

ATTESTED COPY

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD
(Incorporated in Malaysia)

FINANCIAL REPORT
for the financial year ended 30 June 2024

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

TABLE OF CONTENTS

	Page
Directors' Report	1
Statement by Directors	8
Statutory Declaration.....	8
Independent Auditors' Report	9
Statements of Financial Position	14
Statements of Profit or Loss and Other Comprehensive Income	16
Statements of Changes in Equity	18
Statements of Cash Flows	20
Notes to the Financial Statements	23

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are set out in the "Subsidiaries" of this report. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	3,195,000	733,803
Attributable to:-		
Owners of the Company	3,568,304	733,803
Non-controlling interests	(373,304)	-
	<u>3,195,000</u>	<u>733,803</u>

DIVIDEND

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM59,162,020 to RM60,563,400 by way of issuance of 1,709,000 new ordinary shares pursuant to private placement exercise at an issue price of RM0.82 per ordinary share for a total cash consideration of RM1,401,380.

The new ordinary shares rank pari passu in all respect with the then existing ordinary shares of the Company.

There were no issues of debentures by the Company during the financial year.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS

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

Dato' Ng Lian Poh
Ng Soh Kian
Chan Kwai Cheong
Tan Fie Ping

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

Chay Hong Choong
Choo Chee Kheong (Resigned on 12 July 2024)
Pang Wei Lao (Resigned on 12 July 2024)

DIRECTORS' INTERESTS

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

	<----- Number Of Ordinary Shares ----->			
	At 1.7.2023	Bought	Sold	At 30.6.2024
The Company				
<i>Direct Interests</i>				
Dato' Ng Lian Poh	111,050,010	-	(1,200,000)	109,850,010
Ng Soh Kian	111,050,010	-	(6,560,000)	104,490,010
Chan Kwai Cheong	5,000,000	2,400,000	-	7,400,000
Tan Fie Ping	835,000	-	-	835,000
<i>Indirect Interests</i>				
Dato Ng' Lian Poh*	3,500,000	-	-	3,500,000
Ng Soh Kian*	-	3,500,000	-	3,500,000
Tan Fie Ping*	1,000,000	-	-	1,000,000

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

By virtue of their shareholdings in the Company, all the directors are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM	The Company RM
Transaction with related parties:		
- Sales of goods	2,868,850	-
- Purchase of goods	(1,508,703)	-
- Purchase of assets	(25,200)	-
	<hr/>	<hr/>

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

DIRECTORS' REMUNERATION

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

	The Group RM	The Company RM
Fees	24,000	24,000
Salaries, bonuses and other benefits	612,000	-
Defined contribution benefits	63,972	-
	<hr/>	<hr/>
	699,972	24,000
	<hr/>	<hr/>

INDEMNITY AND INSURANCE COST

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

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
DSR Fruits Sdn. Bhd.	Malaysia	100	100	To involve in cultivation, harvesting of fruits and retail sales of fruits.
DSR Daily Fresh Sdn. Bhd.	Malaysia	70	70	To operate specialty café or restaurants selling durian related meals, beverages, desserts and local authentic food and sell fresh durians, local fruits and produce.
DSR JCIB Sdn. Bhd.	Malaysia	60	-	To operate and manage online and offline retail sales through "Origin Matters Seamless App (OMSA)", where products sources can be racked and traced.

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

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 12 July 2024, the Company acquired an additional 40% equity interest in the subsidiary, DSR JCIB Sdn. Bhd. ("DSR JCIB") for a total cash consideration of RM40,000. The acquisition of DSR JCIB was completed on 12 July 2024 and as a consequence thereof, DSR JCIB became a wholly-owned subsidiary of the Company.

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

AUDITORS

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

The auditors' remuneration of the Group and of the Company for the financial year were RM144,000 and RM41,000 respectively.

Signed in accordance with a resolution of the directors dated 18 September 2024.



Dato' Ng Lian Poh



Ng Soh Kian

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD
(Incorporated in Malaysia)

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

We, Dato' Ng Lian Poh and Ng Soh Kian, being two of the directors of DSR Taiko Berhad, state that, in the opinion of the directors, the financial statements set out on pages 14 to 79 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 18 September 2024.



Dato' Ng Lian Poh



Ng Soh Kian

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

I, Dato' Ng Lian Poh, being the director primarily responsible for the financial management of DSR Taiko Berhad, do solemnly and sincerely declare that the financial statements set out on pages 14 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Dato' Ng Lian Poh, NRIC: 670924-05-5339
at Kuala Lumpur
in the Federal Territory
on this 18 September 2024

Before me



Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur



Dato' Ng Lian Poh

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSR TAIKO BERHAD

(Incorporated in Malaysia)
Registration No: 202101001462 (1401760-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of DSR Taiko Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 79.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSR TAIKO BERHAD (CONT'D)

(Incorporated in Malaysia)
Registration No: 202101001462 (1401760-W)

Key Audit Matters (Cont'd)

Impairment of property, plant and equipment Refer to Notes 6 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As of 30 June 2024, the carrying amount of the Group's property, plant and equipment ("PPE") was approximately RM79.0 million.</p> <p>We focused on this area because the determination of whether there is any impairment on property, plant and equipment involved subjective judgement by the Directors about the future results of the business.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Assessed if there is any impairment indication and if such indications exist, reviewed Management's estimation on the recoverable amounts of property, plant and equipment; <p><i>Plantation Segment</i></p> <ul style="list-style-type: none"> ▪ Evaluated the competence and capabilities of the external expert and reviewed the terms of engagement of the expert appointed by the Group to determine whether there were any matters that might have affected their objectivity or limited their scope of their work; and ▪ Assessed the methodology adopted by management and its appointed expert in deriving the market value and the reasonableness of key assumptions used.
Revenue recognition Refer to Note 23 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group recognised total revenue of RM18.3 million during the financial year ended 30 June 2024.</p> <p>Revenue is one of the largest accounts in the financial statements and an important driver of the Group's operating results. We considered the high volume of transactions to be a possible cause of higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the Group's internal control procedures and tested the operating effectiveness of the controls; ▪ Reviewed and performed substantive tests on sales transactions undertaken by the Group and sales cut-off; ▪ Reviewed significant credit notes issued after year end; and ▪ Evaluated appropriateness of revenue recognition policies.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSR TAIKO BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101001462 (1401760-W)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the 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 other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DSR TAIKO BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 202101001462 (1401760-W)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF DSR TAIKO BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 202101001462 (1401760-W)

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

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

OTHER MATTERS

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



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

Kuala Lumpur

18 September 2024



Ung Voon Huay
03233/09/2026 J
Chartered Accountant

DSR TAIKO BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	22,060,000	22,000,000
Property, plant and equipment	6	79,025,920	71,470,600	-	20,170
Right-of-use assets	7	441,094	1,044,094	-	-
Intangible assets	8	993,746	-	-	-
Deferred tax assets	9	-	135,000	-	-
		<u>80,460,760</u>	<u>72,649,694</u>	<u>22,060,000</u>	<u>22,020,170</u>
CURRENT ASSETS					
Inventories	10	1,241,271	1,059,020	-	-
Biological assets	11	210,306	-	-	-
Trade receivables	12	3,953,212	2,682,475	-	-
Deposits and prepayments	13	384,256	1,264,889	-	742,000
Amount owing by subsidiaries	14	-	-	36,928,240	31,669,501
Amount owing by related parties	15	2,419,444	932,468	-	-
Current tax assets		191,420	208,482	-	30,882
Fixed deposit with a licensed bank	16	102,511	100,000	-	-
Cash and bank balances		1,990,810	5,665,236	7,210	2,157,320
		<u>10,493,230</u>	<u>11,912,570</u>	<u>36,935,450</u>	<u>34,599,703</u>
TOTAL ASSETS		<u>90,953,990</u>	<u>84,562,264</u>	<u>58,995,450</u>	<u>56,619,873</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	60,563,400	59,162,020	60,563,400	59,162,020
Retained profits/ (Accumulated losses)		3,593,944	25,640	(1,850,878)	(2,584,681)
Equity attributable to owners of the Company		64,157,344	59,187,660	58,712,522	56,577,339
Non-controlling interests	5	(542,385)	(209,081)	-	-
TOTAL EQUITY		63,614,959	58,978,579	58,712,522	56,577,339
NON-CURRENT LIABILITIES					
Lease liabilities	18	284,803	580,405	-	-
Borrowings	19	21,338,354	22,352,352	-	-
Deferred tax liabilities	9	50,473	-	-	-
		21,673,630	22,932,757	-	-
CURRENT LIABILITIES					
Trade payables	20	1,355,674	757,345	-	-
Other payables and accruals	21	763,914	147,677	40,289	42,534
Amount owing to related parties	15	171,960	19,224	-	-
Lease liabilities	18	227,308	242,256	-	-
Borrowings	19	1,542,792	1,295,432	-	-
Bank overdraft	22	895,619	-	-	-
Current tax liabilities		708,134	188,994	242,639	-
		5,665,401	2,650,928	282,928	42,534
TOTAL LIABILITIES		27,339,031	25,583,685	282,928	42,534
TOTAL EQUITY AND LIABILITIES		90,953,990	84,562,264	58,995,450	56,619,873

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	23	18,293,542	10,959,981	-	972,000
COST OF SALES		(6,833,245)	(3,717,627)	-	-
GROSS PROFIT		11,460,297	7,242,354	-	972,000
OTHER INCOME		254,470	1,880	1,199,739	-
		11,714,767	7,244,234	1,199,739	972,000
ADMINISTRATIVE EXPENSES		(3,639,600)	(3,756,807)	(180,797)	(1,365,320)
OTHER EXPENSES		(1,420,183)	(536,851)	(5,464)	(2,890)
FINANCE COSTS		(1,659,323)	(1,268,324)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	(11,108)	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	25	4,984,553	1,682,252	1,013,478	(396,210)
INCOME TAX EXPENSE	26	(1,789,553)	(676,254)	(279,675)	(9,118)
PROFIT/(LOSS) AFTER TAXATION		3,195,000	1,005,998	733,803	(405,328)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		3,195,000	1,005,998	733,803	(405,328)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		3,568,304	1,131,057	733,803	(405,328)
Non-controlling interests		(373,304)	(125,059)	-	-
		<u>3,195,000</u>	<u>1,005,998</u>	<u>733,803</u>	<u>(405,328)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		3,568,304	1,131,057	733,803	(405,328)
Non-controlling interests		(373,304)	(125,059)	-	-
		<u>3,195,000</u>	<u>1,005,998</u>	<u>733,803</u>	<u>(405,328)</u>
EARNINGS PER SHARE (SEN)					
	27				
- Basic		1.09	0.36		
- Diluted		1.09	0.36		

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Share Capital RM	(Accumulated Losses)/ Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
The Group						
Balance at 1.7.2022		49,461,420	(1,105,417)	48,356,003	(84,022)	48,271,981
Contributions by and distributions to owners of the Company: - Issuance of ordinary shares pursuant to private placement	17	9,700,600	-	9,700,600	-	9,700,600
Profit after taxation/Total comprehensive income for the financial year		-	1,131,057	1,131,057	(125,059)	1,005,998
Balance at 30.6.2023/1.7.2023		59,162,020	25,640	59,187,660	(209,081)	58,978,579
Contributions by and distributions to owners of the Company: - Issuance of ordinary shares pursuant to private placement	17	1,401,380	-	1,401,380	-	1,401,380
Issuance of shares by a subsidiary		-	-	-	40,000	40,000
Profit after taxation/Total comprehensive income for the financial year		-	3,568,304	3,568,304	(373,304)	3,195,000
Balance at 30.6.2024		60,563,400	3,593,944	64,157,344	(542,385)	63,614,959

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
Balance at 1.7.2022		49,461,420	(2,179,353)	47,282,067
Contributions by and distributions to owners of the Company:				
- Issuance of ordinary shares pursuant to private placement	17	9,700,600	-	9,700,600
Loss for the financial year/Total comprehensive expenses for the financial year		-	(405,328)	(405,328)
Balance at 30.6.2023/1.7.2023		59,162,020	(2,584,681)	56,577,339
Contributions by and distributions to owners of the Company:				
- Issuance of ordinary shares pursuant to private placement	17	1,401,380	-	1,401,380
Profit for the financial year/Total comprehensive income for the financial year		-	733,803	733,803
Balance at 30.6.2024		60,563,400	(1,850,878)	58,712,522

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	4,984,553	1,682,252	1,013,478	(396,210)
Adjustments for:-				
Amortisation of intangible assets	179,598	-	-	-
Bad debt written off	318	-	-	-
Depreciation of property, plant and equipment	1,824,407	1,192,774	-	2,890
Depreciation of right-of-use assets	216,781	309,148	-	-
Fair value changes in biological assets (net)	(210,306)	70,038	-	-
Finance costs	1,659,323	1,268,324	-	-
Gain on disposal of property, plant and equipment	(14,009)	-	-	-
Gain on lease termination	(3,698)	-	-	-
Impairment losses on trade receivables	11,108	-	-	-
Intangible assets written off	51,120	-	-	-
Interest income	(6,723)	(1,415)	(1,199,739)	-
Inventories written down	16,069	-	-	-
Property, plant and equipment written off	5,464	-	5,464	-
Operating profit/(loss) before working capital changes	8,714,005	4,521,121	(180,797)	(393,320)
Balance carried forward	8,714,005	4,521,121	(180,797)	(393,320)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES (CONT'D)					
Balance brought forward		8,714,005	4,521,121	(180,797)	(393,320)
Increase in inventories (Increase)/Decrease in trade receivables, deposits and prepayments		(198,320)	(873,673)	-	-
Increase/(Decrease) in trade and other payables		(401,530)	(1,092,151)	742,000	(473,608)
Increase in amount owing by subsidiaries		1,113,746	109,097	(2,245)	(7,524)
Decrease/(Increase) in amount owing by related parties		-	-	972,000	(972,000)
		(1,332,520)	698,754	-	-
CASH FROM/(FOR) OPERATIONS		7,895,381	3,363,148	1,530,958	(1,846,452)
Income tax paid		(1,101,369)	(835,602)	(7,225)	(32,500)
Income tax refunded		33,491	-	1,071	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		6,827,503	2,527,546	1,524,804	(1,878,952)
CASH FLOWS FOR INVESTING ACTIVITIES					
Addition to right-of-use assets 28(a)		-	(61,116)	-	-
Advances to subsidiaries		-	-	(5,031,000)	(5,729,618)
Increase in pledged deposit with a licensed bank		(2,511)	(100,000)	-	-
Interest received		6,723	1,415	-	-
Investment in a subsidiary		-	-	(60,000)	-
Purchase of intangible asset		(1,209,042)	-	-	-
Purchase of property, plant and equipment		(8,539,300)	(13,531,605)	-	(15,900)
Proceed from disposal of property, plant and equipment		50,706	-	14,706	-
NET CASH FOR INVESTING ACTIVITIES		(9,693,424)	(13,691,306)	(5,076,294)	(5,745,518)

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Capital contributed by a non-controlling shareholder		40,000	-	-	-
Drawdown of borrowings		179,657	8,579,197	-	-
Interest paid	28(b)	(1,659,323)	(1,263,169)	-	-
Proceeds from issuance of ordinary shares		1,401,380	9,700,600	1,401,380	9,700,600
Repayment of lease liabilities	28(b)	(227,823)	(246,007)	-	-
Repayment of borrowings		(1,436,295)	(822,832)	-	-
Repayment to related parties		(1,720)	(11,380)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(1,704,124)	15,936,409	1,401,380	9,700,600
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(4,570,045)	4,772,649	(2,150,110)	2,076,130
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5,665,236	892,587	2,157,320	81,190
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28(c)	1,095,191	5,665,236	7,210	2,157,320

DSR TAIKO BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated, domiciled in Malaysia and listed on the LEAP Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : B-25-2, Block B, Jaya One,
No. 72A, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya,
Selangor, Malaysia.

Principal place of business : No. 32-1, Jalan Eco Santuari 8/2A,
Eco Santuari,
42500 Telok Panglima Garang,
Selangor, Malaysia.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 September 2024.

2. PRINCIPAL ACTIVITIES

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

3. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

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

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

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

3. BASIS OF PREPARATION (CONT'D)

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

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

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

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

(b) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

The Group determines whether an item of its property, plant and equipment, right-of-use assets and intangible assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements respectively.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Fair value of Biological Assets

The fair value is estimated by the management based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated selling price of the produce growing on bearer plants.

While significant components of fair value measurement were determined using verifiable objective evidence, significant changes in the market demand, economic and global political situation affecting the assumptions would change the fair value.

(d) Write-down of Inventories

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

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables, amount owing by subsidiaries and amount owing by related parties as at the reporting date are disclosed in Notes 12, 14 and 15 to the financial statements respectively.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of amount owing by subsidiaries and amount owing by related parties as at the reporting date are disclosed in Notes 14 and 15 to the financial statements respectively.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Income Taxes

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

(h) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 9 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

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

Lease Terms

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

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

(c) Equity

Ordinary Shares

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

4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Bearer plants	50 years
Building	99 years
Computer software	20%
Durian orchard facilities	10%
Equipment	20%
Furniture and fittings	20%
Kitchen equipment	20%
Motor vehicles	20%
Office equipment	20%
Renovation	20%
Signboard	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. Similarly, immature bearer plants are not subject to depreciation as they have not reached a stage of maturity where they can produce fruits for sales to customers.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modification.

4.6 INTANGIBLE ASSETS

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

Intangible Assets with Definite Useful Lives

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

Computer software	20%
Trademarks and Patents	10 years

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 BIOLOGICAL ASSETS

Biological assets consist of produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gain or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

To arrive at the fair value, management has considered the maturity of the ripe fruits as at year end that are ready to harvest. Therefore, quantity of fruits growing on bearer plants of up to 3 days prior to harvest was used for valuation purpose.

Biological assets are classified as current assets for bearer plants that are expected to be harvested on a date not more than 12 months after the reporting date.

4.8 INVENTORIES

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

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

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

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-Financial Assets

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

An impairment loss is recognised in profit or loss.

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

DSR TAIKO BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.10 FAIR VALUE MEASUREMENTS

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

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

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

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

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for 5leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

DSR TAIKO BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Retail Operations

Revenue from retail operations is recognised when the Group has transferred control of the goods to the customer, being at the point the customer purchases the goods at the retail outlets. Payment for the transaction is due immediately at the point the customer purchases the goods and take delivery in outlet.

(b) Sale of Fresh Fruits and Goods

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

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.12 OTHER OPERATING INCOME

(a) Interest Income

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost	22,270,000	22,210,000
Less: Accumulated impairment losses	(210,000)	(210,000)
	22,060,000	22,000,000

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024	2023	
		%	%	
DSR Fruits Sdn. Bhd.	Malaysia	100	100	To involve in cultivation, harvesting of fruits and retail sales of fruits.
DSR Daily Fresh Sdn. Bhd.	Malaysia	70	70	To operate specialty café or restaurants selling durian related meals, beverages, desserts and local authentic food and sell fresh durians, local fruits and produce.
DSR JCIB Sdn. Bhd.	Malaysia	60	-	To operate and manage online and offline retail sales through "Origin Matters Seamless App (OMSA)", where products sources can be racked and traced.

- (a) On 4 October 2023, the Company has incorporated DSR JCIB Sdn. Bhd. ("DSR JCIB") with 60% equity interests in DSR JCIB for a cash consideration of RM60,000. The incorporation has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024 %	2023 %	2024 RM	2023 RM
DSR Daily Fresh Sdn. Bhd. ("DSR Daily Fresh")	30	30	(553,368)	(209,081)
DSR JCIB Sdn. Bhd. ("DSR JCIB")	40	-	10,983	-
			<u>(542,385)</u>	<u>(209,081)</u>

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

	DSR Daily Fresh		DSR JCIB
	2024 RM	2023 RM	2024 RM
<u>At 30 June</u>			
Non-current assets	2,310,946	2,157,682	224,928
Current assets	4,487,986	2,981,173	134,099
Non-current liabilities	(570,798)	(645,409)	-
Current liabilities	(8,072,696)	(5,190,384)	(331,569)
Net (liabilities)/assets	<u>(1,844,562)</u>	<u>(696,938)</u>	<u>27,458</u>
<u>Financial Year Ended 30 June</u>			
Revenue	7,335,392	2,678,268	114,992
Loss for the financial year	(1,147,625)	(416,865)	(72,542)
Total comprehensive expenses	<u>(1,147,624)</u>	<u>(416,865)</u>	<u>(72,542)</u>
Total comprehensive expenses attributable to non-controlling interests	<u>(344,287)</u>	<u>(125,059)</u>	<u>(29,017)</u>
Net cash flows (for)/from operating activities	(288,922)	188,601	(58,144)
Net cash flows for investing activities	(526,099)	(515,973)	(136,468)
Net cash flows from financing activities	585,506	402,018	206,460

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2023 RM	Additions (Note 28(a)) RM	Reclassification RM	Transfer from/ (to) (Notes 7 and 8) RM	Disposal RM	Written Off (Note 25) RM	Depreciation Charges (Note 25) RM	At 30.6.2024 RM
2024								
<i>Carrying amount</i>								
Freehold land	25,008,597	2,428,925	-	-	-	-	-	27,437,522
Bearer plants (Mature)	28,269,393	1,960,000	8,280,020	-	-	-	(688,780)	37,820,633
Bearer plants (Immature)	8,593,770	-	(8,280,020)	-	-	-	-	313,750
Building	2,385,657	124,209	-	-	-	-	(26,853)	2,483,013
Computer software	14,706	-	-	-	(14,706)	-	-	-
Durian orchard facilities (Completed)	2,885,573	184,964	2,729,938	-	-	-	(446,454)	5,354,021
Durian orchard facilities (Work-in-progress)	2,729,938	2,778,293	(2,729,938)	-	-	-	-	2,778,293
Equipment	55,515	39,348	-	-	-	-	(21,472)	73,391
Furniture and fittings	174,016	44,291	-	-	-	-	(54,512)	163,795
Kitchen equipment	489,893	671,629	-	-	-	-	(149,502)	1,012,020
Motor vehicles	125,814	217,876	-	307,190	(21,991)	-	(123,655)	505,234
Office equipment	215,230	263,885	-	(15,422)	-	(5,464)	(93,532)	364,697
Renovation	522,498	368,240	-	-	-	-	(213,876)	676,862
Signboard	-	48,460	-	-	-	-	(5,771)	42,689
	71,470,600	9,130,120	-	291,768	(36,697)	(5,464)	(1,824,407)	79,025,920

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

	At 1.7.2022 RM	Additions (Note 28(a)) RM	Depreciation Charges (Note 25) RM	At 30.6.2023 RM
The Group				
2023				
<i>Carrying amount</i>				
Freehold land	22,805,937	2,202,660	-	25,008,597
Bearer plants (Mature)	25,651,696	3,360,000	(742,303)	28,269,393
Bearer plants (Immature)	8,593,770	-	-	8,593,770
Building	-	2,410,000	(24,343)	2,385,657
Computer software	-	15,900	(1,194)	14,706
Durian orchard facilities (Completed)	506,568	2,390,914	(11,909)	2,885,573
Durian orchard facilities (Work-in-progress)	221,660	2,508,278	-	2,729,938
Equipment	42,547	28,690	(15,722)	55,515
Furniture and fittings	110,721	103,573	(40,278)	174,016
Kitchen equipment	359,117	254,610	(123,834)	489,893
Motor vehicles	114,508	44,000	(32,694)	125,814
Office equipment	199,264	74,520	(58,554)	215,230
Renovation	525,981	138,460	(141,943)	522,498
	59,131,769	13,531,605	(1,192,774)	71,470,600

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2024			
Freehold land	27,437,522	-	27,437,522
Bearer plants (Mature)	39,439,018	(1,618,385)	37,820,633
Bearer plants (Immature)	313,750	-	313,750
Building	2,534,209	(51,196)	2,483,013
Durian orchard facilities (Completed)	5,842,381	(488,360)	5,354,021
Durian orchard facilities (Work-in-progress)	2,778,293	-	2,778,293
Equipment	134,014	(60,623)	73,391
Furniture and fittings	284,626	(120,831)	163,795
Kitchen equipment	1,330,878	(318,858)	1,012,020
Motor vehicles	710,440	(205,206)	505,234
Office equipment	565,015	(200,318)	364,697
Renovation	1,183,711	(506,849)	676,862
Signboard	48,460	(5,771)	42,689
	82,602,317	(3,576,397)	79,025,920
2023			
Freehold land	25,008,597	-	25,008,597
Bearer plants (Mature)	29,198,998	(929,605)	28,269,393
Bearer plants (Immature)	8,593,770	-	8,593,770
Building	2,410,000	(24,343)	2,385,657
Computer software	15,900	(1,194)	14,706
Durian orchard facilities (Completed)	2,927,479	(41,906)	2,885,573
Durian orchard facilities (Work-in-progress)	2,729,938	-	2,729,938
Equipment	94,666	(39,151)	55,515
Furniture and fittings	240,335	(66,319)	174,016
Kitchen equipment	659,249	(169,356)	489,893
Motor vehicles	194,448	(68,634)	125,814
Office equipment	334,549	(119,319)	215,230
Renovation	815,471	(292,973)	522,498
	73,223,400	(1,752,800)	71,470,600

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At 1.7.2023 RM	Disposal RM	Written off (Note 25) RM	At 30.6.2024 RM
The Company				
2024				
<i>Carrying amount</i>				
Computer software	14,706	(14,706)	-	-
Office equipment	5,464	-	(5,464)	-
	20,170	(14,706)	(5,464)	-
The Company				
2023				
<i>Carrying amount</i>				
Computer software	-	15,900	(1,194)	14,706
Office equipment	7,160	-	(1,696)	5,464
	7,160	15,900	(2,890)	20,170
The Company				
2023				
Computer software		15,900	(1,194)	14,706
Office equipment		8,480	(3,016)	5,464
		24,380	(4,210)	20,170

- (a) Freehold land and bearer plants of the Group with a total carrying amount of RM43,240,268 (2023 - RM43,482,405) have been charged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.
- (b) Motor vehicles of the Group with a total carrying amount of RM613,931 (2023 - RM239,862) are held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 19 to the financial statements.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

7. RIGHT-OF-USE ASSETS

	At 1.7.2023 RM	Reassessment of Lease Liabilities (Note 18) RM	Derecognition Due to Lease Termination RM	Transfer to Property, Plant and Equipment (Note 6) RM	Depreciation Charges (Note 25) RM	At 30.6.2024 RM
The Group						
2024						
Motor vehicles	307,190	-	-	(307,190)	-	-
Shop lots	699,526	(17,941)	(61,088)	-	(199,968)	420,529
Shop offices	37,378	-	-	-	(16,813)	20,565
	1,044,094	(17,941)	(61,088)	(307,190)	(216,781)	441,094

	At 1.7.2022 RM	Additions (Note 28(a)) RM	Reassessment of Lease Liabilities RM	Depreciation Charges (Note 25) RM	At 30.6.2023 RM
The Group					
2023					
Motor vehicles	47,250	290,116	-	(30,176)	307,190
Shop lots	922,294	-	-	(222,768)	699,526
Shop offices	47,286	-	46,296	(56,204)	37,378
	1,016,830	290,116	46,296	(309,148)	1,044,094

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

The Group leases building and retail outlets of which the leasing activities are summarised below:-

- (i) Motor vehicles The Group leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
- (ii) Shop lots The Group has leased a number of shop lots for 2 to 3 (2023 - 2 to 3) years, with an option to renew the lease after those dates.
- (iii) Shop office The Group has leased a shop office for 3 (2023 - 2 to 3) years, with an option to renew the lease after those date.

8. INTANGIBLE ASSETS

	Computer Software RM	Trademarks and Patents RM	Total RM
The Group			
2024			
Cost:-			
Additions during the financial year	793,927	415,115	1,209,042
Transfer from property, plant and equipment (Note 7)	24,938	-	24,938
Written Off (Note 25)	-	(51,120)	(51,120)
At 30 June	818,865	363,995	1,182,860
Accumulated amortisation:-			
Amortisation during the financial year (Note 25)	(161,987)	(17,611)	(179,598)
Transfer from property, plant and equipment (Note 6)	(9,516)	-	(9,516)
At 30 June	(171,503)	(17,611)	(189,114)
	647,362	346,384	993,746

The computer software is in respect of software development of the MKITS application and belong to the Plantation segment. The amortisation charges are recognised in profit or loss under the "Other Expenses" line item.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

9. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2024 RM	2023 RM
At 1 July	135,000	135,000
Recognised in profit or loss (Note 26)	(185,473)	-
At 30 June	<u>(50,473)</u>	<u>135,000</u>

Movement in deferred tax assets/(liabilities):- (Cont'd)

	At 1.7.2022/ 1.7.2023 RM	Recognised in Profit or Loss (Note 26) RM	At 30.6.2024 RM
The Group			
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(73,604)	73,604	-
Biological assets	-	(50,473)	(50,473)
	(73,604)	23,131	(50,473)
<i>Deferred Tax Assets</i>			
Unutilised business losses	109,822	(109,822)	-
Unabsorbed capital allowances	98,782	(98,782)	-
	208,604	(208,604)	-
	<u>135,000</u>	<u>(185,473)</u>	<u>(50,473)</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

10. INVENTORIES

	The Group	
	2024	2023
	RM	RM
Finished goods	1,241,271	1,059,020
Recognised in profit or loss:-		
Inventories recognised as cost of sales	6,219,734	1,382,335
Inventories written down	16,069	-

11. BIOLOGICAL ASSETS

	The Group	
	2024	2023
	RM	RM
Durian fruits	210,306	-

The changes in the carrying amount of biological assets owned by the Group were due to:-

	The Group	
	2024	2023
	RM	RM
At 1 July	-	70,038
Transfers to produce stocks	-	(70,038)
Fair value measurement	210,306	-
At 30 June	210,306	-
Fair value gain on biological assets to profit or loss	210,306	-

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

12. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Trade receivables	3,964,320	2,682,475
Allowance for impairment losses (Note 32(b)(iii))	(11,108)	-
At 30 June	3,953,212	2,682,475

The Group's normal trade credit terms range from cash terms to 90 (2023 - cash terms to 90) days.

13. DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits	317,656	1,199,519	-	742,000
Prepayments	66,600	65,370	-	-
	384,256	1,264,889	-	742,000

14. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
<u>Current</u>		
Trade balance	-	972,000
Non-trade balance	36,928,240	30,697,501
	36,928,240	31,669,501

(a) The trade balance represented management fee charged to subsidiaries. The amount owing was subject to the normal credit terms of 90 days.

(b) The non-trade balance represents unsecured advances and payments made on behalf. The amount owing bore an interest rate of 4% (2023 - Nil) per annum and is repayable on demand. The amount owing is to be settled in cash.

DSR TAIKO BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2024 RM	2023 RM
Amount Owing by Related Parties		
<u>Current</u>		
Trade balance	2,419,444	932,468
	<u>2,419,444</u>	<u>932,468</u>
Amount Owing to Related Parties		
<u>Current</u>		
Trade balance	(171,960)	(17,504)
Non-trade balance	-	(1,720)
	<u>(171,960)</u>	<u>(19,224)</u>

- (a) The trade balances are subject to the trade credit terms of 30 to 90 (2023 - 30 to 90) days.
- (b) The non-trade balance is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

16. FIXED DEPOSIT WITH A LICENSED BANK

- (a) The fixed deposit with a licensed bank of the Group at the end of the reporting period bore an effective interest rate of 2.45% (2023 - 2.45%) per annum. The fixed deposit has a maturity period of 1 month (2023 - 1 month).
- (b) Included in the fixed deposit with a licensed bank of the Group at the end of the reporting period was an amount of RM102,511 (2023 - RM100,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

17. SHARE CAPITAL

	The Group/The Company		2024 RM	2023 RM
	2024	2023		
	Number Of Shares			
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July	324,768,020	312,938,020	59,162,020	49,461,420
Issuance of ordinary shares pursuant to private placement	1,709,000	11,830,000	1,401,380	9,700,600
At 30 June	<u>326,477,020</u>	<u>324,768,020</u>	<u>60,563,400</u>	<u>59,162,020</u>

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM59,162,020 to RM60,563,400 by way of issuance of 1,709,000 new ordinary shares pursuant to private placement exercise at an issue price of RM0.82 per ordinary share for a total cash consideration of RM1,401,380.

The new ordinary shares rank pari passu in all respect with the then existing ordinary shares of the Company.

DSR TAIKO BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

18. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 July	822,661	1,022,372
Interest expense recognised in profit or loss (Note 25)	43,335	64,754
Changes due to reassessment of lease term (Notes 7 and 28(b))	(17,941)	46,296
Derecognition due to lease termination	(64,786)	-
Repayment of principal	(227,823)	(246,007)
Repayment of interest expense	(43,335)	(64,754)
	<u>512,111</u>	<u>822,661</u>
At 30 June		
Analysed by:-		
Current liabilities	227,308	242,256
Non-current liabilities	284,803	580,405
	<u>512,111</u>	<u>822,661</u>

19. BORROWINGS

	The Group	
	2024 RM	2023 RM
<u>Non-current</u>		
Term loans (secured)	20,987,825	22,184,029
Hire purchase payables (secured)	350,529	168,323
	<u>21,338,354</u>	<u>22,352,352</u>
<u>Current</u>		
Term loans (secured)	1,279,390	1,223,893
Hire purchase payables (secured)	263,402	71,539
	<u>1,542,792</u>	<u>1,295,432</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

19. BORROWINGS (CONT'D)

(a) The term loans are secured by:-

- (i) a first party legal charge over the Group's freehold land and bearer plants as disclosed in Note 6 to the financial statements;
- (ii) a first party legal charge over the Group's fixed deposit with a licensed bank as disclosed in Note 16 to the financial statements;
- (iii) joint and several guarantees by the directors of the Company;
- (iv) a corporate guarantee by the Company; and
- (v) a corporate guarantee by the Government of Malaysia under PEMULIH Government Guarantee Scheme.

The term loans of the Group at the end of the reporting period bore effective interest rates ranging from 4.42% to 7.85% (2023 - 5.54% to 7.85%) per annum.

(b) Hire purchase payables are secured by the assets as disclosed in Notes 6 and 7 to the financial statements respectively.

20. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2023 - 30 to 90) days.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other payables	550,518	17,677	289	7,534
Accruals	213,396	130,000	40,000	35,000
	<u>763,914</u>	<u>147,677</u>	<u>40,289</u>	<u>42,534</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

22. BANK OVERDRAFT (SECURED)

The bank overdraft at the end of the reporting period bore floating interest rate of 7.85% per annum and is secured by:-

- (a) joint and several guarantees by the directors of the Company;
- (b) a corporate guarantee by the Company; and
- (c) a corporate guarantee by the Government of Malaysia under PEMULIH Government Guarantee Scheme.

23. REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Management fee	-	-	-	972,000
<u>Recognised at a point in time</u>				
Retail operations	1,176,543	808,320	-	-
Sales of fresh fruits	10,843,159	8,281,713	-	-
Sales of goods	6,273,840	1,869,948	-	-
	<u>18,293,542</u>	<u>10,959,981</u>	<u>-</u>	<u>972,000</u>

24. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses:				
- trade receivables	11,108	-	-	-
	<u>11,108</u>	<u>-</u>	<u>-</u>	<u>-</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****25. PROFIT/(LOSS) BEFORE TAXATION**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- audit fees	138,000	110,000	35,000	30,000
- non-audit fees	6,000	-	6,000	-
Amortisation of intangible assets (Note 8)	179,598	-	-	-
Bad debt written off	318	-	-	-
Depreciation:				
- property, plant and equipment (Note 6)	1,824,407	1,192,774	-	2,890
- right-of-use assets (Note 7)	216,781	309,148	-	-
Interest expense on hire purchase payables	23,981	7,705	-	-
Interest expense on lease liabilities (Note 18)	43,335	64,754	-	-
Interest expense on term loans	1,592,007	1,195,865	-	-
Inventories written down	16,069	-	-	-
Intangible assets written off	51,120	-	-	-
Realised loss on foreign exchange	31,244	-	-	-
Property, plant and equipment written off	5,464	-	5,464	-
Staff costs (including other key management personnel as disclosed in Note 29):				
- short-term employee benefits	1,671,686	1,356,263	-	-
- defined contribution benefits	197,206	158,544	-	-
- others	108,611	52,215	-	-
Fair value changes in biological assets (net)	(210,306)	70,038	-	-
Gain on disposal of property, plant and equipment	(14,009)	-	-	-
Gain on lease termination	(3,698)	-	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with a licensed bank	(2,511)	-	-	-
- amount owing by subsidiaries	-	-	(1,199,739)	-
- others	(4,212)	(1,415)	-	-

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****26. INCOME TAX EXPENSE**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense	1,437,000	648,000	250,000	-
Underprovision in the previous financial year	167,080	28,254	29,675	9,118
	<u>1,604,080</u>	<u>676,254</u>	<u>279,675</u>	<u>9,118</u>
Deferred tax (Note 9):				
- origination of temporary differences	50,473	-	-	-
- underprovision in the previous financial year	135,000	-	-	-
	<u>185,473</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,789,553</u>	<u>676,254</u>	<u>279,675</u>	<u>9,118</u>

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation	4,984,553	1,682,252	1,013,478	(396,210)
Tax at the statutory tax rate of 24% (2023 - 24%)	1,196,293	403,740	243,235	(95,090)
Tax effects of:-				
Non-deductible expenses	81,992	184,641	6,765	95,090
Non-taxable income	(888)	-	-	-
Deferred tax assets not recognised during the financial year	210,076	59,619	-	-
Underprovision of current tax in the previous financial year	167,080	28,254	29,675	9,118
Underprovision of deferred taxation in the previous financial year	135,000	-	-	-
	<u>1,789,553</u>	<u>676,254</u>	<u>279,675</u>	<u>9,118</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

26. INCOME TAX EXPENSE (CONT'D)

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

Deferred tax assets have not been recognised by the Group and by the Company in respect of the following items:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	1,009,698	699,273	-	-
Unused tax losses:				
- expires year of assessment 2031	118,656	118,656	-	-
- expires year of assessment 2032	247,399	247,399	-	-
- expires year of assessment 2033	82,220	82,220	-	-
- expires year of assessment 2034	537,514	-	-	-
Property, plant and equipment, and intangible assets	(324,813)	(352,191)	-	-
	<u>1,670,674</u>	<u>795,357</u>	<u>-</u>	<u>-</u>

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and unabsorbed capital allowances available to the Group.

Based on the current legislation, the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

27. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM)	3,568,304	1,131,057
Weighted average number of ordinary shares in issue	326,336,554	313,262,130
Basic earnings per share (sen)	1.09	0.36

(b) Diluted Earnings Per Share

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

DSR TAIKO BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

28. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 6)	9,130,120	13,531,605	-	15,900
Less: Acquired through hire purchase arrangements	(490,000)	-	-	-
Less: Other payables - balances remained unpaid at financial year end	(100,820)	-	-	-
	<u>8,539,300</u>	<u>13,531,605</u>	<u>-</u>	<u>15,900</u>
Right-of-use assets				
Cost of right-of-use assets acquired (Note 7)	-	290,116	-	-
Less: Acquired through hire purchase arrangements	-	(229,000)	-	-
	<u>-</u>	<u>61,116</u>	<u>-</u>	<u>-</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

28. CASH FLOW INFORMATION (CONT'D)

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

The Group	Lease Liabilities RM	Hire Purchases RM	Term Loans RM	Total RM
2024				
At 1 July	822,661	239,862	23,407,922	24,470,445
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	490,000	179,657	669,657
Repayment of principal	(227,823)	(115,931)	(1,320,364)	(1,664,118)
Repayment of interest	(43,335)	(23,981)	(1,592,007)	(1,659,323)
	(271,158)	350,088	(2,732,714)	(2,653,784)
<u>Other Changes</u>				
Interest expense recognised in profit or loss (Note 25)	43,335	23,981	1,592,007	1,659,323
Reassessments of leases (Note 18)	(17,941)	-	-	(17,941)
Terminations of leases (Note 18)	(64,786)	-	-	(64,786)
	(39,392)	23,981	1,592,007	1,576,596
At 30 June	512,111	613,931	22,267,215	23,393,257

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

28. CASH FLOW INFORMATION (CONT'D)

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

The Group	Lease Liabilities RM	Hire Purchases RM	Term Loans RM	Total RM
2023				
At 1 July	1,022,372	40,965	15,616,299	16,679,636
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	229,000	8,579,197	8,808,197
Repayment of principal	(246,007)	(30,103)	(792,729)	(1,068,839)
Repayment of interest	(64,754)	(7,705)	(1,190,710)	(1,263,169)
	(310,761)	191,192	6,595,758	6,476,189
<u>Other Changes</u>				
Interest expense recognised in profit or loss (Note 25)	64,754	7,705	1,195,865	1,268,324
Reassessments of leases (Note 18)	46,296	-	-	46,296
	111,050	7,705	1,195,865	1,314,620
At 30 June	822,661	239,862	23,407,922	24,470,445

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

28. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposit with a licensed bank	102,511	100,000	-	-
Cash and bank balances	1,990,810	5,665,236	7,210	2,157,320
Bank overdraft	(895,619)	-	-	-
	<u>1,197,702</u>	<u>5,765,236</u>	<u>7,210</u>	<u>2,157,320</u>
Less: Fixed deposit pledged to a licensed bank	(102,511)	(100,000)	-	-
	<u>1,095,191</u>	<u>5,665,236</u>	<u>7,210</u>	<u>2,157,320</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include directors of the Group and certain members of senior management of the Group.

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Group</u>				
Short-term employee benefits:				
- fees	24,000	24,000	24,000	24,000
- salaries, bonuses and other benefits	612,000	588,000	-	588,000
Defined contribution benefits	63,972	60,060	-	60,060
	<u>699,972</u>	<u>672,060</u>	<u>24,000</u>	<u>672,060</u>
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Other Key Management Personnel</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	750,023	468,750	-	-
Defined contribution benefits	95,202	59,139	-	-
	<u>845,225</u>	<u>527,889</u>	<u>-</u>	<u>-</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

30. RELATED PARTY TRANSACTIONS

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transaction with subsidiaries:				
- Management fee	-	-	-	972,000
- Interest income	-	-	1,199,739	-
Transaction with related parties:				
- Sales of goods	2,868,850	1,032,448	-	-
- Purchase of goods	(1,508,677)	(307,390)	-	-
- Purchase of assets	(25,200)	(180,000)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

31. OPERATING SEGMENTS

31.1 BUSINESS SEGMENTS

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

The Group is organised into 3 main reportable segments as follows:-

- (i) Plantation segment - involving in cultivation and harvesting of durians;
- (ii) Retail and manufacturing segment - retailing of fresh durians and the development, production and distribution of durian-based products; and
- (iii) Corporate - provision of corporate services to the entities within the Group.

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2024				
Revenue				
External revenue	11,017,653	7,275,889	-	18,293,542
Inter-segment revenue	3,689,051	174,494	-	3,863,545
	<u>14,706,704</u>	<u>7,450,383</u>	-	<u>22,157,087</u>
Consolidation adjustments				<u>(3,863,545)</u>
Consolidated revenue				<u>18,293,542</u>
Results				
Segment profit/(loss)	7,660,232	(828,495)	1,013,478	7,845,215
Finance costs	(2,602,391)	(256,671)	-	(2,859,062)
	<u>5,057,841</u>	<u>(1,085,166)</u>	1,013,478	4,986,153
Consolidated adjustments				<u>(1,600)</u>
Consolidated profit before taxation				<u>4,984,553</u>

DSR TAIKO BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31. OPERATING SEGMENTS (CONT'D)

31.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2024				
Result (Cont'd)				
Segment profit/(loss) includes the following:-				
Depreciation and amortisation	1,582,845	637,941	-	2,220,786
Intangible assets written off	27,895	23,225	-	51,120
Inventories written down	-	16,069	-	16,069
Impairment on trade receivables	-	11,108	-	11,108
Interest expenses	1,598,762	60,561	-	1,659,323
Fair value changes in biological assets (net)	(210,306)	-	-	210,306
Assets				
Segment assets	85,803,417	7,157,959	58,995,450	151,956,826
Consolidation adjustments				(61,002,836)
Consolidated total assets				90,953,990
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	8,028,374	1,101,746	-	9,130,120
- intangible assets	1,059,001	150,041	-	1,209,042
Liabilities				
Segment liabilities	57,022,274	8,975,063	282,928	66,280,265
Consolidation adjustments				(38,941,234)
Consolidated total liabilities				27,339,031

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

31. OPERATING SEGMENTS (CONT'D)

31.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2023				
Revenue				
External revenue	8,281,713	2,678,268	-	10,959,981
Inter-segment revenue	775,574	-	972,000	1,747,574
	<u>9,057,287</u>	<u>2,678,268</u>	<u>972,000</u>	<u>12,707,555</u>
Consolidation adjustments				(1,747,574)
Consolidated revenue				<u>10,959,981</u>
Results				
Segment profit/(loss)	3,703,282	(356,496)	(396,210)	2,950,576
Finance costs				(1,268,324)
Consolidated profit before taxation				<u>1,682,252</u>
Segment profit/(loss) includes the following:-				
Depreciation	990,773	508,259	2,890	1,501,922
Interest expense	1,207,955	60,369	-	1,268,324
Fair value changes in biological assets (net)	70,038	-	-	70,038

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

31. OPERATING SEGMENTS (CONT'D)

31.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2023				
Assets				
Segment assets	77,009,677	5,138,855	56,619,873	138,768,405
Consolidation adjustments				(54,206,141)
Consolidated total assets				<u>84,562,264</u>
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	13,039,732	475,973	15,900	13,531,605
- right-of-use assets	110,116	180,000	-	290,116
Liabilities				
Segment liabilities	51,911,499	5,835,793	42,534	57,789,826
Consolidation adjustments				(32,206,141)
Consolidated total liabilities				<u>25,583,685</u>

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of investments in subsidiaries and related expenses, management fee, corporate assets and head office expenses.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

31. OPERATING SEGMENTS (CONT'D)

31.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

The Group operates in Malaysia. Accordingly, the information by geographical segment is not presented.

31.3 MAJOR CUSTOMERS

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

	2024	2023	
	RM	RM	Segment
Customer A	*	1,550,550	Plantation
Customer B	*	1,338,990	Plantation
Customer C	2,222,069	1,245,295	Plantation
Customer D	1,784,428	*	Plantation
Customer E	2,620,481	*	Retail and Manufacturing
Customer F	2,062,038	*	Retail and Manufacturing
	<u>8,689,016</u>	<u>4,134,835</u>	

** Not being a major customer by definition herein for the respective reporting periods.*

32. FINANCIAL INSTRUMENTS

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

32.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

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

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amount of the financial instrument at the end of the reporting period is disclosed in Note 19 to the financial statements.

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

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

Also, the Company's exposure to credit risk includes advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2023 - 3) customers which constituted approximately 70% (2023 - 52%) of its trade receivables (including related parties) at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

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

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

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

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 - 210 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over 24 months (2023 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Non-credit Impaired RM	Total RM
The Group		
<u>Trade receivables</u>		
Balance at 1.7.2023	-	-
Additions (Note 24)	11,108	11,108
Balance at 30.6.2024	<u>11,108</u>	<u>11,108</u>

The information about the credit exposure and loss allowances recognised for trade receivables (including related parties) are as follows:-

	Gross Amount RM	Collective Impairment RM	Carrying Amount RM
The Group			
2024			
Current (not past due)	4,833,319	-	4,833,319
1 to 90 days past due	1,520,037	-	1,520,037
91 to 180 days past due	19,300	-	19,300
180 to 210 days past due	11,108	(11,108)	-
	<u>6,383,764</u>	<u>(11,108)</u>	<u>6,372,656</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables (including related parties) are as follows:- (Cont'd)

	Gross Amount RM	Collective Impairment RM	Carrying Amount RM
The Group			
2023			
Current (not past due)	3,568,834	-	3,568,834
1 to 90 days past due	1,955	-	1,955
91 to 180 days past due	44,154	-	44,154
	3,614,943	-	3,614,943

Trade receivables (including related parties) that are collectively determined to be impaired related to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables (including related parties) that impacted the allowance for impairment losses.

Fixed Deposit with A Licensed Bank and Bank Balances

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

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Non-trade Balance)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

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

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

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the balances are not recoverable. Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****32. FINANCIAL INSTRUMENTS (CONT'D)****32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk**

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

Maturity Analysis

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

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
The Group					
2024					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	6.14 - 6.73	512,111	549,499	254,400	295,099
Borrowings	2.44 - 7.85	22,881,146	34,924,195	3,208,715	31,715,480
Trade payables	-	1,355,674	1,355,674	1,355,674	-
Other payables and accruals	-	763,914	763,914	763,914	-
Amount owing to related parties	-	171,960	171,960	171,960	-
Bank overdraft	7.85	895,619	895,619	895,619	-
			26,580,424	38,660,861	6,650,282
					32,010,579

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) **Liquidity Risk (Cont'd)**

Maturity Analysis (Cont'd)

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

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
The Group					
2023					
<u>Non-derivative</u>					
<u>Financial</u>					
<u>Liabilities</u>					
Lease liabilities	6.14 - 6.73	822,661	912,698	287,130	625,568
Borrowings	2.44 - 7.85	23,647,784	37,058,135	2,998,630	34,059,505
Trade payables	-	757,345	757,345	757,345	-
Other payables and accruals	-	147,677	147,677	147,677	-
Amount owing to related parties	-	19,224	19,224	19,224	-
		25,394,691	38,895,079	4,210,006	34,685,073

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) **Liquidity Risk (Cont'd)**

Maturity Analysis (Cont'd)

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

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	40,289	40,289	40,289
2023				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	42,534	42,534	42,534

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024	2023
	RM	RM
Lease liabilities (Note 18)	512,111	822,661
Borrowings (Note 19)	22,881,146	23,647,784
	<u>23,393,257</u>	<u>24,470,445</u>
Less: Cash and cash equivalents (Note 28(c))	(1,095,191)	(5,665,236)
Net debts	<u>22,298,066</u>	<u>18,805,209</u>
Total equity	<u>63,614,959</u>	<u>58,978,579</u>
Debt-to-equity ratio	<u>0.35</u>	<u>0.32</u>

There was no change in the approach to capital management during the financial year.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****32. FINANCIAL INSTRUMENTS (CONT'D)**

32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Asset				
<u>Amortised Cost</u>				
Trade receivables (Note 12)	3,953,212	2,682,475	-	-
Amount owing by subsidiaries (Note 14)	-	-	36,928,240	31,669,501
Amount owing by related parties (Note 15)	2,419,444	932,468	-	-
Fixed deposit with a licensed bank	102,511	100,000	-	-
Cash and bank balances	1,990,810	5,665,236	7,210	2,157,320
	<u>8,465,977</u>	<u>9,380,179</u>	<u>36,935,450</u>	<u>33,826,821</u>
Financial Liability				
<u>Amortised Cost</u>				
Amount owing to related parties (Note 15)	171,960	19,224	-	-
Borrowings (Note 19)	22,881,146	23,647,784	-	-
Trade payables (Note 20)	1,355,674	757,345	-	-
Other payables and accruals (Note 21)	763,914	147,677	40,289	42,534
Bank overdraft (Note 22)	895,619	-	-	-
	<u>26,068,313</u>	<u>24,572,030</u>	<u>40,289</u>	<u>42,534</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024	2023	2023	2022
	RM	RM	RM	RM
Financial Asset				
<u>Amortised Cost</u>				
Net (losses)/gain recognised in profit or loss	(4,385)	1,415	1,199,739	-
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(1,615,988)	(1,203,570)	-	-

32.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

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

The fair value of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

The fair value of term loans that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

33. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 12 July 2024, the Company acquired an additional 40% equity interest in the subsidiary, DSR JCIB Sdn. Bhd. ("DSR JCIB") for a total cash consideration of RM40,000. The acquisition of DSR JCIB was completed on 12 July 2024 and as a consequence thereof, DSR JCIB became a wholly-owned subsidiary of the Company.

34. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
Statements of Financial Position (Extract):-		
The Group		
Non-current liabilities		
Lease liabilities	748,728	580,405
Borrowings	22,184,029	22,352,352
	<hr/>	<hr/>
Current liabilities		
Lease liabilities	313,795	242,256
Borrowings	1,223,893	1,295,432
	<hr/>	<hr/>