviro.

6. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

6.1 Material commitments

Save as disclosed below, as at the LPD, the board of directors of BEnviro are not aware of any other material commitments incurred or known to be incurred by the BEnviro Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the BEnviro Group:

	RM'000
Property, plant and equipment:	
Approved and contracted for	56,785
Intangible assets:	
Approved and contracted for	22,192
	78,977

6.2 Contingent liabilities

As at the LPD, the board of directors of BEnviro are not aware of any other material contingent liabilities incurred or known to be incurred by the BEnviro Group which, upon becoming enforceable, may have a material impact on the financial results or position of the BEnviro Group.

7. MATERIAL CONTRACTS

Save as disclosed below, the BEnviro Group has not entered into any contract which is or may be material (not being contracts entered into in the ordinary course of business of the BEnviro Group) within two (2) years immediately preceding the date of this Circular:

(i) A Share Sale Agreement dated 21 June 2022 entered into between BEnviro and BGroup for the acquisition by BEnviro of 22,500,000 ordinary shares, representing 100% of the total issued share capital of BEParks for a purchase consideration of RM300.00 million via an issuance of 300.00 million new BEnviro Shares at an issue price of RM1.00 each to BGroup. The said acquisition was completed on 30 June 2022.

8. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the BEnviro Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of BEnviro are not aware of any proceeding, pending or threatened against the BEnviro Group, or any facts likely to give rise to any proceeding which may materially or adversely affect the financial position or business of the BEnviro Group.

9. TYPES OF ASSETS OWNED

Based on the latest audited consolidated statement of financial statements of BEnviro as at 30 June 2022, the BEnviro Group's total assets stood at approximately RM339.40 million (unaudited total assets for FYE 30 June 2023: RM428.34 million), which comprise the following:

	Audited	Unaudited
	FYE 30 June 2022	FYE 30 June 2023
	RM'000	RM'000
Property, plant and equipment	[(1)] 69,947	[(1)]125,933
Intangible assets	[(2)] 190,546	[(2)]213,893
Right-of-use assets	1,465	1,580
Investment in a joint venture	12,985	17,002
Other long-term receivables	3,326	-
Other investment	12,693	6,485
Inventories	321	272
Trade and other receivables	15,054	14,857
Due from customers on contracts	340	340
Tax recoverable	2,111	1,957
Due from ultimate holding company	4	-
Due from related companies	4	324
Due from a joint venture	56	-
Short term investments	5,929	17,517
Cash and cash equivalents	24,616	28,182
Total assets	**339,397**	**428,342**

Notes:

(1) Comprising computer equipment, office equipment, renovation, furniture and fittings, capital work-in-progress, motor vehicles, machinery as well as gas extraction and flaring system.

(2) Comprising intangible assets for construction work-in-progress, plant and machineries, power generation systems, leachate treatment plant, landfill development costs, site administration building, landfill cells and market intelligence data.

Kindly refer to notes 9 and 10 of the audited financial statement of the BEnviro for the FYE 30 June 2022 as set out in **Appendix III** of this Circular for additional information on the property, plant and equipment and intangible assets of the BEnviro.

10. INFORMATION ON THE CONCESSION

BEParks commenced its waste disposal operations in April 2005. On 20 January 2014, BEParks entered into a Management Agreement with Datuk Bandar Kuala Lumpur ("**Datuk Bandar**") to undertake planning, design, construction, management, operation and maintenance of the BTSL for a 30-year concession period until 2044 ("**Management Agreement**"). The BTSL project will be implemented in 8 phases and the current operations of BEParks have progressed onto Phase 4 of receiving solid wastes within the BTSL. Prior to the Management Agreement, the operations of BEParks were based on mutually agreed year-to-year agreement with Datuk Bandar.

Overview of the Concession under the Management Agreement

Pursuant to the Management Agreement, BEParks shall have the exclusive right to undertake the following:-

(a) planning, design, finance, construction, landscaping, equipping, installation, completion, testing and commissioning of the BTSL;
(b) to operate, manage and maintain the BTSL; and
(c) to receive, treat and dispose solid waste at the BTSL.

BEParks is dependent on the Management Agreement as Datuk Bandar delivers for disposal the majority of all incoming solid wastes at BTSL. Nevertheless, BEParks is entitled to receive, treat and dispose solid waste from any third party at the BTSL pursuant to the Management Agreement.

The Concession is not granted under any acts or regulations.

Financing

BEParks shall be responsible for obtaining all the necessary financing, both debt and equity, necessary to undertake the Concession under the Management Agreement.

Concession period

The Management Agreement shall be effective commencing from 20 January 2014 and shall be effective for a period of thirty (30) years.

Termination during the concession period

The Management Agreement provides the right to both Datuk Bandar and BEParks to terminate the Management Agreement in the event either party is in breach of any terms as set out in the Management Agreement.

In addition, the Management Agreement will be mutually terminated upon the Solid Waste and Public Cleansing Management Act 2007 ("**SWPCMA 2007**") comes into force in the state of Selangor. In this event, Datuk Bandar and BEParks shall enter into a new agreement subject to terms and conditions to be negotiated between them in compliance with SWPCMA 2007. Section 1(3) of the SWPCMA 2007 provides that SWPCMA 2007 comes into operation on a date to be appointed by the Minister in charge for solid waste and public cleansing management ("**Minister**") by notification in the *Gazette*. As at the LPD, the Minister has not fixed the date on which SWPCMA 2007 will come into operation in the state of Selangor.

(The rest of this page has been intentionally left blank)

APPENDIX II – SALIENT TERMS OF THE SSA

The salient terms of the SSA are as follows:

1. Conditions Precedent

The SSA is conditional, amongst others the fulfilment of the following Conditions Precedent by 6 months from the date of the SSA or such extended period to be mutually agreed by the Parties:

(a) the completion of the Due Diligence to the satisfactory of the Purchaser;

(b) the approval of Public Private Partnership Unit, the Prime Minister's Department, for the sale and purchase of the Sale Shares (for information, Public Private Partnership Unit, the Prime Minister's Department has approved the sale and purchase of the Sale Shares via its letter dated 31 October 2023, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023);

(c) the consent of the relevant existing financiers of BEParks, ABSB, JBAM, BESSB on the change of control of its controlling shareholder and/or alteration of the present ownership structure;

(d) the shareholders' approval of BCorporation in the EGM to be convened for the Proposed Disposal;

(e) the approval to be obtained by BEnergies from Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia (for information, Sustainable Energy Development Authority Malaysia has approved the sale and purchase of the Sale Shares via its letter dated 21 September 2023, subject to, amongst others, completion of the transfer of the Sale Shares by 31 December 2023);

(f) written confirmation from the Vendor that all shares held by the BEnviro Group in Berjaya Food Berhad and Sports Toto Berhad have been carved out from the BEnviro Group and replaced with cash equivalent to the recorded asset value in the audited financials of the BEnviro Group as at 30 June 2023, to the satisfaction of the Purchaser; and

(g) waiver of exercise of put option rights over the shares in JBAM under the Shareholders' Agreement for JBAM dated 29 July 2021 from J&T and JFEM.

2. Due Diligence

2.1 The Purchaser shall, at any time after the execution of the SSA, conduct the Due Diligence, which shall be completed within 60 days.

2.2 In the event the Vendor is in material breach of any of its representations and warranties under the SSA, the Parties shall discuss in good faith and, if necessary, make and agree adjustment to the Balance Sale Consideration in accordance with the terms and conditions of the SSA.

3. Profit Guarantee

3.1 The Vendor agrees to guarantee to the Purchaser in respect of the audited consolidated PAT of BEnviro of not less than RM38.00 million for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 ("**Annual Profit Guarantee**"), which sums up to an aggregate profit guarantee of not less than RM114.00 million for the aforesaid financial years ("**Aggregate Profit Guarantee**").

3.2 If the audited consolidated PAT of BEnviro for any of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 shall be less than a sum of RM38.00 million for each respective financial year, then the Vendor shall be liable to top-up the shortfall ("**Shortfall**") by way of cash to the Purchaser within **90 days** from the date the audited consolidated accounts of BEnviro for each of the FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is made available to the Vendor, failing which shall attract a late payment interest at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from such due date until the date of payment of the same.

3.3 In the event the audited consolidated PAT of BEnviro for each FYE 30 June 2024 and 30 June 2025 is more than the RM38.00 million resulting in an excess sum ("**Surplus**"), the Surplus in excess of the said RM38.00 million shall be carried forward for the purpose of determining the sufficiency to meet the Annual Profit Guarantee for the subsequent financial year(s).

3.4 For the avoidance of doubt, if the aggregate audited consolidated PAT of BEnviro for FYEs 30 June 2024, 30 June 2025 and 30 June 2026 is more than the Aggregate Profit Guarantee, then the Purchaser shall reimburse to the Vendor the Shortfall (if any) paid by the Vendor to the Purchaser pursuant to Section 3.2 of this Appendix II above, within 14 days from the date of the Vendor's request, failing which shall attract a late payment interest at the rate of 8% per annum as well before and after any judgment or demand on the accumulated unpaid amount commencing from such due date until the date of payment of the same.

4. Post Completion Matter

4.1 The Purchaser shall procure that BCorporation is released and discharged from the existing corporate guarantees given by BCorporation in favour of AmBank Islamic Berhad, the Government of Malaysia, J&T and JFEM (collectively, "**Guarantees**") in respect of any obligation of the BEnviro Group within **21 days** of the Completion Date ("**Guarantee Release Period**").

4.2 The Purchaser fully indemnifies and save harmless BCorporation in respect of any and all losses, claims, damages, liabilities, costs and expenses which BCorporation may suffer or incur by reason of or arising from the enforcement of any of the Guarantees substantially due to reasons attributable to the Purchaser; and/or in the event any of the Guarantees is not discharged and released by the expiry of the Guarantee Release Period substantially due to reasons attributable to the Purchaser.

4.3 The Purchaser shall cause BEnviro (including all its existing subsidiaries and the jointly-controlled entity) to take all necessary steps within **90 days** from the Completion Date to cease to use the name or expression of "**Berjaya**" in the name or business operations of the BEnviro Group.

5. Termination

5.1 Where a breach is rectifiable, the Vendor and the Purchaser (as the case may be) shall rectify such material breach of any of its obligations, covenants, undertakings and representations and warranties contained in the SSA within 10 Business Days upon receiving a written notice from the other party, failing which the Vendor or the Purchaser (as the case may be) shall be entitled to terminate the SSA by serving a notice in writing to such effect. Upon a written termination notice being duly given, if to the Purchaser, any deposit paid by the Purchaser shall be absolutely forfeited by the Vendor; and if to the Vendor, the Vendor shall return any part of the Sale Consideration so received to the Purchaser.

5.2 In the event non-satisfaction or non-fulfilment of the Conditions Precedent is not due to the breach or default of either party, the SSA can be terminated by either party serving a notice in writing and the Vendor shall return any part of the Sale Consideration so received to the Purchaser.

(The rest of this page has been intentionally left blank)

Registration No. : 200401030994 (669502-H)

Reports and Financial Statements

30 June 2022

BERJAYA ENVIRO HOLDINGS SDN BHD

(Incorporated in Malaysia)

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

CONTENTS

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

MERGER EXERCISE

On 21 June 2022, the Company entered into a Share Sale Agreement with its holding company, Berjaya Group Berhad, to acquire 22,500,000 ordinary shares representing 100% equity interest in a wholly-owned subsidiary company, Berjaya EnviroParks Sdn Bhd ("BEP"), for a total purchase consideration of RM300,000,000; to be satisfied by issuance of 300,000,000 new ordinary shares in the Company at an issued price of RM1 each.

The issuance of the new ordinary shares by the Company during the current financial year to effect the above transaction has been reflected in the share capital of the Company as shown in Note 21 to the financial statements. As BEP is under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when BEP was under common control.

RESULTS

	Group RM	Company RM
Profit for the year	16,265,300	3,897,936
Attributable to:		
- Owners of the parent	17,346,426	3,897,936
- Non-controlling interests	(1,081,126)	-
	16,265,300	3,897,936

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

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 other than the effect arising from the above-mentioned merger exercise.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

DIRECTORS

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

Peter Wong Chuan Keat	
Koh Chee Yong	
Datuk Seri Zurainah Binti Musa	(Appointed on 1 October 2021)
Vivienne Cheng Chi Fan	(Appointed on 31 March 2022)
Zakaria Bin Abdul Hamid	(Resigned on 1 October 2021)
Chock Eng Tah	(Resigned on 31 March 2022)

The names of directors of subsidiary companies are set out in the respective subsidiary company's statutory accounts and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with company in which has a substantial financial interest except as disclosed in Note 31 to the financial statements.

The ultimate holding company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the ultimate holding company and the Group. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of a subsidiary company are RM10,000,000 and RM22,933 respectively.

REGISTRATION NO: 200401030994 (669502-H)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company during the financial year.

Pursuant to Section 59(3) of the Companies Act 2016, the register of directors' shareholdings need not disclosed the interest of Vivienne Cheng Chi Fan except the following director whose interest in the shares in the related corporations during the financial year were as follow:

Related company

Berjaya Land Berhad

	Number of Ordinary Shares			
	At date of appointment 01.10.21	Acquired	Disposed	At 30.06.22
Datuk Seri Zurainah Binti Musa	680,000	-	-	680,000

Peter Wong Chuan Keat and Koh Chee Yong did not have any interest in shares, warrants and debentures of its related corporations during the financial year.

SHARE ISSUE

During the current financial year, the Company increased its issued and paid up ordinary share capital from RM10,600,000 to RM310,600,000 by way of the issuance of 300,000,000 new ordinary shares at an issued price of RM1 each to its holding company, Berjaya Group Berhad, in consideration for the acquisition of 100% equity interest in Berjaya EnviroParks Sdn Bhd.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and

   (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.

OTHER STATUTORY INFORMATION (CONTINUED)

b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

e) As at the date of this report, there does not exist:

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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

(iii) the Group and the Company are dependent on the holding company, Berjaya Group Berhad, to provide adequate funds for them to meet their financial obligation as and when they fall due.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

AUDITORS AND AUDITORS' REMUNERATION

The auditors, C.S. Teh & Co. have expressed their willingness to continue in office.

The remuneration of the auditors of the Group and of the Company are disclosed in Note 6 to the financial statements.

REGISTRATION NO: 200401030994 (669502-H)

INDEMNIFICATION OF AUDITORS

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 December 2022.

Koh Chee Yong

Peter Wong Chuan Keat

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

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

We, Koh Chee Yong and Peter Wong Chuan Keat being two of the directors of Berjaya Enviro Holdings Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 95 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 at 30 June 2022 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 December 2022.

Koh Chee Yong

Peter Wong Chuan Keat

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

I, Mohamed Hafidz bin Mohd Salleh, being the officer primarily responsible for the financial management of Berjaya Enviro Holdings Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 95 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named Mohamed Hafidz bin Mohd Salleh at Kuala Lumpur in the Federal Territory on 2 December 2022

Mohamed Hafidz bin Mohd Salleh

Before me:

PESURUHJAYA SUMPAH
No. W 152
OOI AH BAH
01.01.22-14.07.23
MALAYSIA

Commissioner for Oaths
Kuala Lumpur

No. 48- 1st Floor
Jalan Brunei Utara
Off Changkat Thambi Dollah, Pudu,
55100 Kuala Lumpur

C.S. TEH & CO. (AF:1135)

Chartered Accountants

B-10-7, Block B (Level 12), Menara Uncang Emas
85 Jalan Loke Yew, 55200 Kuala Lumpur, Malaysia
Tel : 603-92 855 250 / Fax : 603-92 855 255

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ENVIRO HOLDINGS SDN BHD

(Registration No. 200401030994 (669502-H))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BERJAYA ENVIRO HOLDINGS SDN BHD, which comprise the statements of financial position as at 30 June 2022 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 11 to 95.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

C.S. TEH & CO. (AF:1135)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ENVIRO HOLDINGS SDN BHD
(Registration No. 200401030994 (669502-H))

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ENVIRO HOLDINGS SDN BHD

(Registration No. 200401030994 (669502-H))

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ENVIRO HOLDINGS SDN BHD
(Registration No. 200401030994 (669502-H))

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

- 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 12 to the financial statements.

Other Matters

The acquisition of the subsidiary company, Berjaya EnviroParks Sdn Bhd, by the Company during the financial year, has been accounted for using merger accounting. Under merger accounting, the comparative financial information for the Group have been prepared as if the merger had been effected throughout the current and previous financial years. Accordingly, the comparative figures for the Group have not been audited and are not comparable with the previous years' financial statements.

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.

C. S. TEH & CO.	**TEH CHOR SIN**
AF:1135	**01884/04/2024 J**
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia

Date : 2 December 2022

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	3	120,976,869	79,029,263	-	-
Cost of sales	4	(90,069,562)	(45,167,275)	-	-
Gross profit		30,907,307	33,861,988	-	-
Other income		3,055,339	6,092,505	5,571,527	1,226,260
Administrative expenses		(17,278,085)	(18,451,369)	(1,669,047)	(620,401)
Operating profit		16,684,561	21,503,124	3,902,480	605,859
Finance cost	5	(1,620,129)	(1,989,312)	(4,544)	(10,870)
Share of results of joint venture		6,315,623	4,491,323	-	-
Profit before tax	6	21,380,055	24,005,135	3,897,936	594,989
Income tax expense	8	(5,114,755)	(2,701,819)	-	-
Profit for the year		16,265,300	21,303,316	3,897,936	594,989
Other comprehensive income:					
Item that may not be reclassified subsequently to profit or loss					
Net changes in fair value reserve of investments classified as fair value through other comprehensive income ("FVTOCI")		6,539,375	2,197,740	-	-
Total comprehensive income for the year		22,804,675	23,501,056	3,897,936	594,989
Profit attributable to:					
- Owners of the parent		17,346,426	21,777,591	3,897,936	594,989
- Non-controlling interests		(1,081,126)	(474,275)	-	-
		16,265,300	21,303,316	3,897,936	594,989
Total comprehensive income attributable to:					
- Owners of the parent		23,885,801	23,975,331	3,897,936	594,989
- Non-controlling interests		(1,081,126)	(474,275)	-	-
		22,804,675	23,501,056	3,897,936	594,989

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
ASSETS					
NON CURRENT ASSETS					
Property, plant and equipment	9	69,947,347	29,185,828	328,841	1,960
Intangible assets	10	190,545,875	151,767,256	-	-
Right-of-use assets	11	1,465,203	2,036,653	96,575	107,528
Investment in subsidiary companies	12	-	-	310,112,402	10,510,002
Investment in a joint venture	13	12,984,901	8,469,278	3,000,000	3,000,000
Other long term receivables	14	3,325,873	3,015,061	-	-
Other investment	15	12,693,420	5,167,500	-	-
		290,962,619	199,641,576	313,537,818	13,619,490
CURRENT ASSETS					
Inventories	16	320,852	200,680	-	-
Trade and other receivables	17	15,054,300	15,419,710	83,171	77,819
Due from customers on contracts	18	340,005	537,131	-	-
Tax recoverable		2,110,606	2,705,619	-	-
Due from ultimate holding company	28	4,000	-	-	-
Due from subsidiary companies	28	-	-	19,738	453,202
Due from related companies	28	3,631	26,052	1,890	50
Due from a joint venture	28	55,817	-	-	-
Short term investments	19	5,928,944	3,137,811	-	-
Cash and cash equivalents	20	24,615,825	19,298,173	2,479,673	117,528
		48,433,980	41,325,176	2,584,472	648,599
TOTAL ASSETS		339,396,599	240,966,752	316,122,290	14,268,089

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holder of the Company					
Share capital	21	310,600,000	310,600,000	310,600,000	10,600,000
Reserves	22	(116,827,234)	(154,899,744)	4,430,730	532,794
		193,772,766	155,700,256	315,030,730	11,132,794
Non-controlling interests		12,279,896	4,065,231	-	-
Total equity		206,052,662	159,765,487	315,030,730	11,132,794
NON-CURRENT LIABILITIES					
Term loans	23	36,681,298	19,757,829	-	-
Hire purchase liabilities	24	725,470	603,094	-	-
Lease liabilities	11	969,201	1,658,704	-	-
Deferred tax liabilities	25	28,333,422	26,573,262	-	-
		66,709,391	48,592,889	-	-
CURRENT LIABILITIES					
Term loans	23	2,551,531	2,405,318	-	-
Hire purchase liabilities	24	332,126	290,606	-	-
Lease liabilities	11	509,112	451,390	103,497	109,942
Trade and other payables	26	28,566,122	16,741,808	86,949	19,918
Due to ultimate holding company	28	-	795	-	-
Due to holding company	28	900,710	700	900,710	700
Due to related companies	28	21,951	1,202,884	-	3,001,802
Provision for unutilised leave	27	9,994	14,875	404	2,933
Revolving credit	29	33,743,000	11,500,000	-	-
		66,634,546	32,608,376	1,091,560	3,135,295
TOTAL LIABILITIES		133,343,937	81,201,265	1,091,560	3,135,295
TOTAL EQUITY AND LIABILITIES		339,396,599	240,966,752	316,122,290	14,268,089

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Attributable to the equity holders of the Company							
		Non-distributable						
Group	Share capital RM	Merger deficit RM	Consolidation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2021	310,600,000	(277,500,000)	-	2,197,740	120,402,516	155,700,256	4,065,231	159,765,487
Total comprehensive income for the year	-	-	-	6,539,375	17,346,426	23,885,801	(1,081,126)	22,804,675
Transactions with owners:								
Capital contribution by non-controlling interests	-	-	-	-	-	-	24,500,000	24,500,000
Arising from part disposal/dilution of equity interest in a subsidiary company	-	-	19,204,209	-	-	19,204,209	(15,204,209)	4,000,000
Dividends (Note 1)	-	-	-	-	(5,017,500)	(5,017,500)	-	(5,017,500)
	-	-	19,204,209	-	(5,017,500)	14,186,709	9,295,791	23,482,500
At 30 June 2022	310,600,000	(277,500,000)	19,204,209	8,737,115	132,731,442	193,772,766	12,279,896	206,052,662

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Attributable to the equity holders of the Company							
		Non-distributable						
Group	Share capital RM	Merger deficit RM	Consolidation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2020	307,600,000	(277,500,000)	-	-	103,163,175	133,263,175	2,539,546	135,802,721
Total comprehensive income for the year	-	-	-	2,197,740	21,777,591	23,975,331	(474,275)	23,501,056
Transactions with owners:								
Issuance of shares	3,000,000	-	-	-	-	3,000,000	-	3,000,000
Capital contribution by non-controlling interests	-	-	-	-	-	-	1,999,960	1,999,960
Dividends (Note 1)	-	-	-	-	(4,538,250)	(4,538,250)	-	(4,538,250)
	3,000,000	-	-	-	(4,538,250)	(1,538,250)	1,999,960	461,710
At 30 June 2021	310,600,000	(277,500,000)	-	2,197,740	120,402,516	155,700,256	4,065,231	159,765,487

Note 1 : Dividends paid to former holding company by a subsidiary company before the merger exercise.

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Company	Share capital RM	Retained earnings RM	Total equity RM
At 1 July 2021	10,600,000	532,794	11,132,794
Total comprehensive income for the year	-	3,897,936	3,897,936
Transactions with owners:			
Issuance of shares	300,000,000	-	300,000,000
At 30 June 2022	310,600,000	4,430,730	315,030,730
At 1 July 2020	7,600,000	(62,195)	7,537,805
Total comprehensive income for the year	-	594,989	594,989
Transactions with owners:			
Issuance of shares	3,000,000	-	3,000,000
At 30 June 2021	10,600,000	532,794	11,132,794

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		73,604,085	68,448,214	-	-
Payments to contractors and consultants		(20,891,018)	(22,434,344)	-	-
Payments for administrative expenses		(14,761,734)	(11,606,001)	(1,417,253)	(468,977)
Tax paid		(2,759,582)	(3,846,115)	-	-
Other receipts		171,798	1,425,561	157,943	1,076,044
Net cash flow generated from/ (used in) operating activities		35,363,549	31,987,315	(1,259,310)	607,067
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of investments in subsidiary companies		-	-	-	(5,500,000)
Acqusition of intangible assets		(49,508,524)	(7,937,648)	-	-
Acqusition of property, plant and equipment		(39,372,729)	(9,104,606)	(363,710)	-
Proceeds from disposal of property, plant and equipment		48,000	101,760	-	-
Proceeds from disposal of intangible assets		-	8,500	-	-
(Placement in)/withdrawal of short term investments		(2,791,133)	7,969,093	-	-
Interest received		603,158	619,117	11,184	14,240
Dividend received		1,931,150	53,000	1,800,000	1,050,000
Purchase of quoted shares in other investment		(986,545)	(2,969,760)	-	-
Proceeds from disposal of investment in a subsidiary company		4,000,000	-	4,000,000	-
Net cash flow (used in)/generated from investing activities		(86,076,623)	(11,260,544)	5,447,474	(4,435,760)

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	3,000,000	-	3,000,000
Proceeds from issuance of shares to non-controlling interests of subsidiary company		24,500,000	-	-	-
Net drawdown/(repayment) of revolving credit		22,243,000	(14,350,000)	-	-
Net drawdown/(repayment) of term loans		17,069,682	(2,312,807)	-	-
Repayment of hire purchase liabilities		(318,904)	(320,412)	-	-
Payment of principal portion of lease liabilities		(573,506)	(603,674)	(151,307)	(147,876)
Interest paid		(1,564,904)	(2,178,623)	(4,544)	(10,870)
Net change in amount due from/(to) ultimate holding company		(4,795)	675	-	-
Net change in amount due from/(to) holding company		900,010	710	900,010	710
Net change in amount due from/(to) subsidiary companies		-	-	433,464	(662,168)
Net change in amount due from/(to) related companies		(1,202,356)	(109,999)	(3,003,642)	(32,054)
Net placement in bank security pledge for borrowing		(283,726)	(215,303)	-	-
Dividends paid to former holding company of a subsidiary company		(5,017,500)	(4,538,250)	-	-
Net cash flow generated from/ (used in) financing activities		55,747,001	(21,627,683)	(1,826,019)	2,147,742
NET CHANGE IN CASH AND CASH EQUIVALENTS		5,033,927	(900,912)	2,362,145	(1,680,951)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,480,081	10,380,993	117,528	1,798,479
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	14,514,008	9,480,081	2,479,673	117,528

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

Notes:

(a) Analysis of the payments for acquisition of property, plant and equipment:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Hire purchase	454,419	157,657	-	-
Other payables	95,024	66,408	-	-
Payables for capital work-in-progress	4,614,006	636,584	-	-
Cash	38,697,662	9,082,809	363,710	-
Additions as per Note 9	43,861,111	9,943,458	363,710	-
Cash settlement of prior year's purchase of property, plant and equipment	675,067	21,797	-	-
	39,372,729	9,104,606	363,710	-

(b) Analysis of the payments for acquisition of intangible assets:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash	49,267,545	7,165,482	-	-
Issuance of shares	-	1,999,960	-	-
Other payables	1,678,073	564,492	-	-
Additions as per Note 10	50,945,618	9,729,934	-	-
Cash settlement of prior year's purchase of intangible assets	240,979	772,166	-	-
	49,508,524	7,937,648	-	-

(c) The total cash outflows for leases were as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total cash outflow for leases:				
- Payment for principal portion of lease of lease liabilities	573,506	603,674	151,307	147,876
- Interest paid on lease liabilities	57,658	96,767	4,544	10,870
	631,164	700,441	155,851	158,746

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

Notes: (continued)

(d) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Term loans				
At beginning of the year	22,163,147	24,475,954	-	-
Drawndown of borrowings	19,475,000	-	-	-
Repayment of borrowings	(2,405,318)	(2,312,807)	-	-
At end of year	39,232,829	22,163,147	-	-
Revolving credit				
At beginning of the year	11,500,000	25,850,000	-	-
Drawndown of borrowings	33,743,000	-	-	-
Repayment of borrowings	(11,500,000)	(14,350,000)	-	-
At end of year	33,743,000	11,500,000	-	-
Hire purchase liabilities				
At beginning of the year	893,700	1,014,023	-	-
Additional of hire purchase liabilities	454,419	157,657	-	-
Repayment of hire purchase liabilities	(290,523)	(277,980)	-	-
At end of year	1,057,596	893,700	-	-
Due from/(to) ultimate holding company				
At beginning of the year	(795)	(120)	-	-
Advance to ultimate holding company	4,795	(675)	-	-
At end of year	4,000	(795)	-	-
Due to holding company				
At beginning of the year	(700)	10	(700)	10
Advance from holding company	(900,010)	(853)	(900,010)	(853)
Repayment to holding company	-	143	-	143
At end of year	(900,710)	(700)	(900,710)	(700)

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

Notes: (continued)

(d) Reconciliation of liabilities arising from financing activities: (continued)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Due from/(to) related companies				
At beginning of the year	(1,176,832)	2,407,753	(3,001,752)	(33,806)
Arising from acqusition of joint venture company	-	(3,000,000)	-	(3,000,000)
Expenses paid on behalf	(43,844)	(694,584)	-	-
Net change in amount due from/(to) related companies	1,202,356	109,999	3,003,642	32,054
At end of year	(18,320)	(1,176,832)	1,890	(3,001,752)

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

REGISTRATION NO: 200401030994 (669502-H)

BERJAYA ENVIRO HOLDINGS SDN BHD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022

1. CORPORATE INFORMATION

The principal activities of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur. The principal place of business of the Company is located at 08-53 & 08-54, Level 8, West, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

The holding company is Berjaya Group Berhad ("BGB") and the ultimate holding company is Berjaya Corporation Berhad ("BCorp"), which is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use. Both BGB and BCorp are incorporated in Malaysia.

The financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 December 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company rely on the holding company for continued financial support and have obtained an undertaking from the holding company to enable them to meet their obligations and liabilities as and when they fall due so as to operate as a going concern.

At the beginning of the current financial year, the Group and the Company had adopted MFRSs which are mandated for financial periods beginning on or after 1 January 2021 as described in Note 2.3.

The financial statements are presented in Ringgit Malaysia ("RM").

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies, which is prepared up to the end of the same financial year.

Subsidiary companies are those investees controlled by the Group. The Group controls an investee if and only if the Group has all the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its investment with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) potential voting rights held by the Group, other vote holders or other parties;
(iii) contractual arrangement with other vote holders of the investee;
(iv) rights arising from other contractual arrangements; and
(v) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are consolidated using the acquisition method except for the business combination with Berjaya EnviroParks Sdn Bhd, which is accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves acquired are reflected within equity as merger reserve or merger deficit, as the case may be.

Under the acquisition method of accounting, subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(a) Subsidiaries and Basis of Consolidation (continued)

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specification in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition, the amount of any non-controlling interests in the acquiree and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, and the amount of any non-controlling interests in the acquiree, the fair value of the Group's previously held equity interest in the acquiree and any contingent consideration. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

If the business combination is achieved in stages, any previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 9: Financial Instruments or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(a) Subsidiaries and Basis of Consolidation (continued)

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except for unrealised losses,which are not eliminated when there are indications of impairment.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination, and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Equity instruments and equity components of hybrid financial instruments issued by subsidiary companies but held by the Group will be eliminated on consolidation. Any difference between the cost of investment and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

When there is share buyback by a subsidiary company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the subsidiary company. Any differences between the consideration of the share buyback over the Group's revised interest in the net fair value of the identifiable assets acquired and liabilities assumed is recognised directly in equity attributable to owners of the parent.

Changes in the Group's ownership interest in a subsidiary company that do not result in the Group losing control over the subsidiary company are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(a) Subsidiaries and Basis of Consolidation (continued)

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest at the date when control is lost;

is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. Any investment retained is recognised of fair value.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses.

(b) Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investment in joint venture is accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by management financial statements of the joint venture made up to the Group's financial year end.

Uniform accounting policies are adopted for like transactions and events in similar circumstances upon applying equity method of accounting.

After application of the equity method, the Group determines whether it is necessary to recognise impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidences, the Group recognises the difference between the recoverable amount of the joint venture and its carrying value as impairment loss in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(b) Joint Venture (continued)

On acquisition of joint venture, any excess of the cost of investment over the Group's share of the net fair value of the indentifiable assets acquired and liabilities assumed of the investee is recognised as goodwill and included in the carrying amount of the investment and is not amortised.

Any excess of the Group's share of net fair value of the joint venture's identifiable assets acquired and liabilities assumed over the cost of investment is included as income in the determination of the Group's share of joint venture's profit or loss in the period in which investment is acquired.

Under the equity method, the investment in a joint venture is recognised at cost on initial recognition, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the joint venture after the date of acqusition, less impairment losses. The Group's· share of comprehensive income of joint venture acquired or disposed of during the financial year, is included in the consolidated profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transaction between the Group and the joint venture is eliminated to the extent of the Group's interest in the joint venture.

When the Group's share of losses equals or exceeds its interest in an equity accounted joint venture, including any long term interest, that, in substance, form part of the Group's net investment in the joint venture, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has legal or connstrutive obligations or has made payment on behalf of the joint venture.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or loss of joint control and the fair value of the retained investment and proceeds from the disposals is recognised in profit or loss.

In the Company's separate financial statements, investment in joint venture is stated at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Subsequent to recognition, when a property, plant and equipment are required to be replaced in intervals the Group and the Company recognise such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Capital work-in-progress are not depreciated as these assets are not available for use.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipment	20%
Gas extration and flaring system	5%
Office equipment, renovation, furniture and fittings	10% - 20%
Motor vehicles	20%
Plant and machinery	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items 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 or disposal. Any gains or losses on the derecognition of the assets are included in profit or loss in the year the assets is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(d) Intangibles Assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Market intelligence data asset

Market intelligence data asset acquired separately are measured on initial recognition at cost. Following the initial recognition, market intelligence data asset are carried at cost less accumulated amortisation and any accumulated impairment losses. Market intelligence data asset are amortised on a amortisation rate over its estimated economic useful lives at annual rate of 10% and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for a Market intelligence data asset are reviewed at each reporting data.

Concession assets

Concession assets comprise the development expenditure for the construction of plants or structures for the concession which are not covered by a contractual guarantee from the grantor of the concession. These portions of the development expenditure represent the right to charge users of the public service.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right (a license) to charge users of the service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(d) Intangibles Assets (continued)

Concession assets (continued)

A concession asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. Concession assets are stated at cost less accumulated amortisation and any impairment losses. Construction work-in-progress is not mortised as the asset is not available for use. Amortisation of other concession assets is provided for on a straight-line basis to write off the cost of each asset over the period of the respective concessions. Landfill cell cost is amortised over the useful life of the landfill or the remaining concession period, whichever is shorter. The useful lives are described in 2.5(b)(ii) below.

Borrowing costs incurred in connection with an arrangement falling within the scope of IC Interpretation 12: Service Concession Arrangements, will be expensed as incurred, unless the Group recognises an intangible asset under the Interpretation. In this case, borrowing costs are capitalised in accordance with the general rules of MFRS 123: Borrowing Costs.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

(e) Impairment of Non-Financial Assets

The carrying amounts of the Group's and the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have indefinite useful lives and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when there is any indication of impairment.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(e) Impairment of Non-Financial Assets (continued)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use ("VIU"). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable other than goodwill amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the certified work done or proportion of contract costs incurred for work performed to date, to the estimated total contract costs.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(f) Construction Contracts (continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(g) Financial Assets (continued)

Subsequent measurement

Subsequent measurement of financial assets depends on its classification. The classification of financial assets are described below:

(a) Amortised cost

This category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Fair value through other comprehensive income

Debt instruments

This category comprises investments in debt instrument, which are held within a business model whose objective is collecting contractual cash flows and selling the debt investments, and its contractual terms give rise to cash flows on specified dates that are SPPI on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss. Fair value changes are recognised in other comprehensive income.

On derecognition of these financial assets, the fair value changes accumulated in other comprehensive income are recycled to profit or loss.

Equity instruments

This category comprises investments in equity instrument that are not held for trading, and where the Group irrevocably elects to account for subsequent changes in the investments' fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividends clearly represent part recovery of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(g) Financial Assets (continued)

Subsequent measurement (continued)

(c) Fair value through profit or loss

All financial assets not classified as amortised cost or fair value through other comprehensive income as described above are classified as fair value through profit or loss. This includes derivative financial assets (except for derivatives that are designated as effective hedging instruments).

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be classified as financial asset at amortised cost as a financial asset at fair value through profit or loss, if doing so, eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in the profit or loss.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(i) The contractual rights to receive cash flows from the asset have expired; or

(ii) The Group or the Company has transferred its rights to receive the cash flows from the assets and has transferred substantially all risks and rewards related to the asset; or

(iii) The Group or the Company has transferred its rights to receive the cash flows from the assets and has not retained control of the assets; or

(iv) The Group or the Company has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, but the Group or the Company are not able to derecognise the asset, then the Group or the Company has to continue recognising the transferred asset to the extent of its continuing involvement and to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(h) Impairment of Financial Assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables., etc.

ECLs are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are part of the contractual terms.

ECLs are recognised in two stages. For credit exposures where there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12- month ECL). For those credit exposures where there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply the simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established provision matrices that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group and the Company recognise impairment 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 profit or loss and accumulated in the fair value reserve.

The Group or the Company considers a financial asset in default when contractual payments are 90 days past due. In certain cases, the Group and the Company may consider a financial asset to be in default when internal or external information indicates that the Group or the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(i) Inventories

Inventories, which represent consumables, are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method.

(j) Cash and Cash Equivalents

Cash and cash equivalent comprises cash in hand, at bank and short term deposits with a maturity of three months or less. Cash equivalents, which are short term, highly liquid investments that are readily convertible to known amounts subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

(k) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

The Group and the Company initially measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement

The Group and the Company measure the financial liabilities depending on their classification, as described below:

(a) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows (including all fees and points paid 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 to the amortised cost of a financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(k) Financial Liabilities (continued)

Subsequent measurement (continued)

(a) Amortised cost (continued)

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

(b) Fair value through profit or loss

The fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated as fair value through profit or loss to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The changes in fair value of these financial liabilities are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(l) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprised only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(m) Taxes

(i) Current tax

Current tax asset and liability are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Current tax is 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.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

REGISTRATION NO: 200401030994 (669502-H)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(m) Taxes (continued)

(ii) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Indirect tax

Indirect taxes include Sales and Service Tax.

The amount of indirect taxes payable to taxation authority is included as part of payables in the statements of financial position.

Indirect taxes incurred on the purchase of assets or services which cannot be recovered from the respective tax authorities are recognised as part of the cost of acqusition of the asset or as part of the expense item as applicable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(n) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

(o) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (i.e. functional currency). The financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in profit or loss of the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(o) Foreign Currencies (continued)

(ii) Foreign currency transactions (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(p) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Revenue Recognition

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out below:

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group or the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group or the Company needs to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

(v) Recognise revenue when the Group or Company satisfies a performance obligation or as the Group or the Company is satisfying a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Revenue Recognition (continued)

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out below: (continued)

(vi) Revenue is recognised at the point in time at which the performance obligation is satisfied. However, where the performance obligation is satisfied over time, the Group or the Company shall recognise revenue over time if the Group's or the Company's performance:

(a) Provides benefits that the customer simultaneously receives and consumes as the Group or the Company performs; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Does not create an asset with an alternative use to the Group or the Company has an enforceable right to payment for performance completed to-date.

The revenue recognition of the specific revenue are set out below:

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(f).

(ii) Concession arrangements

The Group manages a concession arrangement with Dewan Bandaraya Kuala Lumpur (DBKL) which include the design, construction, operation and maintenance of the Bukit Tagar Sanitary Landfill located at Mukim Sg. Tinggi, Hulu Selangor. The concession grants the right to the Company to receive waste and in return to collect tipping fee in accordance to the concession agreement.

The concession includes a profit-sharing mechanism which provides for DBKL, a share of 10% of net profit derived from carbon credit income and from sale of electricity. The agreement also provides for DBKL, a revenue-sharing scheme where, subject to a minimum waste volume being met by DBKL, a 5% share of revenue earned from waste disposed by parties other than DBKL shall be payable to DBKL. The profit sharing amount is recognised as part of the other operating expenses.

Upon termination of the concession agreement, the Group shall transfer the facilities to DBKL without any compensation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Revenue Recognition (continued)

The revenue recognition of the specific revenue are set out below: (continued)

(ii) Concession arrangements (continued)

The Group manages concession arrangements which include the construction of renewable energy power generation plants, the generation of electricity from biogas and solar sources, and sale of electricity to Tenaga Nasional Berhad under the Feed-in Tariff scheme.

For fulfilling these obligations, the Group is entitled to receive cash from the grantors and contractual rights to charge the users of the services. The consideration received or receivable is allocated by reference to the fair values, typically:

- a construction component;
- an operating element for the waste treatment service rendered and electricity delivered, as delivered, as decribed in (iii) and (iv) below.

As set out above, the right to consideration gives rise to intangible assets. Revenue from the concession arrangements earned under the intangible asset model consist of the fair value of construction revenue, which is deemed to be the fair value of consideration transferred to acquire the asset and payments actually received from the users. Construction revenue is recognised over time as and when the services are rendered.

(iii) Revenue from waste treatment services

Revenue from waste treatment services are recognised upon the performance of services.

(iv) Sale of electricity

Revenue from the sale of electricity is recognised from energy billings which is based on a monthly reading from a meter installed at the gas engine.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Revenue Recognition (continued)

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(i) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt.

(ii) Lease income

Lease income is recognised on the basis as detailed in Note 2.2(u).

(iii) Dividend income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

(iv) Carbon credit income

Certified Emission Reductions ("CER") has to be verified by an independent verifier before being certified and issued by the Clean Development Mechanism ("CDM'") Executive Board of United Nations Framework Convention for Climate Change. Carbon credit income is only recognised at the point the CERs are sold.

(v) Other income

Other than above, all other income are recognised on accrual basis.

(r) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(s) Fair Value Measurement

The Group measures financial instruments and certain non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or
(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.
liability.

The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(t) Current and Non-Current Classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:
(i) expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within 12 months after the reporting period; or
(iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within 12 months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

(u) Leases

A leases, as defined in MFRS 16: Leases, is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration consideration. The Group and the Company assess at inception of a contract whether a contract is, or ontains, a lease in accordance to MFRS 16.

(1) As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for the short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(u) Leases (continued)

(1) As a lessee (continued)

ROU assets

The Group and the Company recognise ROU assets at the commencement date of lease i.e. the date the underlying asset is available for use. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, estimated cost to dismantle/restore the underlying asset, and lease payments made at before the commencement date less any lease incentives received.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. In the case where the lease trasfer the ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the ROU asset implies that the Group and the Company will exercise a purchase option, depreciation is calculated using the estimated useful life of the underlying asset. The depreciation period are as follows:

Leasehold land	24 years
Buildings	1 to 3 years

Lease term refers to the non-cancellable period of a lease plus: (i) the period covered by an option to extend the lease if the Group and the Company are reasonably certain to exercrise; and (ii) the period covered by an option to terminate if the Group and the Company are reasonably certain not to exercrise.

The ROU assets are also subject to impairment assessment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(u) Leases (continued)

(1) As a lessee (continued)

Lease liabilities

At the commencement date of lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company, and payments of penalties for termination (if the lease term reflects the Group and the Company exercising the option to terminate the lease).

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless) they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a ressessment (e.g. change in the lease term) or lease modification (e.g. change in scope of lease).

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of asset (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(u) Leases (continued)

(2) As a lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lesseee.

Operating lease

Leases in which the Group and the Company retain substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating lease is accounted for on a straight-line basis or another systematic basis if another systematic basis is more representative of the pattern of benefit received. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. The underlying asset of an operating lease is included in the statements of financial position based on the nature of asset.

Contingent rents are recognised in profit or loss in the period in which they are earned.

Finance lease

A finance lease is a lease contract which transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. At commencement of the contract, the Group and the Company recognise the finance lease as a receivable at an a amount equal to the net investment in the lease. The net investment of a lease is the present value of the gross investments which includes fixed payments (including in-susbtance fixed payments) less any lease incentives payables, variable lease payments that depend on an index or a rate, residual value guarantees, exercise price of a purchase option and penalties for termination which are reasonably certain to be received.

Subsequent to the commencement date, finance income is recognised over the lease term on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Contingent rents from finance lease are recognised in profit or loss in the period in which they are earned.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(v) Financial Guarantee Contracts

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

Financial guarantee contract is recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

(w) Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

2.3 Changes in Accounting Policies

Most of MFRSs which are mandatory for companies with financial periods beginning on or after 1 January 2021 are not relevant to the Group and the Company. Those Amendment to MFRSs that are relevant do not give rise to any significant effects on the financial statements of the Group and the Company.

2.4 Standards Issued but not yet Effective

The new MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs were issued and became effective after the beginning of the financial year (i.e. 1 July 2021) have not been applied by the Group and Company. These standards are expected to have no significant impact on the financial statements upon their initial application.

2.5 Significant Accounting Estimates and Judgements

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant Accounting Estimates and Judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Going Concern

The Group and the Company rely on the holding company for continued financial support and have obtained an undertaking from the holding company to enable it to meet their obligations and liabilities when they fall due so as to operate as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(ii) Determination of the lease term of contracts with renewal and termination options as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Group and the Company assess, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to them determine the lease term. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant Accounting Estimates and Judgements (continued)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The useful lives and residual values of property, plant and equipment are also estimated based on the normal life expectancies and commercial factor applied in the various respective industries.

The estimated useful lives of property, plant and equipment are reviewed periodically and changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assests could be revised.

Gas Extraction and Flaring System

The cost of the gas extraction and flaring system for the landfill is depreciated on a straight-line basis over their estimated useful lives, which has been estimated by an independent consultant to be approximately 20 years. A 5% difference in the expected useful lives of landfill cell from management's estimates would result in approximately RM67,267 (2021: RM58,106) variance in the Group's profit or the year.

Changes in expected levels of usage could impact the economic useful lives and the residual values of these assets, and hence future depreciation and amortisation on such assets could be revised.

(ii) Amortisation of intangible assets

The costs of intangible assets are amortised on a straight line basis over their useful lives. The Group assesses annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been charged.

Amortisation of landfill-related assets

The cost of landfill-related assets are amortised on a straight-line basis over 30 years for plant and machineries, leachete treatment plant, landfill development costs, site administration and building. The landfill cells's useful lives have been estimated by an independent consultant to be approximately 16 years. A 5% difference in the expected useful lives of landfill-related assets from management's estimates would result in approximately RM389,486 (2021: RM379,321) variance in the Group's profit for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant Accounting Estimates and Judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Amortisation of intangible assets (continued)

Amortisation of power generation system

The cost of renewable energy power generation system is amortised on a straight-line basis over the effective operating period of 16 and 21 years for the biogas and solar plants respectively, based on the feed-in approval granted by the Sustainable Energy Development Authority. A 5% difference in the expected useful lives of renewable energy power generation system from management's estimates would result in approximately RM213,706 (2021: RM214,141) variance in the Group's profit for the year.

Changes in expected level of usage could impact the economic useful lives and the residual values of these assets, and hence future amortisation on such assets could be revised.

(iii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

REGISTRATION NO: 200401030994 (669502-H)

3. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Construction contracts	51,481,106	8,056,678	-	-
Sales commission	167,769	176,462	-	-
Disposal charges	2,911,356	906,650	-	-
Transport charges	1,832,790	611,502	-	-
Bin rental charges	34,782	4,368	-	-
Waste treatment services	45,347,883	44,929,767	-	-
Sale of electricity	19,201,183	24,343,836	-	-
	120,976,869	79,029,263	-	-
Timing of revenue recognition				
- Overtime	51,481,106	8,056,678	-	-
- At point in time	69,495,763	70,972,585	-	-
	120,976,869	79,029,263	-	-

4. COST OF SALES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Construction contracts	51,498,695	8,053,454	-	-
Waste disposal	124,782	150,400	-	-
Transport charges	1,450,596	500,984	-	-
Bin rental charges	72,146	3,024	-	-
Direct operating expenses	677,010	499,761	-	-
Waste treatment costs	27,351,682	26,288,891	-	-
Power generation costs	8,894,651	9,670,761	-	-
	90,069,562	45,167,275	-	-

5. FINANCE COST

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expenses on:				
Lease liabilities	50,741	96,767	4,544	10,870
Term loans	847,377	930,091	-	-
Hire purchases	82,964	83,201	-	-
Revolving credit	632,130	872,336	-	-
Interest unwinding on leasehold land payable	6,917	6,917	-	-
	1,620,129	1,989,312	4,544	10,870

REGISTRATION NO: 200401030994 (669502-H)

6. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Auditors' remuneration				
-current year	103,900	93,455	5,000	1,855
-underprovision in prior years	4,145	3,545	3,145	2,145
Depreciation of property, plant and equipment (Note 9)	2,374,477	2,040,285	36,829	560
Depreciation of intangible assets (Note 10)	12,263,820	11,985,899	-	-
Depreciation of right-of-use assets (Note 11)	513,175	619,113	155,815	143,370
Director insurance	29,164	-	-	-
Staff costs (Note 7)	9,670,826	8,397,102	439,074	438,740
Rental of house rented	16,800	16,032	-	-
Rental of site office	3,200	-	-	-
Loss on foreign exchange	10,579	14,475	-	-
Loss on disposal of intangible assets	-	97,436	-	-
Intangible assets written off	63,363	187,121	-	-
Property, plant and equipment written off	564,931	-	-	-
Profit sharing fees	1,017,652	1,532,471	-	-
Interest income				
- Tax exempt interest income	(182,881)	(75,707)	(11,184)	(14,240)
- Interest from a joint venture	(243,000)	(243,000)	-	-
- Other interest income	(177,277)	(300,410)	-	-
Rental income	-	(30,805)	(155,776)	(162,020)
Land rental income	(60,000)	(60,000)		
Dividend income from a joint venture	-	-	(1,800,000)	(1,050,000)
Dividend income - quoted investment	(131,150)	(53,000)		
Negative goodwill	-	(2,035,000)	-	-
Sundry income	(150,932)	(473,905)	(2,167)	-
Carbon credit income	(2,062,099)	(2,796,010)	-	-
Carbon credit expenses	707,172	1,403,102		
Gain on disposal of property, plant and equipment	(48,000)	(24,668)	-	-
Gain on disposal of investment in a subsidiary company	-	-	(3,602,400)	-

7. STAFF COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Wages, salaries and bonus	6,839,616	5,898,662	389,725	388,306
Social security contributions and employees insurance	70,308	62,017	1,202	2,084
Contributions to defined contribution plan	896,466	748,395	46,946	23,712
Staff secondment costs	95,989	167,979	-	-
Other staff related expenses	1,768,447	1,520,049	1,201	24,638
	9,670,826	8,397,102	439,074	438,740
Less: Included in cost of sales	(3,908,597)	(3,682,827)	-	-
	5,762,229	4,714,275	439,074	438,740

Included in the staff costs of the Group are directors' remuneration as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries and other emoluments	1,829,312	1,096,613	329,365	-
Social security contributions and employees insurance	1,458	923	535	-
Contribution to defined contribution plan	106,234	44,080	39,524	-
Total director's remuneration (excluding benefits in kind)	1,937,004	1,141,616	369,424	-
Estimate monetary value of benefit in kind	2,223	4,219	-	-
Total director's remuneration	1,939,227	1,145,835	369,424	-

REGISTRATION NO: 200401030994 (669502-H)

8. INCOME TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Tax expense for the year:				
Malaysian income tax	3,244,747	2,028,026	-	-
Under provision in prior years	109,848	76,964	-	-
	3,354,595	2,104,990	-	-
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	2,069,434	652,376	-	-
Under/(over) provision in prior years	1,014,363	(2,145)	-	-
Recognition of deferred tax asset previously not recognised	(1,323,637)	(53,402)	-	-
	1,760,160	596,829	-	-
Total tax expense for the year	5,114,755	2,701,819	-	-

Domestic income tax calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax at statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:-

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit before tax	21,380,055	24,005,135	3,897,936	594,989
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	5,131,212	5,761,232	935,505	142,797
Effect of share of results of joint venture	(1,515,750)	(1,076,227)	-	-
Expenses not deductible for tax purposes	1,290,408	1,437,106	363,755	112,620
Income not subject to tax	(75,368)	(3,693,366)	(1,299,260)	(255,417)
Deferred tax assets not recognised during the year	483,679	251,657	-	-
Under provision of income tax in prior years	109,848	76,964	-	-
(Over)/under provision of deferred tax in prior years	1,014,363	(2,145)	-	-
Recognition of deferred tax asset previously not recognised	(1,323,637)	(53,402)	-	-
Tax expense for the year	5,114,755	2,701,819	-	-

REGISTRATION NO: 200401030994 (669502-H)

8. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unutilised tax losses	3,578,380	1,576,207	-	-
Unabsorbed capital allowances	90,668	68,132	-	-
	3,669,048	1,644,339	-	-

Deferred tax assets have not been recognised in respect of the items above as it is not probable that future taxable profits will be available against which the items above can be utilised.

The Malaysia Finance Act 2018 gazetted on 27 December 2018 imposed a time limitation to restrict the carry forward of the unutilised tax losses to a maximum period of 7 consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysia Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years. As a result of this change, the unutilized tax losses accumulated up to the YA 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from YA 2019 to 2028). Any balance of the unutilised tax losses thereafter shall be disregarded.

Pursuant to the relevant tax regulations, the unutilised tax losses and unabsorbed capital allowances at the end of the reporting period will expire as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unabsorbed capital allowances				
- no expiry	90,668	68,132	-	-
Unutilised tax losses:				
-Year of assessment 2030	921,578	921,578	-	-
-Year of assessment 2031	654,629	654,629	-	-
-Year of assessment 2032	2,002,173	-	-	-
	3,669,048	1,644,339	-	-

REGISTRATION NO: 200401030994 (669502-H)

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Computer equipment RM	Office equipment, renovation, furniture and fittings RM	Capital work-in-progress RM	Motor vehicles RM	Machinery RM	Gas extraction and flaring system RM	Total RM
2022							
Cost							
At 1 July 2021	1,048,815	1,669,000	13,008,950	5,056,835	590,187	23,242,495	44,616,282
Additions	92,704	95,315	42,708,591	964,501	-	-	43,861,111
Reclassification within property, plant and equipment	-	-	(3,080,992)	-	-	3,080,992	-
Reclassification to intangible assets	-	-	(160,184)	-	-	-	(160,184)
Disposals	-	-	-	(163,316)	-	-	(163,316)
Written off	-	(30,530)	(111,433)	-	(590,187)	-	(732,150)
At 30 June 2022	1,141,519	1,733,785	52,364,932	5,858,020	-	26,323,487	87,421,743
Accumulated Depreciation							
At 1 July 2021	862,322	1,196,162	-	3,416,683	49,182	9,906,105	15,430,454
Charge for the year	68,846	84,490	-	757,766	118,037	1,345,338	2,374,477
Disposals	-	-	-	(163,316)	-	-	(163,316)
Written off	-	-	-	-	(167,219)	-	(167,219)
At 30 June 2022	931,168	1,280,652	-	4,011,133	-	11,251,443	17,474,396
Net Carrying Amount	210,351	453,133	52,364,932	1,846,887	-	15,072,044	69,947,347

REGISTRATION NO: 200401030994 (669502-H)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

	Computer equipment RM	Office equipment, renovation, furniture and fittings RM	Capital work-in progress RM	Motor vehicles RM	Machinery RM	Gas extraction and flaring system RM	Total RM
2021							
Cost							
At 1 July 2020	989,381	1,560,979	4,561,123	5,472,359	-	23,242,495	35,826,337
Additions	59,434	108,021	9,026,604	159,212	590,187	-	9,943,458
Reclassification to intangible assets	-	-	(578,777)	-	-	-	(578,777)
Disposals	-	-	-	(574,736)	-	-	(574,736)
At 30 June 2021	1,048,815	1,669,000	13,008,950	5,056,835	590,187	23,242,495	44,616,282
Accumulated Depreciation							
At 1 July 2020	803,769	1,109,286	-	3,230,777	-	8,743,981	13,887,813
Charge for the year	58,553	86,876	-	683,550	49,182	1,162,124	2,040,285
Disposals	-	-	-	(497,644)	-	-	(497,644)
At 30 June 2021	862,322	1,196,162	-	3,416,683	49,182	9,906,105	15,430,454
Net Carrying Amount	186,493	472,838	13,008,950	1,640,152	541,005	13,336,390	29,185,828

REGISTRATION NO: 200401030994 (669502-H)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	Motor vehicles RM	Computer equipment RM	Total RM
2022			
Cost			
At 1 July 2021	-	2,800	2,800
Additions	360,631	3,079	363,710
At 30 June 2022	360,631	5,879	366,510
Accumulated Depreciation			
At 1 July 2021	-	840	840
Charge for the year	36,063	766	36,829
At 30 June 2022	36,063	1,606	37,669
Net Carrying Amount	324,568	4,273	328,841

	Computer equipment RM	Total RM
2021		
Cost		
At 1 July 2020	2,800	2,800
Additions	-	-
At 30 June 2021	2,800	2,800
Accumulated Depreciation		
At 1 July 2020	280	280
Charge for the year	560	560
At 30 June 2021	840	840
Net Carrying Amount	1,960	1,960

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant and equipment of the Group are fully depreciated assets costing RM3,300,849 (2021 : RM4,139,881) which are still in use.

The total borrowing cost capitalised under capital work-in-progress of the Group is RM131,293 (2021 : NIL).

Net carrying amount of motor vehicles held under hire purchase arrangements are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Motor vehicles	1,212,237	1,024,185	-	-

The additions in property, plant and equipment were by way of:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Hire purchase	454,419	157,657	-	-
Other creditors	95,024	66,408	-	-
Payables for capital work-in-progress	4,614,006	636,584	-	-
Cash	38,697,662	9,082,809	363,710	-
	43,861,111	9,943,458	363,710	-

REGISTRATION NO: 200401030994 (669502-H)

10. INTANGIBLE ASSETS

Group

	Construction work-in-progress RM	Plant and machineries RM	Power generation systems RM	Leachate treatment plant RM	Landfill development costs RM	Site administration building RM	Landfill cells RM	Market intelligence data RM	Total RM
2022									
Cost									
At 1 July 2021	9,436,928	10,043,209	69,236,906	29,881,697	4,312,977	2,689,180	96,599,599	1,999,960	224,200,456
Additions	50,864,406	33,265	43,070	4,877	-	-	-	-	50,945,618
Reclassification from property, plant and equipment	160,184	-	-	-	-	-	-	-	160,184
Reclassification within intangible assets	(2,515,799)	2,030,632	-	485,167	-	-	-	-	-
Written off	(63,363)	-	-	-	-	-	-	-	(63,363)
At 30 June 2022	57,882,356	12,107,106	69,279,976	30,371,741	4,312,977	2,689,180	96,599,599	1,999,960	275,242,895
Accumulated Amortisation									
At 1 July 2021	-	2,094,110	20,722,300	7,924,615	2,318,680	873,375	38,383,456	116,664	72,433,200
Charge for the year	-	495,598	4,274,112	1,019,494	143,766	93,379	6,037,475	199,996	12,263,820
At 30 June 2022	-	2,589,708	24,996,412	8,944,109	2,462,446	966,754	44,420,931	316,660	84,697,020
Net Carrying Amount	57,882,356	9,517,398	44,283,564	21,427,632	1,850,531	1,722,426	52,178,668	1,683,300	190,545,875

REGISTRATION NO: 200401030994 (669502-H)

10. INTANGIBLE ASSETS (CONTINUED)

Group

	Construction work-in-progress RM	Plant and machineries RM	Power generation systems RM	Leachate treatment plant RM	Landfill development costs RM	Site administration building RM	Landfill cells RM	Market intelligence data RM	Total RM
2021									
Cost									
At 1 July 2020	6,551,293	4,710,093	69,481,906	30,084,898	4,312,977	2,689,180	96,599,599	-	214,429,946
Additions	7,575,582	64,392	90,000	-	-	-	-	1,999,960	9,729,934
Reclassification from property, plant and equipment	578,777	-	-	-	-	-	-	-	578,777
Reclassification within intangible assets	(5,268,724)	5,268,724	-	-	-	-	-	-	-
Disposals	-	-	-	(203,201)	-	-	-	-	(203,201)
Written off	-	-	(335,000)	-	-	-	-	-	(335,000)
At 30 June 2021	9,436,928	10,043,209	69,236,906	29,881,697	4,312,977	2,689,180	96,599,599	1,999,960	224,200,456
Accumulated Amortisation									
At 1 July 2020	-	1,771,546	16,587,363	7,020,178	2,174,914	792,463	32,345,981	-	60,692,445
Charge for the year	-	322,564	4,282,816	1,001,702	143,766	80,912	6,037,475	116,664	11,985,899
Disposals	-	-	-	(97,265)	-	-	-	-	(97,265)
Written off	-	-	(147,879)	-	-	-	-	-	(147,879)
At 30 June 2021	-	2,094,110	20,722,300	7,924,615	2,318,680	873,375	38,383,456	116,664	72,433,200
Net Carrying Amount	9,436,928	7,949,099	48,514,606	21,957,082	1,994,297	1,815,805	58,216,143	1,883,296	151,767,256

10. INTANGIBLE ASSETS (CONTINUED)

Service concession arrangement

The development expenditure for service concession arrangements which are not covered by a contractual guarantee from the grantor of the concessions are recognised as intangible assets in accordance to IFRIC 12: Service Concession Arrangements. These portions of development expenditure represent the rights to charge users of the service. The salient features of the concessions are described below:

(a) Bukit Tagar Sanitary Landfill

This is a concession with a duration of 5 terms of 6 years each, automatically renewable (the last term expiring in January 2044) granted to granted to the Company's wholly-owned subsidiary, Berjaya EnviroParks Sdn. Bhd. ("BEP") on a build, operate amd transfer basis. BEP designed, built, operates and maintains the Bukit Tagar Sanitary Landfill which is located at Mukim Sg. Tinggi, Hulu Selangor District in the State of Selangor.

The concession grants the rights to BEP to receive waste and in return to collect tipping fee in accordance to the concession agreement. The tipping fee is determined on a phase-to-phase basis. Upon the termination of the concession, BEP shall transfer all the concession assets to DBKL without any further compensation.

(b) Landfill gas utilisation

This is a concession granted to BEP's wholly-owned subsidiary, Berjaya Energies Sdn. Bhd. (formerly known as KUB-Berjaya Energy Sdn. Bhd.), which generates electricity from biogas recovered from the Bukit Tagar Sanitary Landfill and from solar source, and sells it to the national grid under the Feed-in Tariff ("FiT") scheme. This is achieved through:

- a renewable energy power purchase agreement ("REPPA") with Tenaga Nasional Berhad ("TNB") for the sale of up to 1.2MW renewable energy under FiT for a duration of 16 years (expiring in June 2028) at the agreed rate of RM0.42/kWh;
- a REEPA with TNB for the sale of up to 3.2MW renewable energy under FiT for a duration of 16 years (expiring in December 2029) at the agreed rate of RM0.4169/kWh;
- a REEPA with TNB for the sale of up to 6.0MW renewable energy under FiT for a duration of 16 years (expiring in July 2035) at the agreed rate of RM0.447/kWh; and
- a REPPA with TB for the sale of up to 0.125MW solar power under FiT for a duration of 21 years (expiring in December 2034) at the agreed rate of RM1.0488/kWh.

REGISTRATION NO: 200401030994 (669502-H)

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) ROU assets

Group

	Leasehold land RM	Buildings RM	Total RM
2022			
Net Carrying Amount			
At beginning of financial year	1,665,114	371,539	2,036,653
Additions	-	1,360,754	1,360,754
Lease modification adjustment	(1,419,029)	-	(1,419,029)
Depreciation charges	(24,360)	(488,815)	(513,175)
At end of financial year	221,725	1,243,478	1,465,203
At 30 June 2022			
Cost	272,625	1,360,754	1,633,379
Accumulated depreciation	(50,900)	(117,276)	(168,176)
Net carrying amount	221,725	1,243,478	1,465,203

	Leasehold land RM	Buildings RM	Total RM
2021			
Net Carrying Amount			
At beginning of financial year	135,455	940,383	1,075,838
Additons	1,579,928	-	1,579,928
Depreciation charge	(50,269)	(568,844)	(619,113)
At end of financial year	1,665,114	371,539	2,036,653
At 30 June 2021			
Cost	1,752,848	1,354,731	3,107,579
Accumulated depreciation	(87,734)	(983,192)	(1,070,926)
Net carrying amount	1,665,114	371,539	2,036,653

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(a) ROU assets (continued)

Company

Building	2022 RM	2021 RM
At beginning of financial year	107,528	250,898
Additons	144,862	-
Depreciation charge	(155,815)	(143,370)
At end of financial year	96,575	107,528
Cost	144,862	298,688
Accumulated depreciation	(48,287)	(191,160)
Net carrying amount	96,575	107,528

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of financial year	2,110,094	1,133,840	109,942	257,818
Additions	1,360,754	1,579,928	144,862	-
Lease modification adjustment	(1,419,029)	-	-	-
Accretion of interest	57,658	96,767	4,544	10,870
Lease payments	(631,164)	(700,441)	(155,851)	(158,746)
At end of financial year	1,478,313	2,110,094	103,497	109,942
Analysed as:				
Current	509,112	451,390	103,497	109,942
Non-current	969,201	1,658,704	-	-
	1,478,313	2,110,094	103,497	109,942

Included in lease liabilities of the Group is an amount of RM126,845 (2021: RM1,556,970) for the lease of land from Berjaya EnviroParks Sdn Bhd, for a period up to year 2044.

On 1 October 2021, the rental rate was renegotiated to RM834 per month (2021: RM10,000 per month). This has been accounted for as a lease modification whereby MFRS 16 requires the lessee to recognise the amount of the measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

REGISTRATION NO: 200401030994 (669502-H)

12. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost	310,112,402	10,510,002

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Equity interest held 2022 %	Equity interest held 2021 %	Non-controlling interest* 2022 %	Non-controlling interest* 2021 %
BPJ-Berjaya Sdn. Bhd. (^)	Malaysia	Manage and operate sanitary landfill and other construction activities.	51	51	49	49
Save The Sea Sdn. Bhd. (^)	Malaysia	Provision of environment engineering and river cleaning services.	100	100	-	-
J&T Berjaya Alam Murni Sdn. Bhd. (formerly known as Berjaya Alam Murni Sdn. Bhd.) ("JBAM") (*)	Malaysia	Collection, transportation, storage, treatment, recovery, disposal and management of scheduled (hazardous and toxic) and medical waste.	70	100	30	-
Berjaya Eco Services Sdn. Bhd. (^)	Malaysia	Provide sales and marketing, handling and packaging of scheduled waste and other eco related services to stakeholders involved in scheduled waste management.	60	60	40	40

REGISTRATION NO: 200401030994 (669502-H)

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Details of subsidiaries are as follows: (continued)

Name of subsidiary	Country of incorporation	Principal activities	Equity interest held 2022 %	Equity interest held 2021 %	Non-controlling interest* 2022 %	Non-controlling interest* 2021 %
Berjaya EnviroParks Sdn. Bhd. ("BEP") (*)	Malaysia	Investment holdings and treatment of waste, involving amongst others, the development, design, construction, management, operation and maintenance of sanitary landfill and construction activities.	100	-	-	-
Subsidiary of Berjaya EnviroParks Sdn. Bhd.						
Berjaya Energies Sdn. Bhd. (*)	Malaysia	Generation and sale of electricity.	100	-	-	-

Notes:

*Subsidiaries audited by other firms of chartered accountants.
^Audited by C.S.Teh & Co.

Unquoted shares costing RM300,000,000 have been pledged to financial institutions for banking facilities granted to the ultimate holding company, Berjaya Corporation Berhad.

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

12.1 Acquisition of a subsidiary company

On 21 June 2022, the Company entered into a Share Sale Agreement with its holding company, Berjaya Group Berhad, to acquire 22,500,000 ordinary shares representing 100% equity interest in a wholly-owned subsidiary company, Berjaya EnviroParks Sdn Bhd ("BEP"), for a total purchase consideration of RM300,000,000; to be satisfied by issuance of 300,000,000 new ordinary shares in the Company at an issued price of RM1 each.

The issuance of the new ordinary shares by the Company during the current financial year to effect the above transaction has been reflected in the share capital of the Company as shown in Note 21 to the financial statements. As BEP is under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when BEP was under common control.

12.2 Change of interest in a subsidiary company

On 29 July 2021, the Company together with its subsidiary company, J&T Berjaya Alam Murni Sdn Bhd (formerly known as Berjaya Alam Murni Sdn Bhd) ("JBAM"), have entered into Share Sale and Subscription Agreement ("SSSA") and Shareholders' Agreement ("SHA") with J&T Recycling Corporation ("J&T") and JFE Engineering (M) Sdn Bhd ("JFEM"). Both of these companies are the subsidiaries of JFE Holdings Inc.; which is listed in the Tokyo Stock Exchange.

As a result of this arrangement, the Company has disposed of 397,600 ordinary shares, representing 5.68% equity interest in the JBAM to J&T and JFEM for a total cash consideration of RM4,000,000.

At the same time, the JBAM has issued 2,432,000 new ordinary shares to J&T and JFEM for a total cash consideration of RM24,500,000 at an issue price of RM10.07 per share. Hence, the total issued share capital of the JBAM has increased from 7,000,000 ordinary shares to 9,432,000 ordinary shares, which accordingly resulted in a dilution of equity interest in JBAM from 100% to 70% and the remaining equity interests are held by J&T and JFEM.

REGISTRATION NO: 200401030994 (669502-H)

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

12.3 Subsidiary companies with material non-controlling interests

Summarised financial information of subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below are amounts before inter-company elimination.

Group	J&T Berjaya Alam Murni Sdn Bhd 2022 RM	BPJ-Berjaya Sdn Bhd 2022 RM	Berjaya Eco Services Sdn Bhd 2022 RM
Summarised of statement of financial position			
Non-current assets	50,987,837	73,433	1,979,258
Current assets	4,257,524	4,155,587	2,284,024
Non-current liabilities	(19,548,672)	-	(186,054)
Current liabilities	(5,928,900)	(238,390)	(591,848)
Net assets	29,767,789	3,990,630	3,485,380
Equity attributable to equity holders of the parent	20,837,453	2,035,222	2,091,228
Non-controlling interests	8,930,336	1,955,408	1,394,152
Total equity	29,767,789	3,990,630	3,485,380
Summarised of statement of profit and other comprehensive income			
Revenue	-	818,900	4,946,697
Total other comprehensive income for the year	(1,335,297)	(1,083,716)	(461,624)
Profit attributable to:			
- Owners of the parent	(969,842)	(552,695)	(276,974)
- Non-controlling interests	(365,455)	(531,021)	(184,650)
	(1,335,297)	(1,083,716)	(461,624)
Summarised of statement of cash flow			
Net cash generated from/ (used in):			
Operating activities	(1,227,133)	2,935,357	(906,832)
Investing activities	(39,945,394)	16,182	(49,526)
Financing activities	41,681,719	(205,070)	(28,911)
Net change in cash and cash equivalents	509,192	2,746,469	(985,269)

REGISTRATION NO: 200401030994 (669502-H)

12. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

12.3 Subsidiary companies with material non-controlling interests (continued)

Summarised financial information of subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below are amounts before inter-company elimination. (continued)

Group	BPJ-Berjaya Sdn Bhd 2021 RM	Berjaya Eco Services Sdn Bhd 2021 RM
Summarised of statement of financial position		
Non-current assets	631,099	1,898,038
Current assets	5,074,970	3,200,645
Current liabilities	(631,723)	(1,151,679)
Net assets	5,074,346	3,947,004
Equity attributable to equity holders of the parent	2,587,916	2,368,202
Non-controlling interests	2,486,430	1,578,802
Total equity	5,074,346	3,947,004
Summarised of statement of profit and other comprehensive income		
Revenue	1,349,017	1,698,982
Total other comprehensive income for the year	(488,764)	(586,952)
Profit attributable to:		
- Owners of the parent	(249,270)	(352,171)
- Non-controlling interests	(239,494)	(234,781)
	(488,764)	(586,952)
<u>**Summarised of statement of cash flow**</u>		
Net cash generated from/(used in):		
Operating activities	(2,609,621)	(890,902)
Investing activities	(567,692)	25,649
Financing activities	356,372	1,012,626
Net change in cash and cash equivalents	(2,820,941)	147,373

REGISTRATION NO: 200401030994 (669502-H)

13. INVESTMENT IN A JOINT VENTURE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cost of investment	3,000,000	3,000,000	3,000,000	3,000,000
Share of post-acquisition reserves	9,984,901	5,469,278	-	-
	12,984,901	8,469,278	3,000,000	3,000,000

Detail of the joint venture is as follow:

Name of joint venture	Country of incorporation	% of ownership interest held by the Group 2022	% of ownership interest held by the Group 2021	Principal activity
Held by Berjaya Enviro Holdings Sdn Bhd				
Amita Berjaya Sdn Bhd ("ABSB")	Malaysia	60	60	Production of alternative new raw material and alternative fuel from recycling industrial wastes.

Summarised financial information of ABSB is set out below. The summarised financial information represents the amounts in the financial statetements of the joint venture and not the Group's share of those amounts.

Group

	ABSB 2022 RM	ABSB 2021 RM
Summarised statement of financial position		
Non-current assets	18,780,690	18,749,774
Current assets	15,371,980	9,523,971
Non-current liabilities	(7,655,481)	(9,548,521)
Current liabilities	(4,855,688)	(4,608,788)
Net assets	21,641,501	14,116,436

REGISTRATION NO: 200401030994 (669502-H)

13. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information of ABSB is set out below. The summarised financial information represents the amounts in the financial statetements of the joint venture and not the Group's share of those amounts. (continued)

Group

	ABSB	
	2022	**2021**
	RM	**RM**
Summarised statement of profit or loss and other comprehensive income		
Revenue	21,819,073	23,228,004
Total comprehensive income for the year	10,525,065	7,485,539
The profit for the year includes the following:		
Depreciation and amortisation	1,431,272	1,399,990
Interest income	(96,382)	(89,580)
Income tax (credit)/expense	(1,895,903)	2,224,887
Finance costs	523,746	535,748

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint venture:

Group	ABSB	
	2022	**2021**
	RM	**RM**
Net assets as at beginning of year	14,115,464	8,391,667
Profit for the year, representing other comprehensive income for the year	10,526,037	7,473,797
Distribution of retained earnings	(3,000,000)	(1,750,000)
Net assets as at end of year	21,641,501	14,115,464
Group's equity interest	60%	60%
Carrying value of Group's interest in joint venture	12,984,901	8,469,278

14. OTHER LONG TERM RECEIVABLES

	Group 2022 RM	Group 2021 RM
Amount due from a joint venture	2,757,087	2,769,061
Deposits	147,950	246,000
	2,905,037	3,015,061
Prepayment	420,836	-
	3,325,873	3,015,061

The amount due from a joint venture is unsecured, interest bearing with schedule of repayments exeeding 12 months.

15. OTHER INVESTMENT

	Group 2022 RM	Group 2021 RM
At fair value:		
At 1 July	5,167,500	-
Additions	986,545	2,969,760
Fair value changes of FVOCI for investment in quoted shares	6,539,375	2,197,740
At 30 June	12,693,420	5,167,500

Other investment relates to investments in quoted subsidiaries under Berjaya Corporation Berhad.

16. INVENTORIES

	Group 2022 RM	Group 2021 RM
Consumables, at cost	320,852	200,680

The cost of inventories recognised as an expense during the year in the Group amounted to RM2,795,771 (2021: RM2,297,665).

REGISTRATION NO: 200401030994 (669502-H)

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade receivables				
Third parties	13,178,696	13,838,255	-	-
Related party	174,890	243,102	-	-
	13,353,586	14,081,357	-	-
Other receivables				
Deposits	1,184,957	806,692	63,285	63,565
Other receivables	135,727	499	18,650	-
	1,320,684	807,191	81,935	63,565
Other current asset				
Prepayment	380,030	531,162	1,236	14,254
Total trade and other receivables	15,054,300	15,419,710	83,171	77,819

(a) Trade Receivables

The Group's normal trade credit term ranges from 14 to 90 days (2021: 14 to 90 days).

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current	5,787,453	6,111,668	-	-
1 to 30 days	3,699,504	3,987,021	-	-
31 to 60 days	445,949	292,650	-	-
61 to 90 days	3,328,360	3,584,332	-	-
More than 90 days	92,320	105,686	-	-
	7,566,133	7,969,689	-	-
	13,353,586	14,081,357	-	-

REGISTRATION NO: 200401030994 (669502-H)

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade Receivables (continued)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are credit-worthy debtors with good payment records. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the reporting date, the Group has trade receivables amouting to RM7,566,133 (2021 : RM7,969,689) that are past due but not impaired. This includes mainly trade receivables past due for waste treatment services and technical or strategic reasons. The directors are confident of recovering these balances as payment of the receivables from the guarantor is stipulated in the concession agreement.

The expected credit losses on trade receivables are estimated by reference on historical loss experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or an account-by-account basis.

(b) Prepayment

In the previous financial year, included in prepayment of the Group were payments made for forward contracts to sell Certified Emission Reduction units at a designated price. The premium paid was amounted to RM224,748.

18. DUE FROM CUSTOMERS ON CONTRACTS

	Group	
	2022	2021
	RM	RM
Construction contract costs incurred to date	2,761,229	2,958,355
Attributable profits	296,884	296,884
	3,058,113	3,255,239
Less: Progress billings	(2,718,108)	(2,718,108)
	340,005	537,131

REGISTRATION NO: 200401030994 (669502-H)

19. SHORT TERM INVESTMENTS

	Group	
	2022	2021
	RM	RM
Funds in Malaysia, at fair value	5,928,944	3,137,811

The Group invested in short term money market funds and short to medium term fixed income funds.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash in hand	17,679	16,544	-	-
Cash at banks	11,458,827	7,482,279	1,959,656	108,695
Cash funds	3,198,743	2,031,582	520,017	8,833
Deposits with financial institutions	9,940,576	9,767,768	-	-
	24,615,825	19,298,173	2,479,673	117,528
Less: Cash on hand and at banks subject to restricted utilisation				
- Cash on hand and at banks	(161,241)	(50,324)	-	-
- Deposits with financial institutions	(9,940,576)	(9,767,768)	-	-
	(10,101,817)	(9,818,092)	-	-
	14,514,008	9,480,081	2,479,673	117,528

The interest rate of deposits as at the reporting date was 1.75% per annum (2021: 1.5% to 1.75% per annum).

The average maturity of deposits as at 30 June 2022 is 1 day (2021 : 1 day).

Included in deposits with licensed banks of the Group are amounts of RM7,060,662 (2021: RM6,937,386) and RM4,968,708 (2021: RM4,883,251) held as security for revolving credit facilities and amounts of RM2,879,914 (2021: RM2,830,382) held for a bank guarantee facility respectively. Included in the cash and bank balances of the Group are amounts of RM161,241 (2021: RM50,324) held in Designated Collection Account as security for revolving credit facilities. These amounts are subject to restricted utilisation.

REGISTRATION NO: 200401030994 (669502-H)

21. SHARE CAPITAL

	Group			
	2022	2021	2022	2021
	Number of ordinary shares		RM	RM
Issued and Fully Paid				
At 1 July	310,600,000	307,600,000	310,600,000	307,600,000
Issued during the year	-	3,000,000	-	3,000,000
At 30 June	310,600,000	310,600,000	310,600,000	310,600,000

	Company			
	2022	2021	2022	2021
	Number of ordinary shares		RM	RM
Issued and Fully Paid				
At 1 July	10,600,000	7,600,000	10,600,000	7,600,000
Issued during the year	300,000,000	3,000,000	300,000,000	3,000,000
At 30 June	310,600,000	10,600,000	310,600,000	10,600,000

During the current financial year, the Company increased its issued and paid up ordinary share capital from RM10,600,000 to RM310,600,000 by way of the issuance of 300,000,000 new ordinary shares at an issued price of RM1 each to its holding company, Berjaya Group Berhad, in consideration for the acquisition of 100% equity interest in Berjaya EnviroParks Sdn Bhd.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. RESERVES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Merger deficit (Note a)	(277,500,000)	(277,500,000)	-	-
Consolidation reserves (Note b)	19,204,209	-	-	-
FVTOCI reserves (Note c)	8,737,115	2,197,740	-	-
	(249,558,676)	(275,302,260)	-	-
Retained earnings (Note d)	132,731,442	120,402,516	4,430,730	532,794
	(116,827,234)	(154,899,744)	4,430,730	532,794

(a) Merger deficit represents the difference between the cost of acquisition and the nominal value of the share capital and reserves of a subsidiary company acquired.

(b) The consolidation reserve comprises the consolidation effects of changes in the Group's equity interest in subsidiary companies. If the changes in the Group's equity interest results in a loss of control of a subsidiary company, all the consolidation reserve relating to this subsidiary company will be transferred to retained earnings.

(c) The FVTOCI reserve represents the cumulative fair value changes, net of tax, if applicable, of FVTOCI financial assets until they are disposed of.

(d) Subject to Section 131 of the Companies Act 2016, the entire retained earnings of the Company is available for distribution as single-tier dividends.

REGISTRATION NO: 200401030994 (669502-H)

23. TERM LOANS

	Group	
	2022	2021
	RM	RM
Secured term loans		
Current	2,551,531	2,405,318
Non-current	36,681,298	19,757,829
	39,232,829	22,163,147
Future minimum principal payments:		
Not later than 1 year	2,551,531	2,405,318
Later than 1 year and not later than 2 years	4,901,592	2,501,531
Later than 2 year and not later than 5 years	21,419,538	5,307,248
More than 5 years	10,360,168	11,949,050
	39,232,829	22,163,147

Term loan I

The term loan is granted by the Government of Malaysia through the Ministry of Finance, for the purpose of part-financing the initial development cost of the Bukit Tagar Sanitary Landfill project.

Interest on the loan is fixed at 4% per annum (2021: 4% per annum) throughout the loan tenure. The loan is secured by a corporate guarantee by the ultimate holding company and is for a period of 20 years. Repayment of interest and principal commenced on the 6th anniversary of the date of loan drawdown, which was 24 December 2008, in annual instalments over the remaining 15 years tenure.

Term loan II

This Ambank Islamic term loan, which bears interest at 1.75% per annum (2021: Nil) over the bank's cost of funds is to finance the planning, construction, and installation of the Sustainable Scheduled Waste Treatment Centre (SSWTC). Repayment of interest and principal will commence on the 1st day of the 27th month from date of its first disbursement, which is on 17 April 2024, in annual instalments over 10 years.

Term loan III

This Ambank Islamic BizSecure-i Plus, which bears interest at 2.00% per annum (2021: Nil) over the bank's cost of funds is to finance the BizSecure-i Plus Takaful premium for Mr. Koh Chee Yong, the Company's director. Repayment of interest and principal commenced on the 1st day of the 3rd month from date of its first disbursement, which is on 1 March 2022, in annual instalments over 10 years.

REGISTRATION NO: 200401030994 (669502-H)

24. HIRE PURCHASE LIABILITIES

	Group 2022 RM	Group 2021 RM
Future minimum lease payments:		
Not later than 1 year	409,860	357,204
Later than 1 year and not later than 2 years	480,438	539,897
Later than 2 years and not later than 5 years	329,483	127,084
Total future minimum lease payments	1,219,781	1,024,185
Less: Future finance charges	(162,185)	(130,485)
Present value of hire purchase liabilities	1,057,596	893,700
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	332,126	290,606
Later than 1 years and not later than 2 years	428,046	480,847
Later than 2 years and not later than 5 years	297,424	122,247
	1,057,596	893,700
Less: Amount due within 12 months	(332,126)	(290,606)
Amount due after 12 months	725,470	603,094

The interest rates of hire purchase liabilities as at reporting date ranges from 3.50% to 4.75% per annum (2021: 3.50% to 4.75% per annum).

25. DEFERRED TAX LIABILITIES

	Group 2022 RM	Group 2021 RM
At beginning of the year	26,573,262	25,976,433
Recognised in profit or loss	1,760,160	596,829
At end of the year	28,333,422	26,573,262
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,356,823)	(739,772)
Deferred tax liabilities	29,690,245	27,313,034
	28,333,422	26,573,262

REGISTRATION NO: 200401030994 (669502-H)

25. DEFERRED TAX LIABILITIES (CONTINUED)

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax liabilities/(assets)

Group

	Plant and equipment RM	Intangible assets RM	Others RM	Total RM
2022				
At beginning of the financial year	8,205,710	19,107,326	(739,774)	26,573,262
Recognised in profit or loss	2,320,196	33,149	(593,185)	1,760,160
At end of the financial year	10,525,906	19,140,475	(1,332,959)	28,333,422
2021				
At beginning of the financial year	7,778,356	18,865,201	(667,124)	25,976,433
Recognised in profit or loss	427,354	242,125	(72,650)	596,829
At end of the financial year	8,205,710	19,107,326	(739,774)	26,573,262

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables				
Third party	6,221,018	2,170,441	-	-
Retention sum	103,502	132,002	-	-
	6,324,520	2,302,443	-	-
Other payables				
Accruals	11,349,195	10,877,197	5,000	1,855
Other payables	6,021,324	2,303,401	81,949	18,063
Deposit refundable	34,000	16,000	-	-
Payable for capital work-in-progress	4,837,083	1,242,767	-	-
	22,241,602	14,439,365	86,949	19,918
	28,566,122	16,741,808	86,949	19,918

Trade and other payables are non-interest bearing and have credit terms of 30 to 60 days (2021: 30 to 60 days).

Included in accruals of the Group is accrued interest expenses amounted to RM7,703,366 (2021: RM7,752,922) in relation to a term loan granted to a subsidiary company.

27. PROVISION FOR UNUTILISED LEAVE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of the year	14,875	19,417	2,933	-
Charged to statements of profit or loss and other comprehensive income	(4,881)	(4,542)	(2,529)	2,933
At end of the year	9,994	14,875	404	2,933

28. AMOUNT DUE FROM/ (TO) ULTIMATE HOLDING COMPANY, HOLDING COMPANY, SUBSIDIARY COMPANIES, RELATED COMPANIES AND A JOINT VENTURE

The amount due from/(to) ultimate holding company, holding company, subsidiary companies, related companies and a joint venture are unsecured, non-interest bearing and repayable on demand.

29. REVOLVING CREDIT

	Group	
	2022	2021
Secured	RM	RM
Revolving credit III	-	2,500,000
Revolving credit IV	24,357,000	-
Revolving credit	-	9,000,000
Revolving credit 2	9,386,000	-
	33,743,000	11,500,000

Revolving credit III

This revolving credit facility, which bore interest at 1.50% per annum over the bank's cost of funds, was to part-finance the capital expenditure and all related works in relation to the Bukit Tagar Sanitary Landfill.

As at the reporting date, the revolving credit has been paid in full (2021: RM2,500,000) and is no longer available.

The repayment term of the amount drawn down is between 1 to 3 months.

Revolving credit IV

This revolving credit facility, which bears interest at 0.75% per annum over the bank's cost of funds, is to part-finance the capital expenditure and all related works in relation to the Bukit Tagar Sanitary Landfill.

As at the reporting date, the limit of revolving credit is RM65,000,000.

The repayment term of the amount drawn down is between 1 to 6 months.

REGISTRATION NO: 200401030994 (669502-H)

29. REVOLVING CREDIT (CONTINUED)

Revolving credit

This revolving credit, which bore interest at 1.75% per annum over the bank's cost of funds, was to part-finance the capital expenditure and all related works in relation to the 4.0 MW Renewable Energy Power Generation System. The revolving credit facility is secured by 30% of contract proceeds of a single customer.

As at the reporting date, the limit of revolving credit is RM1,450,000.

Revolving credit 2

This revolving credit, which bears interest at 0.75% per annum over the cost of funds, is to part finance the capital expenditure and all related works in relation to the 2.0 MW Renewable Energy Power Generation System.

The repayment term of the amount drawn down is between 2 to 6 months.

As at the reporting date, the limit of revolving credit is RM15,000,000.

All revolving credits are secured by deposits with licensed banks and Designated Collection Accounts as disclosed in Note 20 to the financial statements.

30. COMMITMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment:				
Approved and contracted for	102,040,264	12,156,701	-	348,831
Approved and not contracted for	-	251,856	-	-
	102,040,264	12,408,557	-	348,831
Intangible assets:				
Approved and contracted for	58,247,446	88,795,596	-	-
	160,287,710	101,204,153	-	348,831

REGISTRATION NO: 200401030994 (669502-H)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related companies during the financial year:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Office rental expense:				
- payable to a related party,				
Berjaya Times Square Sdn Bhd	593,584	623,715	155,776	162,020
Management fees:				
- payable to ultimate holding company,				
Berjaya Corporation Berhad	3,180	3,000	-	-
Staff secondment charges:				
- payable to ultimate holding company,				
Berjaya Corporation Berhad	95,989	167,979	-	-
- payable to related company,				
Berjaya Project Management Sdn Bhd	3,531,271	3,446,240	-	-
Office rental income:				
- receivable from subsidiary companies,				
BPJ-Berjaya Sdn Bhd	-	-	(124,621)	(129,616)
J&T Berjaya Alam Murni Sdn Bhd (fomerly known as Berjaya Alam Murni Sdn Bhd)	-	-	(31,155)	(32,404)
- receivable from a joint venture,				
Amita Berjaya Sdn Bhd	-	(30,805)	-	-
Land rental income:				
- receivable from a joint venture,				
Amita Berjaya Sdn Bhd	(60,000)	(60,000)	-	-
Interest income:				
- receivable from a joint venture,				
Amita Berjaya Sdn Bhd	(243,000)	(243,000)	-	-
Office expense:				
- receivable from subsidiary companies,				
BPJ-Berjaya Sdn Bhd	-	-	(4,698)	(4,848)
J&T Berjaya Alam Murni Sdn Bhd (fomerly known as Berjaya Alam Murni Sdn Bhd)	-	-	(1,174)	(1,222)
Sales commission income:				
- receivable from a joint venture,				
Amita Berjaya Sdn Bhd	(167,769)	(176,462)	-	-
Disposal charge income:				
- receivable from a joint venture,				
Amita Berjaya Sdn Bhd	(160,434)	(192,955)	-	-

32. FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Financial instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the tair value hierarchy:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial assets				
Other investment	12,693,420	-	-	12,693,420
Short-term investments	5,928,944	-	-	5,928,944
	18,622,364	-	-	18,622,364
2021				
Financial assets				
Other investment	5,167,500	-	-	5,167,500
Short-term investments	3,137,811	-	-	3,137,811
	8,305,311	-	-	8,305,311

The fair values of quoted shares and short term investments are determined by reference to share price or funds published net asset value at reporting date.

33. KEY MANAGEMENT PERSONNEL

The key management personnel are the directors of the Group and the Company. The remuneration of the key management personnel from the Group and the Company are disclosed in Note 7.

34. FINANCIAL GUARANTEES

The Group

A subsidiary company provided corporate guarantees to a financial institution for credit facilities amounted to RM9,386,000 (2021: RM9,000,000) granted to its subsidiary company. The Group has assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Group did not ascribe any values to these corporate guarantees.

35. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Financial Assets					
Fair value through profit and loss					
Short term investment	19	5,928,944	3,137,811	-	-
Fair value through other comprehensive income					
Other investment	15	12,693,420	5,167,500	-	-
At amortised cost					
Other long term receivables * (excluded prepayment)	14	2,905,037	3,015,061	-	-
Trade and other receivables * (excluded prepayment)	17	14,674,270	14,888,548	81,935	63,565
Due from ultimate holding company	28	4,000	-	-	-
Due from subsidiary companies	28	-	-	19,738	453,202
Due from related companies	28	3,631	26,052	1,890	50
Due from a joint venture	28	55,817	-	-	-
Cash and cash equivalents	20	24,615,825	19,298,173	2,479,673	117,528
		42,258,580	37,227,834	2,583,236	634,345
Total financial assets		60,880,944	45,533,145	2,583,236	634,345
Financial Liabilities					
At amortised cost					
Lease liabilities	11	1,478,313	2,110,094	103,497	109,942
Term loans	23	39,232,829	22,163,147	-	-
Hire purchase liabilities	24	1,057,596	893,700	-	-
Trade and other payables	26	28,566,122	16,741,808	86,949	19,918
Due to ultimate holding company	28	-	795	-	-
Due to holding company	28	900,710	700	900,710	700
Due to related companies	28	21,951	1,202,884	-	3,001,802
Revolving credit	29	33,743,000	11,500,000	-	-
Total financial liabilities		105,000,521	54,613,128	1,091,156	3,132,362

* These balances exclude non-financial instruments balances which are not within the scope of MFRS 9, Financial Instruments.

REGISTRATION NO: 200401030994 (669502-H)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations for fair value.

The Group's and the Company's financial instruments that are not carried at fair value, are reasonable approximation of fair value except those disclosed in (ii) below.

The carrying amounts of these financial instruments approximate fair value due to the relatively short term maturity of these financial instruments or that they are floating rate instruments that is re-priced to market interest rates on or near the reporting date.

(ii) Financial instruments that are not measured at fair value and whose carrying amounts are not reasonable approximation of fair value.

		Group			
		2022		2021	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities:					
- Fixed rate term loan	23	19,757,829	20,041,063	22,163,147	23,276,312

The fair value of fixed rate term loan is estimated by discounting expected future cash flows at market incremental lending rates for similar types of borrowings at reporting date.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management policies of the Group and the Company seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest risk rate (both fair value and cash flow), credit risk and liquidity risk. The Group and the Company operate within clearly defined guidelines and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and objective, policies and processes for the management of these risks.

(i) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The carrying amounts of the financial assets recorded on the statements of financial position at the reporting date represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Credit Risk (continued)

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

At the reporting date, the Group is exposed to the credit risk in relation to the corporate guarantee provided by a subsidiary company to a bank on its subsidiary company's borrowing of RM9,386,000 (2021: RM9,000,000).

The credit risk concentration profile of the Group's trade receivables at reporting date are as follows:

	Group	
	2022	2021
	RM	RM
State and federal municipals	10,600,550	10,368,104
Tenaga Nasional Berhad	1,042,119	2,122,154
	11,642,669	12,490,258

The Group has a significant concentration of credit risk arising from four trade receivables that accounts for 87.19% (2021: 78.49%) of total trade receivables.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company actively manage its operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet its working capital requirements.

The Group and the Company rely on the holding company for continued financial support and has obtained an undertaking from the holding company to enable them to meet their obligations and liabilities as and when they fall due so as to operate as a going concern.

REGISTRATION NO: 200401030994 (669502-H)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Liquidity Risk (continued)

Analysis of undiscounted financial instruments by remaining contractual maturities

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
GROUP				
2022				
Financial liabilities				
Trade and other payables	28,566,122	-	-	28,566,122
Due to holding company	900,710	-	-	900,710
Due to related companies	21,951	-	-	21,951
Lease liabilities	462,597	800,062	262,400	1,525,059
Term loans	3,341,844	31,367,376	7,808,688	42,517,908
Hire purchase liabilities	409,860	809,921	-	1,219,781
Revolving credit	34,029,771	-	-	34,029,771
	67,732,855	32,977,359	8,071,088	108,781,302
2021				
Financial liabilities				
Trade and other payables	16,741,808	-	-	16,741,808
Due to ultimate holding company	795	-	-	795
Due to holding company	700	-	-	700
Due to related companies	1,202,884	-	-	1,202,884
Lease liabilities	544,309	526,400	2,395,600	3,466,309
Term loans	3,291,844	13,167,376	9,875,532	26,334,752
Hire purchase liabilities	357,204	666,981	-	1,024,185
Revolving credit	11,601,442	-	-	11,601,442
	33,740,986	14,360,757	12,271,132	60,372,875
COMPANY				
2022				
Financial liabilities				
Trade and other payables	86,949	-	-	86,949
Due to holding company	900,710	-	-	900,710
Lease liabilities	105,417	-	-	105,417
	1,093,076	-	-	1,093,076
2021				
Financial liabilities				
Trade and other payables	19,918	-	-	19,918
Due to holding company	700	-	-	700
Due to related companies	3,001,802	-	-	3,001,802
Lease liabilities	112,444	-	-	112,444
	3,134,864	-	-	3,134,864

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. Interest bearing assets are made up of deposits with licensed banks, short term money market funds and interest bearing receivables.

The Group and the Company manage the interest rate risk of its deposits with licensed banks and short term money market funds by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and by maintaining a prudent mix of short and long term deposits and actively reviewing its portfolio of deposits. The Group and the Company also ensure that the rates contracted for its interest bearing receivables are reflective of the prevailing market rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by maintaining a mix of fixed and floating rate borrowings.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

<u>Sensitivity analysis for fixed and floating rate instruments</u>

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the income statement.

For floating rate instruments, an increase of 25 basis points in interest rates at the reporting date would result in the proft before tax of the Group to be lower by RM49,306 (2021: RM49,886) and RM38,822 (2021: RM33,724) respectively. This analysis assumes that all other variables remain constant.

REGISTRATION NO: 200401030994 (669502-H)

37. CAPITAL MANAGEMENT

The primary objective of the Group and the Company capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group and the Company manage its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio, which is the net debt divided by total equity plus net debt. The Group and the Company include within its net debt, trade and other payables, amounts due to ultimate holding company, holding company and related companies, lease liabilities, term loans, revolving credit, hire purchase liabilities less cash and cash equivalents. Capital of the Group and the Company represent the total equity.

The debts to equity ratio as at the financial year end are as follows:

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Trade and other payables	26	28,566,122	16,741,808	86,949	19,918
Due to ultimate holding company	28	-	795	-	-
Due to holding company	28	900,710	700	900,710	700
Due to related companies	28	21,951	1,202,884	-	3,001,802
Lease liabilities	11	1,478,313	2,110,094	103,497	109,942
Term loans	23	39,232,829	22,163,147	-	-
Revolving credit	29	33,743,000	11,500,000	-	-
Hire purchase liabilities	24	1,057,596	893,700	-	-
Less: Cash and cash equivalents	20	(24,615,825)	(19,298,173)	(2,479,673)	(117,528)
Net debt		80,384,696	35,314,955	(1,388,517)	3,014,834
Total equity		206,052,662	159,765,487	315,030,730	11,132,794
Capital and net debt		286,437,358	195,080,442	313,642,213	14,147,628
Gearing ratio		39%	22%	N/A	27%

N/A: As a result of the total debts deficit.

The gearing ratio is not governed by the MFRSs and its definition and calculation may vary from one company to another.

38. SIGNIFICANT EVENTS DURING TO THE FINANCIAL YEAR

The Company

On 25 March 2022, the Company had signed a Memorandum of Understanding with Qhazanah Sabah Sdn Bhd to cooperate on the development and operation of Integrated Waste Management Projects utilising modern advanced technologies.

J&T Berjaya Alam Murni Sdn Bhd (formerly known as Berjaya Alam Murni Sdn Bhd) ("JBAM") - a subsidiary

On 29 July 2021, the Company together with its subsidiary company, J&T Berjaya Alam Murni Sdn Bhd (formerly known as Berjaya Alam Murni Sdn Bhd) ("JBAM"), have entered into Share Sale and Subscription Agreement ("SSSA") and Shareholders' Agreement ("SHA") with J&T Recycling Corporation ("J&T") and JFE Engineering (M) Sdn Bhd ("JFEM"). Both of these companies are the subsidiaries of JFE Holdings Inc.; which is listed in the Tokyo Stock Exchange.

As a result of this arrangement, the Company has disposed of 397,600 ordinary shares, representing 5.68% equity interest in the JBAM to J&T and JFEM for a total cash consideration of RM4,000,000.

At the same time, the JBAM has issued 2,432,000 new ordinary shares to J&T and JFEM for a total cash consideration of RM24,500,000 at an issue price of RM10.07 per share. Hence, the total issued share capital of the JBAM has increased from 7,000,000 ordinary shares to 9,432,000 ordinary shares, which accordingly resulted in a dilution of equity interest in JBAM from 100% to 70% and the remaining equity interests are held by J&T and JFEM.

Berjaya EnviroParks Sdn Bhd - a subsidiary

On 21 June 2022, the Company entered into a Share Sale Agreement with its holding company, Berjaya Group Berhad, to acquire 22,500,000 ordinary shares representing 100% equity interest in a wholly-owned subsidiary company, Berjaya EnviroParks Sdn Bhd ("BEP"), for a total purchase consideration of RM300,000,000; to be satisfied by issuance of 300,000,000 new ordinary shares in the Company at an issued price of RM1 each.

The issuance of the new ordinary shares by the Company during the current financial year to effect the above transaction has been reflected in the share capital of the Company as shown in Note 21 to the financial statements. As BEP is under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when BEP was under common control.

39. COMPARATIVES

The acquisition of the subsidiary company, Berjaya EnviroParks Sdn Bhd, by the Company during the financial year, has been accounted for using merger accounting. Under merger accounting, the comparative financial information for the Group have been prepared as if the merger had been effected throughout the current and previous financial years. Accordingly, the comparative figures for the Group are not comparable with the previous years' financial statements.

FHMH Corporate Advisory Sdn Bhd
Company No. 200701016946 (774955-D)
(CMSL / A0212 / 2007)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

T : +603 2297 1150
F : +603 2282 9982

info@bakertilly.my
www.bakertilly.my

14 July 2023

The Board of Directors
BERJAYA CORPORATION BERHAD
Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square,
No. 1 Jalan Imbi, 55100 Kuala Lumpur

Strictly Private & Confidential

Dear Madams,

INDEPENDENT BUSINESS VALUATION ON BERJAYA ENVIRO HOLDINGS SDN BHD TOGETHER WITH ITS SUBSIDIARIES AND A JOINTLY-CONTROLLED ENTITY

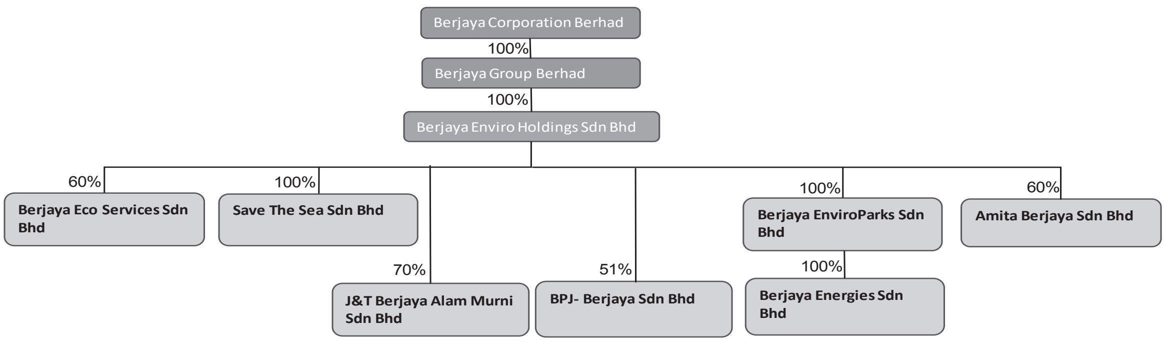
1. INTRODUCTION

We understand that Berjaya Group Berhad, a wholly-owned subsidiary of Berjaya Corporation Berhad ("**BCB**"), intends to dispose its 100% equity interest in Berjaya Enviro Holdings Sdn Bhd ("**BEHSB**" or "**Target Company**") together with its subsidiaries and a jointly-controlled entity (collectively, the "**Target Group**") ("**Proposed Disposal**").

FHMH Corporate Advisory Sdn Bhd ("**FHCA**") was engaged by the Board of Directors of BCB to provide an opinion on the fair market value of the Target Group.

This valuation certificate has been prepared for the purposes of inclusion in the circular to the shareholders of BCB pertaining to the Proposed Disposal.

2. BACKGROUND INFORMATION ON THE TARGET GROUP



The Target Group is currently involved in the businesses of sustainable environmental projects in the management of solid waste, scheduled waste, clinical waste, biogas renewable energy and resource recovery.

The business activities of the main entities are described as follows:

BERJAYA ENVIROPARKS SDN BHD ("BEPSB")
Provides sanitary landfill services and was awarded the best Sanitary Landfill developer and operator in Malaysia and South East Asia. BEPSB treats and disposes approximately 2,800 tons/day of solid waste from Kuala Lumpur, Selayang, Hulu Selangor, sewage sludge and other types of waste. BEPSB has an ongoing concession agreement with the Government until 2044.

BERJAYA ENERGIES SDN BHD ("BESB")
BESB collects the biogas produced by the landfill and converts it into green energy power for export into the Tenaga Nasional Berhad ("**TNB**") grid. Currently, BESB is operating a 12MW landfill gas to green energy power plant. BESB also has a 125kW solar plant which has been in operation since 2012.

J&T BERJAYA ALAM MURNI SDN BHD ("JBAM")
JBAM is approved to manage 73 out of the 77 scheduled waste codes. It is the second largest integrated scheduled waste treatment and disposal center in Peninsula Malaysia with a total capacity of 50,000 tonnes per annum. JBAM is a collaboration with Japan's JFE Group of companies, currently holding 30% stake in JBAM.

AMITA BERJAYA SDN BHD ("ABSB")
ABSB is licenced by the Department of Environment, Malaysia to manage 15 out of the 77 scheduled waste codes. ABSB is recycling 100% of the collected waste into Alternative Raw Materials (ARM) to cement factories with a total capacity of 37,000 tonnes per annum with a potential expansion to 100,800 tonnes per annum. ABSB is currently 40% held by Amita Environmental Strategic Support (Malaysia) Sdn Bhd.

3. VALUATION METHODOLOGY

Basis and Methodology Used to Form an Opinion on Valuation

In establishing our assessment on the fair market value of the Target Group, FHCA has considered various methodologies, which are commonly used for evaluation and took into consideration the Target Group's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its operations.

Based on the above, FHCA had adopted the Discounted Free Cash Flow to Equity ("**Discounted FCFE**") as the sole methodology to assess the fair value of the Target Group as the value of the Target Group is primarily derived from its future operating income and its concession agreement. A summary of the principal activities of the Target Group are as detailed below:

Company	Business activities	Principal activities
BEHSB	Holding	Investment holding.
Berjaya Eco Services Sdn Bhd	Active	Provide sales and marketing, handling and packaging of scheduled waste and other eco related services to stakeholders involved in scheduled waste management.
Save The Sea Sdn Bhd	Dormant	Provision of environment engineering and river cleaning services.
JBAM	Active	Collection, transportation, storage, treatment, recovery, disposal and management of scheduled (hazardous and toxic) and medical waste.
BPJ-Berjaya Sdn Bhd	Active	Manage and operate sanitary landfill and other construction activities.
BEPSB	Active	Concession based sanitary landfill operations.

BESB	Active	Generation and sale of electricity to TNB through solar and biogas.
ABSB	Active	Providing industrial waste recycling services.

The valuation of the Target Group includes the existing active business both with and without concession agreement. The valuation is an aggregate value of all the businesses above and adjusted for net cash and other surplus assets and liabilities, if applicable.

Evaluation of the Fair Market Value of the Target Group

In the evaluation of the fair market value of the Target Group based on the Discounted FCFE Methodology using the financial projections of the Target Group ("**Future Financials**") as provided by the management of the Target Group, the following were noted:

Valuation inputs and sensitivity tests	
Net Debt/Equity Ratio of the Target Group	12%
Risk-Free Rate[1]	3.90%
Market Return[2]	9.45%
Re-geared Beta[3]	0.94
Alpha, α[4]	1%
Cost of equity derived using Capital Asset Pricing Model ("**CAPM**")	10.13%
Sensitivity on CAPM[5]	9.13% to 11.13%
Sensitivity on FCFE	±3%
Range of fair value of the Target Group	RM579.45 million to RM706.95 million
Potential disposal of shares held by BEPSB[6]	RM6.50 million

Notes:

*[1] Based on the risk-free rate for Malaysia as extracted from Bank Negara Malaysia's website. This risk-free rate is based on the yield of ten (10) years Malaysian Government Securities as at 10 July 2023 ("**Date of Opinion**").*

[2] Based on the historical average market return for Malaysia as extracted from S&P capital IQ. The historical average market return is based on the average return of FTSE Bursa Malaysia Top 100 Index for the past ten (10) years extracted on the Date of Opinion, of which the 10-year period is selected as it is reflective of the most recent economic cycle (based on Malaysia's historical GDP data) as well as to commensurate the time horizon selected for the risk-free rate.

[3] Re-geared beta is arrived at based on the net debt/equity ratio of the Target Group.

[4] FHCA had considered that the status of the Target Company as a privately held entity and is of the opinion that an Alpha needs to be added to take into consideration the risks associated with a private entity such as the lack of marketability and hence potential investors would expect a higher return.

[5] FHCA has stressed tested the Future Financials by varying the CAPM by 1% upwards and downwards and the FCFE by 3% upward and downward to take into consideration the potential upside or downturn in the business due to unforeseen circumstances. As such, the CAPM will range from 9.13% to 11.13%.

[6] We noted that there are currently quoted investments sitting in the financial statements of BEPSB. The management of BCB has represented that these shares will be disposed prior to the completion of the Proposed Disposal and the proceeds arising from the disposal will remain in the Target Group as cash. As such, we have made an adjustment to take into consideration the sale of the quoted investments and the free cash resulting therefrom, in BEPSB. Assuming those quoted shares were disposed as at market closing on 30 June 2023, the value of the quoted investment is approximately RM6.50 million.

4. CONCLUSION

This valuation certificate is a summary of the Valuation Report dated 14 July 2023, which contains the full details of the valuation on the Target Group.

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our assessment on the fair value of the entire equity interest in the Target Group, which is the subject of the Proposed Disposal, FHCA has considered various valuation methodologies, which are commonly used for the evaluation and took into consideration the Target Group's future earning generating capabilities, projected future cash flows and its sustainability as well as various business considerations and risk factors affecting its business.

Premise on the above, the valuation of the entire equity interest in the Target Group on a non-marketable basis range from RM585.95 million to RM713.45 million.

Yours faithfully,
FHMH CORPORATE ADVISORY SDN BHD

DING SU-LYNN	**ANDREW HENG**
Director	Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein misleading.

All information pertaining to the Purchaser was provided by the management and/or directors of the Purchaser. Therefore, the responsibility of the Board with respect to such information is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENTS AND CONFLICT OF INTERESTS

2.1 AmInvestment Bank

AmInvestment Bank, being the Principal Adviser for the Proposed Disposal in the Circular, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of the AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of the Group. In this relation, AmInvestment Bank may provide financing to Naza or its connected persons for the Proposed Disposal.

As at the LPD, the AmBank Group has extended credit facilities of which the amount outstanding is approximately RM420.80 million to the Group.

AmInvesment Bank is of the view that its role as the Principal Adviser for the Proposed Disposal is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

(i) AmInvestment Bank's role in the Proposed Disposal is undertaken in the ordinary course of business; and

(ii) AmInvestment Bank undertakes its role on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed Disposal.

2.2 BDOCC

BDOCC, being the Independent Adviser for the Proposed Disposal, confirmed that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the IAL and all references thereto in the form and context in which they appear in this Circular.

BDOCC has also given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser in respect of the Proposed Disposal.

2.3 FHMH

FHMH, being the independent business valuer for the Proposed Disposal confirmed that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

FHMH has also given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the independent business valuer and the provider of the Valuation Certificate in respect of the Proposed Disposal.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:

(a) Other commitments	**RM'000**
Capital expenditure	
- approved and contracted for	136,100
Share subscription in joint ventures	13,000
	149,100

(b) Non-cancellable operating lease commitments – Group as Lessors	**RM'000**
Non-cancellable operating lease commitments as lessors	
- Within 1 year after reporting date	23,111
- Later than 1 year but not later than 5 years	8,397
- Later than 5 years	361
	31,869

3.2 Contingent liabilities

Save as disclosed below, as at the LPD, the Board is not aware of any other contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:

On 16 June 2021, the Inland Revenue Board of Malaysia ("**IRB**") issued notice of Additional Assessment ("**Form JA**") in accordance with Sections 4(c) and 4(f) of the Income Tax Act 1967 ("**ITA 1967**") to Amat Muhibah Sdn Bhd ("**AMSB**"), a 52.6% subsidiary company of the Group, on gains from the surrender of certain assets to authorities for the Year of Assessment (YA) 2017. The amount of additional tax assessed, inclusive of tax penalties, amounted to RM66.44 million ("**Tax in Dispute**"). Previously, the gains were brought to tax under Section 4(a) of the ITA 1967 by AMSB.

AMSB did not agree with the basis applied by the IRB and had filed an official appeal against the additional assessment for YA2017 through submission of the prescribed Form Q to the Special Commissioners of Income Tax ("**SCIT**"). SCIT had fixed the trial on 25 March 2024 and 26 March 2024.

On 1 July 2021, AMSB wrote to the Ministry of Finance Malaysia ("**MOF**"), requesting MOF:

(a) to give a general character direction to Director General of Inland Revenue ("**DGIR**") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or

(b) to grant an exemption under Section 127(3A) of the ITA 1967 with regards to Tax in Dispute, within the week.

As MOF did not respond to AMSB's request, AMSB had filed an application to the High Court of Kuala Lumpur ("**High Court**") for judicial review against MOF on 8 July 2021 ("**MOF Judicial Review**"). At the hearing on 25 July 2022, the High Court granted leave for AMSB's application of judicial review and a stay until the full and final determination of the judicial review application. At the hearing on 2 February 2023, the High Court had allowed IRB's application to intervene.

On 11 October 2022, the Attorney General Chambers informed the High Court that it had filed an appeal at the Court of Appeal against the High Court's decision to grant leave for the MOF Judicial Review ("**AGC Appeal**").

The Court of Appeal had fixed case management on 26 July 2023 for both parties to update the status of the notes of proceedings. In relation to the MOF Judicial Review, the High Court had fixed a further case management on 27 July 2023 to update the High Court on the status of the AGC Appeal.

On 26 July 2023, the Court of Appeal allowed MOF's request to consolidate the AGC Appeal with 22 other appeals. At the case management held on 19 September 2023, the Court of Appeal has instructed both parties to file agreed issues or separate issues to be tried and fixed the next case management on 25 October 2023. At the case management held on 25 October 2023, MOF requested for additional time to file the issues to be tried. The next case management is fixed on 13 December 2023.

Following this, at the case management held on 31 October 2023 at the High Court, MOF informed the High Court that they have filed their issues on 25 October 2023. The High Court then instructed both parties to attend the case management on 21 December 2023 to update the status of the appeal.

Based on the opinion of AMSB's external legal advisor, the Board is of the view that AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

(a) Constitution of BCorporation;

(b) Constitution of BEnviro;

(c) audited consolidated financial statements of BCorporation for FYEs 30 June 2022 and 30 June 2023;

(d) audited consolidated financial statements of BEnviro for FYEs 30 June 2021 and 30 June 2022 as well as the latest unaudited consolidated financial statements of BEnviro for FYE 30 June 2023;

(e) SSA and the Supplemental SSA;

(f) material contracts of the BEnviro Group as referred to in Section 7 of Appendix I;

(g) Valuation Certificate and valuation report on the BEnviro Group issued by FHMH dated 14 July 2023; and

(h) letters of consent and declaration of conflict of interests as referred to in Section 2 of this Appendix V.

(The rest of this page has been intentionally left blank)

BERJAYA

BERJAYA CORPORATION BERHAD

[Registration No. 200101019033 (554790-X)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING ("EGM" OR "THE MEETING")

Meeting Day and Date	:	Thursday, 30 November 2023
Time	:	10.00 a.m.
Broadcast Venue	:	Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No.1 Jalan Imbi, 55100 Kuala Lumpur
Meeting Platform	:	Securities Services e-Portal at https://sshsb.net.my/
Registration	:	Virtual Meeting via Remote Participation and Voting facilities
Modes of Communication	:	Shareholders may: - (a) Type text in the e-Portal during live streaming at https://sshsb.net.my/ OR (b) Email questions to eservices@sshsb.com.my prior to the EGM

1. Virtual Meeting

1.1 The Company will continue to leverage on technology to facilitate communication and engagement with Shareholders by conducting the EGM of the Company on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities in accordance with the Guidance Note and FAQs on the Conduct of General Meetings for listed issuers and all its subsequent revisions issued by the Securities Commission Malaysia.

1.2 The main and only venue of the EGM is the Broadcast Venue **which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 70 of the Company's Constitution** that requires the Chairman of the Meeting to be present at the main venue of the EGM. Hence, no shareholders/proxies/corporate representatives shall be physically present or allowed to enter the Broadcast Venue on the day of the EGM and will be requested to leave the Broadcast Venue.

1.3 In line with Practice 13.3 of the Malaysian Code on Corporate Governance, by conducting EGM on a virtual basis, this would facilitate remote shareholders' participation at general meeting. With the RPV facilities, you may exercise your right as a member of the Company to participate (including posing questions to the Board of Directors ("**Board**") of the Company) and vote at the Meeting. Alternatively, you may also appoint a proxy or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the Meeting.

1.4 Kindly ensure that you are connected to the internet at all times in order to participate and/or vote at the virtual Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

The Company, the Board and its management, registrar and other professional advisers (if any) shall not be held responsible or be liable for any disruption in internet line resulting in the participants being unable to participate and/or vote at the Meeting.

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING
("EGM" OR "THE MEETING")

2. Entitlement to Participate and Vote

Only depositors whose names appear on the Record of Depositors of the Company as at 23 November 2023 shall be entitled to participate and/or vote at the EGM or appoint proxy/corporate representative(s) to participate and/or vote on his/her behalf by returning the duly executed Form(s) of Proxy.

3. Appointment of Proxy

If you are unable to attend and participate at the EGM via RPV facilities, you may appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Please ensure that the hard copy of the original Form of Proxy is deposited at the Company's Registered Office OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/ not less than forty-eight (48) hours before the time appointed for holding the EGM, i.e. latest by **Tuesday, 28 November 2023 at 10:00 a.m.** Details of the Company's Registered Office can be found in the enquiry section of this document.

If your appointed proxy is not an existing user of Securities Services e-Portal, he/she is required **to register as a user** (in accordance with the procedures as set out in the attached Appendix A) **by Friday, 24 November 2023 at 10:00 a.m.** All appointed proxy need not register for remote participation on Securities Services e-Portal. Upon processing of your Form of Proxy, we will grant your proxy access to remote participation at the Meeting to which he/she is appointed for instead of you, **provided that your proxy registers as a user of Securities Services e-Portal by Friday, 24 November 2023 at 10:00 a.m.**, failing which, your proxy will not be able to participate at the Meeting. PLEASE NOTIFY YOUR PROXY ACCORDINGLY.

If you wish to personally participate in the Meeting, please do not submit any proxy form for the Meeting. You will not be allowed to participate in the Meeting together with a proxy appointed by you.

4. Submission of Questions

4.1 Members and proxies who wish to submit questions before the EGM may send it via email to SS E Solutions Sdn Bhd at eservices@sshsb.com.my no later than 10.00 a.m. on Tuesday, 28 November 2023. Members and proxies are requested to indicate the name of company in the subject title of the email e.g. "Berjaya Corporation Berhad – Questions for EGM". Kindly state your full name and Mykad/Passport number/body corporation registration number for verification purpose and provide your mobile/ contact number, in the event SS E Solutions Sdn Bhd needs to contact you.

4.2 Members and proxies may submit their questions via the real time submission of typed texts through a text box within Securities Services e-Portal at https://sshsb.net.my/ before the start or during the live streaming of the EGM. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the EGM. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/ Board/ relevant adviser during the EGM.

5. Voting Procedure

5.1 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll. The Company has appointed SS E Solutions Sdn Bhd as the Poll Administrator to conduct the poll by way of electronic voting ("**e-Voting**") and Commercial Quest Sdn Bhd as Independent Scrutineer to verify the results of the poll.

5.2 During the Meeting, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules.

5.3 For the purpose of the Meeting, e-Voting can be carried out using either personal smart mobile phones, tablets, personal computers or laptops.

5.4. The polling will commence from the scheduled starting time of the Meeting and close five (5) minutes after the Chairman announces the final five (5) minutes for voting towards the end of the Meeting after the question and answer session.

5.5 The Independent Scrutineer will verify the poll results reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolution put to vote were successfully carried or not.

6. Remote Participation and Voting

6.1 Please note that all shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees, and proxies shall use the RPV facilities to participate and/or vote remotely at the EGM [(ii) to (iv) through their authorised representatives].

6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, pose questions and/or submit your votes in real time whilst the Meeting is in progress.

6.3 Kindly follow the steps as set out in **Appendix A** to register for RPV.

“Appendix A”

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING (“EGM” OR “THE MEETING”)

SECURITIES SERVICES E-PORTAL USER GUIDE

BEFORE THE EGM	
(A) Register as a user of Securities Services e-Portal (“e-Portal”) [if you are already a registered user, please go straight to (B)]	
Step 1 - Visit https://sshsb.net.my/ **Step 2** - Register as a user. You will be prompted to fill in your details and also to upload a copy of your identification card (Front and back separately) or passport. **Step 3** - Wait for a notification email that will be sent within one (1) working day. **Step 4** - Log in to e-Portal and verify your user account within seven (7) days of the notification email.	**Notes:** 1) This is a **ONE-TIME Registration.** If you are already a registered user of the e-Portal, you need not register again. 2) Your email address is your User ID. 3) All users must register latest by **Tuesday, 28 November 2023 at 10.00 a.m.** as ONE (1) working day is required to process all e-Portal user registrations.
(B) Register for Remote Participation	
Step 1 - Log in to https://sshsb.net.my/ with your registered User ID (email address) and password. **Step 2** - Look for “**Berjaya Corporation Berhad**” under Company Name and **“EGM on 30 November 2023 at 10.00 a.m. – Registration for Remote Participation”** under Event and click **“>”** to register for remote participation at the EGM **Step 3** - Select whether you are participating as:- (i) Individual shareholder; or (ii) Corporate or authorised representative of a body corporate – key in the body corporate’s name and registration number* and click “Submit”.	**Notes:** 1) If you wish to participate remotely at the EGM, please register for remote participation latest by **Thursday, 30 November 2023 at 10:00 a.m.** 2) A copy of your e-Registration for remote participation can be accessed via **My Records**. (Please refer to the left navigation panel in the e-Portal). 3) Your registration will apply to all the **Central Depository System (“CDS”) account(s)** of each individual shareholder/body corporate shareholder that you represent. 4) If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING (“EGM” OR “THE MEETING”)

SECURITIES SERVICES E-PORTAL USER GUIDE

(C) Submission of e-Proxy Form	
Step 1 - Log on to https://sshsb.net.my/ with your registered User ID (email address) and password. **Step 2** - Look for “**Berjaya Corporation Berhad**” under Company Name and **“EGM on 30 November 2023 at 10.00 a.m. – Submission of Proxy Form”** under Event and click **“>”**. **Step 3** - Select whether you are submitting the proxy form as (i) Individual shareholder or (ii) Corporate or authorised representative of a body corporate* **Step 4** - Enter your **CDS account number** or the body corporate’s CDS account number. **Step 5** - Enter the information of your proxy. **Step 6** - Proceed to indicate how your votes are to be cast against each resolution. **Step 7** - Review and confirm your proxy form details before submission.	**Notes:** 1) Please submit your proxy form no later than **10:00 a.m. on Tuesday, 28 November 2023** if you wish to appoint proxy to participate on your behalf. 2) A copy of your submitted e-Proxy Form can be accessed via My Record. 3) You need to submit your e-Proxy Form for every CDS account(s) you have to represent. 4) Appointed proxy need not register for remote participation under (B) above but if they are not registered users of the e-Portal, they will need to sign up for a user account under (A) above no later than 10.00 a.m. on **Friday, 24 November 2023.** 5) Upon processing the proxy forms, remote participation access will be granted automatically to the proxy instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the EGM. 6) Upon verification by the Poll Administrator with the Record of Depositors as at 23 November 2023, you will receive an email advising you if you or your proxy is eligible to participate at the EGM.

* *For body corporates, the appointed Corporate/Authorised Representative must upload the evidence of his/her authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in one (1) file. The original evidence of authority and its translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification by **Tuesday, 28 November 2023 at 10.00 a.m.***

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING (“EGM” OR “THE MEETING”)

SECURITIES SERVICES E-PORTAL USER GUIDE

ON THE EGM DAY ON 30 NOVEMBER 2023 AT 10.00 A.M.

(A) Joining the Live Stream Meeting

Step 1 - Log in to https://sshsb.net.my/ with your registered User ID (email address) and password.

Step 2 - Look for **“Berjaya Corporation Berhad”** under Company Name and **“EGM on 30 November 2023 at 10.00 a.m. – Live Stream Meeting”** under Corporate Exercise/Event and click “**>**” to join the EGM.

Notes:

1) You can start to log in thirty (30) minutes before the commencement of the EGM, i.e. **Thursday, 30 November 2023 at 9.30 a.m.**
2) If you have any questions to raise at the EGM, you may use the text box to submit your question. The Chairman/ Board/Management/relevant adviser(s) will endeavour to respond to your question during the Meeting.
3) The quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

(B) Remote Online Voting during the EGM (e-Voting)

Step 1 - If you are logged in to the e-Portal and already accessing the Live Stream Meeting, click **“Proceed to Vote”** under the live stream player

OR

- If you are not logged in yet, log in to https://sshsb.net.my/ with your registered User ID (email address) and password.

- Look for **“Berjaya Corporation Berhad”** under Company Name and **“EGM on 30 November 2023 at 10.00 a.m. – Remote Voting”** under Event and click “**>**” to remotely cast and submit your votes online for the resolution tabled at the EGM.

Step 2 - Cast your votes by clicking on the radio buttons against each resolution and review your casted votes before submitting them.

Step 3 - Upon casting your votes, you will be re-directed automatically to the Live Stream Meeting for the poll result announcement.

Notes:

1) The access to e-Voting will be opened on **Thursday, 30 November 2023 at 10.00 a.m.**
2) Your casted votes will apply throughout **ALL** the CDS accounts you represent as an individual shareholder, corporate/authorised representative and/or proxy.
3) Where you are attending as a proxy and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the Form of Proxy.
4) The access to e-Voting will be closed five (5) minutes after the Chairman announces the final five (5) minutes for voting towards the end of the Meeting after the question and answer session.
5) A copy of your submitted e-Voting can be accessed via My Records. (Please refer to the left navigation panel in the e-Portal).

(C) End of the Remote Participation

The live streaming of the meeting will end upon the announcement by the Chairman on the closure of the EGM.

ADMINISTRATIVE GUIDE FOR EXTRAORDINARY GENERAL MEETING
("EGM" OR "THE MEETING")

Enquiry

If you have any enquiries prior to the EGM, please contact the following during office hours from Monday to Friday (9.00 a.m. to 6.00. p.m.) (except public holiday):

Registered Office

Address	:	Lot 13-01A, Level 13 (East Wing) Berjaya Times Square No. 1 Jalan Imbi 55100 Kuala Lumpur
General Line	:	603-2149 1999
Fax Number	:	603-2143 1685
Email	:	cosec@berjaya.com.my

The Share Registrar

Berjaya Registration Services Sdn Bhd
09-27, Level 9
Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur

Contact person : Cik Suryani Binti Miswan
Tel : 603-2145 0533
Fax : 603-2145 9702
Email : shareg@berjayareg.com.my

OR

e-Services Assistance

If you have any enquiry relating to Securities Services e-Portal, please contact the following persons during office hours from Monday to Friday from 8.30 a.m. to 12.15 p.m. and 1.15 p.m. to 5.30 p.m. (except public holiday):

The Poll Administrator

SS E Solutions Sdn Bhd

Address	:	Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur
General Line	:	603-2084 9000
Email	:	eservices@sshsb.com.my

Contact person: Mr Wong Piang Yoong/ Ms Rachel Ou/ Cik Syazana/ Ms Jasmine Lim
Telephone No. : 603-2084 9168/ 603-2084 9161/ 603-2084 9012/ 603-2084 9006

BERJAYA

BERJAYA CORPORATION BERHAD

(Registration No. 200101019033 (554790-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Berjaya Corporation Berhad ("**BCorporation**" or the "**Company**") ("**EGM**") will be conducted on a virtual basis through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 30 November 2023 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following:

ORDINARY RESOLUTION

PROPOSED DISPOSAL BY BERJAYA GROUP BERHAD ("BGROUP"), A WHOLLY-OWNED SUBSIDIARY OF BCORPORATION, OF ITS ENTIRE 100% EQUITY INTEREST IN BERJAYA ENVIRO HOLDINGS SDN BHD ("BENVIRO") TO NAZA CORPORATION HOLDINGS SDN BHD ("NAZA") FOR A CASH CONSIDERATION OF RM700.00 MILLION ("PROPOSED DISPOSAL")

THAT, subject to approvals from relevant authorities and/or parties being obtained in respect of the Proposed Disposal, if required, approval be and is hereby given to BGroup to dispose of its entire 100% equity interest in BEnviro for a cash consideration of RM700.00 million in accordance with the terms and conditions of the Share Sale Agreement dated 17 July 2023 as well as the Supplemental Share Sale Agreement dated 30 October 2023 entered into between BGroup and Naza in respect of the Proposed Disposal.

AND THAT, the Board of Directors of BCorporation ("**Board**") be and is hereby empowered and authorised to give full effect to the Proposed Disposal with full power to assent, accept and/or make any condition, modification, variation, arrangement and/or amendment in any manner as may be required or imposed or permitted by any relevant authorities and/or parties or as the Board may deem necessary or expedient in the best interests of the Company and to do all acts, deeds and things and to execute all such documents as may be required or expedient in connection with the Proposed Disposal.

By Order of the Board

THAM LAI HENG MICHELLE
(MAICSA 7013702)
(SSM Practising Certificate No. 202008001622)
Company Secretary

Kuala Lumpur
14 November 2023

Notes:

1. The EGM will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities provided by the Poll Administrator, SS E Solutions Sdn Bhd which are available on Securities Services e-Portal at https://sshsb.net.my/login.aspx. **Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.**
2. The main and only venue of the EGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the EGM to be present at the main venue of the EGM in Malaysia.
3. Shareholders/proxies/corporate representatives from the public **WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT** at the broadcast venue on the day of the EGM.
4. A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
5. A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
6. An authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
7. An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), may appoint multiple proxies in respect of each of its Omnibus Account.
8. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
9. The Form of Proxy shall be executed and deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at https://sshsb.net.my not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Tuesday, 28 November 2023 at 10.00 a.m.**
10. Only members whose names appear in the Record of Depositors of the Company as at **23 November 2023** shall be entitled to participate and/or vote at the EGM or appoint a proxy to participate and/or vote in his/her stead via the RPV facilities.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Ordinary Resolution set out in this Notice will be put to vote by way of poll.

BERJAYA CORPORATION BERHAD

[Registration No. 200101019033 (554790-X)]

FORM OF PROXY

I/We ____

(*Name in full*)

I.C. or Company Registration No. ____________________ CDS Account No. ____________________

(*New or Old I.C. Nos.)*

of ____

(Address)

being a member/members of BERJAYA CORPORATION BERHAD

hereby appoint ______________________________ I.C No. ______________________________of

(Name in full) *(New or Old I.C. Nos.)*

____

(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Extraordinary General Meeting of the Company ("**EGM**") to be conducted on a virtual basis through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 30 November 2023 at 10.00 a.m. or any adjournment thereof.

This proxy is to vote on the Ordinary Resolution set out in the Notice of EGM as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
ORDINARY RESOLUTION – PROPOSED DISPOSAL		

NO. OF SHARES HELD

………………………………………………………..

Signature(s) / Common Seal of Member(s)

Dated this …………. day of ……………………, 2023.

Notes:

1. The EGM will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities provided by the Poll Administrator, SS E Solutions Sdn Bhd which are available on Securities Services e-Portal at https://sshsb.net.my/. **Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.**
2. The main and only venue of the EGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the EGM to be present at the main venue of the EGM in Malaysia.
3. Shareholders/proxies/corporate representatives from the public **WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT** at the broadcast venue on the day of the EGM.
4. A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
5. A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
6. An authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
7. An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), may appoint multiple proxies in respect of each of its Omnibus Account.
8. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
9. The Form of Proxy shall be executed and deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at https://sshsb.net.my not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Tuesday, 28 November 2023 at 10.00 a.m.**
10. Only members whose names appear in the Record of Depositors of the Company as at **23 November 2023** shall be entitled to participate and/or vote at the EGM or appoint a proxy to participate and/or vote in his/her stead via the RPV facilities.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Ordinary Resolution set out in this Notice will be put to vote by way of poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
BERJAYA CORPORATION BERHAD
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

1st fold here