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Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD
(Incorporated in Malaysia)

FINANCIAL REPORT
for the financial year ended 30 June 2023

Registration No: 202101001462 (1401760-W)

DSR TAIKO BERHAD
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DSR TAIKO BERHAD

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

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.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	1,005,998	(405,328)
Attributable to:-		
Owners of the Company	1,131,057	(405,328)
Non-controlling interests	(125,059)	-
	<u>1,005,998</u>	<u>(405,328)</u>

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM49,461,420 to RM59,162,020 by way of issuance of 11,830,000 new ordinary shares pursuant to private placement exercise at an issue price of RM0.82 per ordinary share for a total cash consideration of RM9,700,600.

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

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

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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 except for the share options granted pursuant to the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the setting up of 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.

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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 Company to meet its 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.

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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 name of director of the Company's subsidiary who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows:-

Chay Hong Choong

DIRECTORS' INTERESTS

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

	<----- Number Of Ordinary Shares ----->			
	At 1.7.2022	Bought	Sold	At 30.6.2023
The Company				
<i>Direct Interests</i>				
Dato' Ng Lian Poh	111,050,010	-	-	111,050,010
Ng Soh Kian	111,050,010	-	-	111,050,010
Chan Kwai Cheong	5,000,000	-	-	5,000,000
Tan Fie Ping	835,000	-	-	835,000
<i>Indirect Interests</i>				
Dato Ng' Lian Poh*	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.

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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 transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 27(b) to the financial statements.

Neither during nor at the end of the financial year was the Group and 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	588,000	588,000
Defined contribution benefits	60,060	60,060
	<u>672,060</u>	<u>672,060</u>

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.

SUBSIDIARIES

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

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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 RM110,000 and RM30,000 respectively.

Signed in accordance with a resolution of the directors dated **19 OCT 2023**



Dato' Ng Lian Poh



Ng Soh Kian

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DSR TAIKO BERHAD
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**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 12 to 83 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated **19 OCT 2023**



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 12 to 83 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 **19 OCT 2023**

Before me



Dato' Ng Lian Poh

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

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

(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 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 83.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and 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. We have determined that there are no key audit matters to communicate in our report.

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 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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)**

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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 and 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)**
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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.

A handwritten signature in black ink that reads "Crowe Malaysia" followed by a long horizontal flourish.

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

Kuala Lumpur

19 October 2023

A handwritten signature in black ink, appearing to read "Ung Voon Huay", with a horizontal flourish.

Ung Voon Huay
03233/09/2024 J
Chartered Accountant

DSR TAIKO BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	22,000,000	22,000,000
Property, plant and equipment	6	71,470,600	59,131,769	20,170	7,160
Right-of-use assets	7	1,044,094	1,016,830	-	-
Deferred tax assets	8	135,000	135,000	-	-
		<u>72,649,694</u>	<u>60,283,599</u>	<u>22,020,170</u>	<u>22,007,160</u>
CURRENT ASSETS					
Inventories	9	1,059,020	185,347	-	-
Biological assets	10	-	70,038	-	-
Trade receivables	11	2,682,475	1,859,180	-	-
Deposits and prepayments	12	1,264,889	996,033	742,000	268,392
Amount owing by subsidiaries	13	-	-	31,669,501	25,013,205
Amount owing by related parties	14	932,468	1,645,711	-	-
Current tax assets		208,482	-	30,882	7,500
Fixed deposits with a licensed bank	15	100,000	-	-	-
Cash and bank balances		5,665,236	892,587	2,157,320	81,190
		<u>11,912,570</u>	<u>5,648,896</u>	<u>34,599,703</u>	<u>25,370,287</u>
TOTAL ASSETS		<u>84,562,264</u>	<u>65,932,495</u>	<u>56,619,873</u>	<u>47,377,447</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	59,162,020	49,461,420	59,162,020	49,461,420
Retained profits/ (Accumulated losses)		25,640	(1,105,417)	(2,584,681)	(2,179,353)
Equity attributable to owners of the Company		<u>59,187,660</u>	<u>48,356,003</u>	<u>56,577,339</u>	<u>47,282,067</u>
Non-controlling interests	5	(209,081)	(84,022)	-	-
TOTAL EQUITY		<u>58,978,579</u>	<u>48,271,981</u>	<u>56,577,339</u>	<u>47,282,067</u>

DSR TAIKO BERHAD
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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONT'D)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT LIABILITIES					
Lease liabilities	17	748,728	839,592	-	-
Term loans	18	22,184,029	14,953,428	-	-
		<u>22,932,757</u>	<u>15,793,020</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Trade payables	19	757,345	615,047	-	-
Other payables and accruals	20	147,677	180,878	42,534	50,058
Amount owing to subsidiaries	13	-	-	-	45,322
Amount owing to related parties	14	19,224	45,093	-	-
Lease liabilities	17	313,795	223,745	-	-
Term loans	18	1,223,893	662,871	-	-
Current tax liabilities		188,994	139,860	-	-
		<u>2,650,928</u>	<u>1,867,494</u>	<u>42,534</u>	<u>95,380</u>
TOTAL LIABILITIES		<u>25,583,685</u>	<u>17,660,514</u>	<u>42,534</u>	<u>95,380</u>
TOTAL EQUITY AND LIABILITIES		<u>84,562,264</u>	<u>65,932,495</u>	<u>56,619,873</u>	<u>47,377,447</u>

DSR TAIKO BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	21	10,959,981	7,798,001	972,000	-
COST OF SALES		(3,717,627)	(3,945,527)	-	-
GROSS PROFIT		7,242,354	3,852,474	972,000	-
OTHER INCOME		1,880	125,241	-	39,989
		7,244,234	3,977,715	972,000	39,989
ADMINISTRATIVE EXPENSES		(3,756,807)	(3,424,640)	(1,365,320)	(1,544,027)
OTHER EXPENSES		(536,851)	(330,779)	(2,890)	(211,320)
FINANCE COSTS		(1,268,324)	(486,611)	-	-
PROFIT/(LOSS) BEFORE TAXATION	22	1,682,252	(264,315)	(396,210)	(1,715,358)
INCOME TAX EXPENSE	23	(676,254)	(265,540)	(9,118)	(2,692)
PROFIT/(LOSS) AFTER TAXATION		1,005,998	(529,855)	(405,328)	(1,718,050)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		1,005,998	(529,855)	(405,328)	(1,718,050)

DSR TAIKO BERHAD

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		1,131,057	(413,740)	(405,328)	(1,718,050)
Non-controlling interests		(125,059)	(116,115)	-	-
		<u>1,005,998</u>	<u>(529,855)</u>	<u>(405,328)</u>	<u>(1,718,050)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		1,131,057	(413,740)	(405,328)	(1,718,050)
Non-controlling interests		(125,059)	(116,115)	-	-
		<u>1,005,998</u>	<u>(529,855)</u>	<u>(405,328)</u>	<u>(1,718,050)</u>
EARNINGS/(LOSS) PER SHARE (SEN)					
- Basic	24	0.36	(0.13)		
- Diluted		0.36	(0.13)		

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	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 1.7.2020		49,461,420	(691,677)	48,769,743	32,093	48,801,836
Loss after taxation/Total comprehensive expenses for the financial year		-	(413,740)	(413,740)	(116,115)	(529,855)
Balance at 30.6.2022/1.7.2022		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	16	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		59,162,020	25,640	59,187,660	(209,081)	58,978,579

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

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
At 1.7.2021		49,461,420	(461,303)	49,000,117
Loss for the financial year/Total comprehensive expenses for the financial year		-	(1,718,050)	(1,718,050)
Balance at 30.6.2022/1.7.2022		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		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		59,162,020	(2,584,681)	56,577,339

DSR TAIKO BERHAD

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		1,682,252	(264,315)	(396,210)	(1,715,358)
Adjustments for:-					
Depreciation of property, plant and equipment		1,192,774	444,683	2,890	1,320
Depreciation of right-of-use assets		309,148	216,343	-	-
Fair value changes in biological assets (net)		70,038	(19,342)	-	-
Impairment loss on investment in subsidiary		-	-	-	210,000
Interest expense on lease liabilities		72,459	57,227	-	-
Interest expense on term loans		1,195,865	429,384	-	-
Interest income		(1,415)	(39,989)	-	(39,989)
Operating profit/(loss) before working capital changes		4,521,121	823,991	(393,320)	(1,544,027)
Increase in inventories		(873,673)	(175,029)	-	-
Increase in trade receivables, deposits and prepayments		(1,092,151)	(1,094,853)	(473,608)	(268,392)
Increase/(Decrease) in trade and other payables		109,097	293,419	(7,524)	35,058
Increase in amount owing by subsidiaries		-	-	(972,000)	-
Decrease/(Increase) in amount owing by related parties		698,754	(1,613,718)	-	-
CASH FROM/(FOR) OPERATIONS		3,363,148	(1,766,190)	(1,846,452)	(1,777,361)
Income tax paid		(835,602)	(251,674)	(32,500)	(10,192)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		2,527,546	(2,017,864)	(1,878,952)	(1,787,553)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)**

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Addition to right-of-use assets	25(a)	(61,116)	-	-	-
Increase in pledged deposits with a licensed bank		(100,000)	-	-	-
Advances to subsidiaries		-	-	(5,729,618)	(11,491,162)
Interest received		1,415	39,989	-	39,989
Purchase of property, plant and equipment		(13,531,605)	(25,995,048)	(15,900)	(8,480)
NET CASH FOR INVESTING ACTIVITIES		(13,691,306)	(25,955,059)	(5,745,518)	(11,459,653)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		8,579,197	15,880,000	-	-
Interest paid	25(b)	(1,263,169)	(486,611)	-	-
Proceeds from issuance of ordinary shares		9,700,600	-	9,700,600	-
Repayment of lease liabilities	25(b)	(276,110)	(163,550)	-	-
Repayment of term loans (Repayment to)/Advances from related parties		(792,729)	(263,701)	-	-
		(11,380)	13,100	-	-
NET CASH FROM FINANCING ACTIVITIES		15,936,409	14,979,238	9,700,600	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		4,772,649	(12,993,685)	2,076,130	(13,247,206)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		892,587	13,886,272	81,190	13,328,396
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	25(c)	5,665,236	892,587	2,157,320	81,190

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

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

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

Principal place of business : No. 6-1, Jalan Eco Santuari 8/2A,
Eco Santuari,
42500 Telok Panglima Garang,
Selangor, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 October 2023.

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.

3. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework

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

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

Annual Improvements to MFRS Standards 2018 – 2020

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

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**NOTES TO THE FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 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 upon their initial application.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future and other key sources of estimation of uncertainties at the end of 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

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

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

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

(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. Any changes in fair value of biological assets would affect profit and/or equity.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 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 11, 13 and 14 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 related parties as at the reporting date are disclosed in Notes 13 and 14 to the financial statements.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM188,994 (2022 – RM139,860).

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 8 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 Group's accounting policies 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).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and the parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries treated as a merger deficit or merger reserve as applicable. The merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statutes do not prohibit the use of such reserves.

(b) Non-controlling interest

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognised any gain or loss in profit or loss which is calculated as the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date of disposal.

If the Group retains any interest in the former subsidiary, that investment is accounted for as a financial asset from the date the entity ceases to be a subsidiary, provided that it does not become an associate. The carrying amount on that date is regarded as the cost of the initial measurement of the financial asset.

4.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

4.4 FINANCIAL INSTRUMENTS

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

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

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

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

(d) Derecognition

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

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

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT

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

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

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold land is revalued periodically, at least once in every three years. Surplus arising from the revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficit arising from the revaluation, to the extent that it is not supported by any previous revaluation surplus, is recognised in profit or loss.

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

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%

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

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

4.7 LEASES

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 LEASES (CONT'D)

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

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

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

4.8 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVENTORIES

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

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

4.10 CASH AND CASH EQUIVALENTS

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

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

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

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

(b) Impairment of Non-financial Assets

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

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

4.13 INCOME TAXES

(a) Current Tax

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 INCOME TAXES (CONT'D)

(b) Deferred Tax

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 OPERATING SEGMENTS

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

4.15 EARNINGS PER ORDINARY SHARE

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

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

4.16 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. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

Sale of Goods

Revenue from sale of 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.

4.18 OTHER OPERATING INCOME

(a) Interest Income

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****5. INVESTMENTS IN SUBSIDIARIES**

	The Company	
	2023 RM	2022 RM
Unquoted shares, at cost	22,210,000	22,210,000
Less: Accumulated impairment losses	(210,000)	(210,000)
	22,000,000	22,000,000
	The Company	
	2023 RM	2022 RM
Impairment loss on investments in subsidiaries:		
At 1 July	(210,000)	-
Addition	-	(210,000)
At 30 June	(210,000)	(210,000)

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
		2023 %	2022 %	
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.

In the previous financial year, the Company carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM210,000, representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****5. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

- (a) The non-controlling interests at the end of the reporting period comprised the following:-

	Effective Equity Interest		The Group	
	2023 %	2022 %	2023 RM	2022 RM
DSR Daily Fresh Sdn. Bhd. ("DSR Daily Fresh")	30	30	(209,081)	(84,022)

- (b) 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	
	2023 RM	2022 RM
<u>At 30 June</u>		
Non-current assets	2,157,682	2,009,968
Current assets	2,981,173	2,455,590
Non-current liabilities	(645,409)	(4,427,652)
Current liabilities	(5,190,384)	(317,979)
Net assets	(696,938)	(280,073)
<u>Financial Year Ended 30 June</u>		
Revenue	2,678,268	3,989,692
Loss for the financial year	(416,865)	(387,051)
Total comprehensive expenses	(416,865)	(387,051)
Total comprehensive expenses attributable to non-controlling interests	(125,059)	(116,115)
Net cash flows from/(for) operating activities	188,601	(2,138,556)
Net cash flows for investing activities	(515,973)	(796,785)
Net cash flows from/(for) financing activities	402,018	(2,998,938)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****6. PROPERTY, PLANT AND EQUIPMENT**

	At 1.7.2022 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
The Group				
2022				
<i>Carrying amount</i>				
Freehold land	15,504,023	7,301,914	-	22,805,937
Bearer plants (Mature)	9,311,873	16,506,998	(167,175)	25,651,696
Bearer plants (Immature)	8,111,750	482,020	-	8,593,770
Durian orchard facilities (Completed)	-	536,565	(29,997)	506,568
Durian orchard facilities (Work in progress)	-	221,660	-	221,660
Equipment	19,660	33,496	(10,609)	42,547
Furniture and fittings	50,148	79,806	(19,233)	110,721
Kitchen equipment	82,484	319,185	(42,552)	359,117
Motor vehicles	141,297	3,000	(29,789)	114,508
Office equipment	92,386	148,003	(41,125)	199,264
Renovation	267,783	362,401	(104,203)	525,981
	33,581,404	25,995,048	(444,683)	59,131,769

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2022			
Freehold land	22,805,937	-	22,805,937
Bearer plants (Mature)	25,838,998	(187,302)	25,651,696
Bearer plants (Immature)	8,593,770	-	8,593,770
Durian orchard facilities (Completed)	536,565	(29,997)	506,568
Durian orchard facilities (Work-in-progress)	221,660	-	221,660
Equipment	65,976	(23,429)	42,547
Furniture and fittings	136,762	(26,041)	110,721
Kitchen equipment	404,639	(45,522)	359,117
Motor vehicles	150,448	(35,940)	114,508
Office equipment	260,029	(60,765)	199,264
Renovation	677,011	(151,030)	525,981
	59,691,795	(560,026)	59,131,769

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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

	At 1.7.2022 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2023 RM
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

	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
The Company				
2022				
<i>Carrying amount</i>				
Office equipment	-	8,480	(1,320)	7,160

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
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
The Company			
2022			
Office equipment	8,480	(1,320)	7,160

- (a) Freehold land and bearer plants of the Group with a total net book value of RM43,482,405 (2022 – RM28,350,035) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18(a) to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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7. RIGHT-OF-USE ASSETS

	At 1.7.2022 RM	Additions (Note 25(a)) RM	Reassessment of Lease Liabilities RM	Depreciation Charges (Note 22) 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

	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
The Group				
2022				
Motor vehicle	59,850	-	(12,600)	47,250
Shop lots	161,484	923,882	(163,072)	922,294
Shop offices	42,224	45,733	(40,671)	47,286
	263,558	969,615	(216,343)	1,016,830

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2023			
Motor vehicles	353,116	(45,926)	307,190
Shop lots	1,094,174	(394,648)	699,526
Shop offices	153,957	(116,579)	37,378
	1,601,247	(557,153)	1,044,094

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2022			
Motor vehicle	63,000	(15,750)	47,250
Shop lots	1,094,174	(171,880)	922,294
Shop offices	107,661	(60,375)	47,286
	<u>1,264,835</u>	<u>(248,005)</u>	<u>1,016,830</u>

The Group leases buildings and motor vehicles 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 (2022 – 2 to 3) years, with an option to renew the lease after those dates.
- (iii) Shop offices The Group has leased a number of shop offices for 2 to 3 (2022 – 2 to 3) years, with no renewal option for the leases after those dates.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. DEFERRED TAX ASSETS

	The Group	
	2023 RM	2022 RM
At 1 July	135,000	-
Recognised in profit or loss (Note 23)	-	135,000
At 30 June	135,000	135,000

Movement in deferred tax assets/(liabilities):

	At 1.7.2022 RM	Recognised in Profit or Loss (Note 23) RM	At 30.6.2023 RM
The Group			
2023			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	(73,604)	-	(73,604)
<i>Deferred Tax Assets</i>			
Unutilised business losses	109,822	-	109,822
Unabsorbed capital allowances	98,782	-	98,782
	208,604	-	208,604
	135,000	-	135,000

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**NOTES TO THE FINANCIAL STATEMENTS
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8. DEFERRED TAX ASSETS (CONT'D)

	At 1.7.2021 RM	Recognised in Profit or Loss (Note 23) RM	At 30.6.2022 RM
The Group			
2022			
<i>Deferred Tax Liability</i>			
Property, plant and equipment	-	(73,604)	(73,604)
<i>Deferred Tax Assets</i>			
Unutilised business losses	-	109,822	109,822
Unabsorbed capital allowances	-	98,782	98,782
	-	208,604	208,604
	-	135,000	135,000

9. INVENTORIES

	The Group	
	2023 RM	2022 RM
Finished goods	1,059,020	185,347
Recognised in profit or loss:- Inventories recognised as cost of sales	1,382,335	2,758,284

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**NOTES TO THE FINANCIAL STATEMENTS
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10. BIOLOGICAL ASSETS

	The Group	
	2023 RM	2022 RM
Durian fruits	-	70,038

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

	The Group	
	2023 RM	2022 RM
At 1 July	70,038	50,696
Transfers to produce stocks	(70,038)	(50,696)
Fair value measurement	-	70,038
At 30 June	-	70,038
Fair value gain on biological assets to profit or loss	-	70,038

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

11. TRADE RECEIVABLES

The Group's normal trade credit terms range from cash terms to 90 (2022 – cash terms to 90) days.

12. DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits	1,199,519	620,573	742,000	268,392
Prepayments	65,370	375,460	-	-
	<u>1,264,889</u>	<u>996,033</u>	<u>742,000</u>	<u>268,392</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2023	2022
	RM	RM
Amount Owing by Subsidiaries		
<u>Current</u>		
Trade balance	972,000	-
Non-trade balance	30,697,501	25,013,205
	<u>31,669,501</u>	<u>25,013,205</u>
Amount Owing to Subsidiaries		
<u>Current</u>		
Non-trade balance	-	(45,322)
	<u>-</u>	<u>(45,322)</u>

- (a) The trade balance represents management fee charged to subsidiaries. The amount owing is subject to the normal credit terms of 90 days.
- (b) The non-trade balances represent unsecured advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2023 RM	2022 RM
Amount Owing by Related Parties		
<u>Current</u>		
Trade balance	932,468	1,645,711
	<hr/>	<hr/>
Amount Owing to Related Parties		
<u>Current</u>		
Trade balance	(17,504)	(31,993)
Non-trade balance	(1,720)	(13,100)
	<hr/>	<hr/>
	<hr/>	<hr/>
	(19,224)	(45,093)
	<hr/>	<hr/>

- (a) The trade balances are subject to the trade credit terms of 30 to 90 (2022 – 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.

15. FIXED DEPOSITS WITH A LICENSED BANK

- (a) The fixed deposits with a licensed bank of the Group at the end of the reporting period bore effective interest rate of 2.45% (2022 – 1.35%) per annum. The fixed deposits have maturity period of 1 month (2022 – 1 month) for the Group.
- (b) Included in the fixed deposits with a licensed bank of the Group at the end of the reporting period was an amount of RM100,000 which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note18(b) to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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16. SHARE CAPITAL

	The Group/The Company			2022 RM
	2023 Number Of Shares	2022	2023 RM	
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July	312,938,020	312,938,020	49,461,420	49,461,420
Issuance of ordinary shares pursuant to private placement	11,830,000	-	9,700,600	-
At 30 June	<u>324,768,020</u>	<u>312,938,020</u>	<u>59,162,020</u>	<u>49,461,420</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 RM49,461,420 to RM59,162,020 by way of issuance of 11,830,000 new ordinary shares pursuant to private placement exercise at an issue price of RM0.82 per ordinary share for a total cash consideration of RM9,700,600.

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

17. LEASE LIABILITIES

	The Group	
	2023 RM	2022 RM
At 1 July	1,063,337	257,272
Additions (Note 25(b))	229,000	969,615
Interest expense recognised in profit or loss (Note 22)	72,459	57,227
Changes due to reassessment of lease term (Note 25(b))	46,296	-
Repayment of principal	(276,110)	(163,550)
Repayment of interest expense	(72,459)	(57,227)
At 30 June	<u>1,062,523</u>	<u>1,063,337</u>
Analysed by:-		
Current liabilities	313,795	223,745
Non-current liabilities	748,728	839,592
	<u>1,062,523</u>	<u>1,063,337</u>

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18. TERM LOANS (SECURED)

	The Group	
	2023	2022
	RM	RM
At 1 July	15,616,299	-
Additions	8,579,197	15,880,000
Interest expense recognised in profit or loss (Note 22)	1,195,865	429,384
Repayment of principal	(792,729)	(263,701)
Repayment of interest expense	(1,190,710)	(429,384)
	<u>23,407,922</u>	<u>15,616,299</u>
At 30 June	<u>23,407,922</u>	<u>15,616,299</u>

	The Group	
	2023	2022
	RM	RM
Current liabilities	1,223,893	662,871
Non-current liabilities	22,184,029	14,953,428
	<u>23,407,922</u>	<u>15,616,299</u>

The term loans are secured by:-

- (a) a first party legal charge over the Group's freehold land and bearer plants as disclosed in Note 6(a) to the financial statements; and
- (b) a first party legal charge over the Group's fixed deposits with a licensed bank as disclosed in Note 15(b) to the financial statements; and
- (c) joint and several guarantees by the directors of the Company.

The term loans of the Group at the end of the reporting period bore an effective interest rates of 5.54% - 7.85% (2022 – 6.50% - 6.60%) per annum.

19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2022 – 30 to 90) days.

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20. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables:-				
Third parties	17,677	71,878	7,534	20,058
Accruals	130,000	109,000	35,000	30,000
	<u>147,677</u>	<u>180,878</u>	<u>42,534</u>	<u>50,058</u>

21. REVENUE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 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	808,320	241,592	-	-
Sales of fresh fruits	8,281,713	3,808,309	-	-
Sales of goods	1,869,948	3,748,100	-	-
	<u>10,959,981</u>	<u>7,798,001</u>	<u>972,000</u>	<u>-</u>

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	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	110,000	91,000	30,000	25,000
- underprovision in the previous financial year	-	20,000	-	-
Depreciation:				
- property, plant and equipment (Note 6)	1,192,774	444,683	2,890	1,320
- right-of-use assets (Note 7)	309,148	216,343	-	-
Impairment loss on investment in subsidiaries (Note 5)	-	-	-	210,000
Interest expense on lease liabilities (Notes 17 and 25(b))	72,459	57,227	-	-
Interest expense on term loans (Notes 18 and 25(b))	1,195,865	429,384	-	-
Listing expenses	277,517	732,706	277,517	732,706
Staff costs (including other key management personnel as disclosed in Note 26):				
- short-term employee benefits	1,356,263	938,374	-	-
- defined contribution benefits	158,544	108,705	-	-
- others	52,215	48,716	-	-
Fair value changes in biological assets (net)	70,038	(19,342)	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with a licensed bank	-	(39,984)	-	(39,984)
- others	(1,415)	(1,966)	-	-

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23. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
- for the financial year	648,000	397,848	-	-
- underprovision in the previous financial year	28,254	2,692	9,118	2,692
	<u>676,254</u>	<u>400,540</u>	<u>9,118</u>	<u>2,692</u>
Deferred tax (Note 8):				
- origination and reversal of temporary differences	-	(135,000)	-	-
	<u>676,254</u>	<u>265,540</u>	<u>9,118</u>	<u>2,692</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	1,682,252	(264,315)	(396,210)	(1,715,358)
Tax at the statutory tax rate of 24% (2022 – 24%)	403,740	(63,436)	(95,090)	(411,686)
Tax effects of:-				
Non-deductible expenses	225,720	191,639	76,550	183,326
Non-taxable income	-	(26,571)	-	-
Deferred tax assets not recognised during the financial year	18,540	177,960	18,540	228,360
Utilisation of deferred tax assets previously not recognised	-	(16,744)	-	-
Underprovision of current tax in the previous financial year	28,254	2,692	9,118	2,692
	<u>676,254</u>	<u>265,540</u>	<u>9,118</u>	<u>2,692</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 – 24%) of the estimated assessable profit for the financial year.

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23. INCOME TAX EXPENSE (CONT'D)

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:- (Cont'd)

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	500,683	366,055	74,361	-
Others	123,513	180,891	207,426	204,536
	<u>624,196</u>	<u>546,946</u>	<u>281,787</u>	<u>204,536</u>

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

24. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing profit/(loss) for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial year. The following reflect the profit/(loss) and share data used in the computation of basic profit/(loss) per share for the financial years ended 30 June 2023 and 2022:

	The Group	
	2023	2022
Profit/(Loss) after taxation attributable to owners of the Company (RM)	<u>1,131,057</u>	<u>(413,740)</u>
Weighted average number of ordinary shares	<u>313,262,130</u>	<u>312,938,020</u>
Basic earnings/(loss) per share (sen)	<u>0.36</u>	<u>(0.13)</u>

(b) Diluted

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

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25. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 6)	13,531,605	25,995,048	15,900	8,480
Right-of-use assets				
Cost of right-of-use assets acquired (Note 7)	290,116	969,615	-	-
Less: Additions of new lease liabilities (Note 25(b))	(229,000)	(969,615)	-	-
	61,116	-	-	-

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25. CASH FLOW INFORMATION

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

The Group	Lease Liabilities RM	Term Loans RM	Total RM
2023			
At 1 July	1,063,337	15,616,299	16,679,636
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	-	8,579,197	8,579,197
Repayment of principal	(276,110)	(792,729)	(1,068,839)
Repayment of interest	(72,459)	(1,190,710)	(1,263,169)
	(348,569)	6,595,758	6,247,189
<u>Other Changes</u>			
Acquisition of new leases (Notes 17 and 25(a))	229,000	-	229,000
Interest expense recognised in profit or loss (Note 22)	72,459	1,195,865	1,268,324
Reassessments of leases (Note 17)	46,296	-	46,296
	347,755	1,195,865	1,543,620
At 30 June	1,062,523	23,407,922	24,470,445

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**NOTES TO THE FINANCIAL STATEMENTS
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(b) The reconciliations of liabilities arising from financing activities are as follow:- (Cont'd)

The Group	Lease Liabilities RM	Term Loans RM	Total RM
2022			
At 1 July	257,272	-	257,272
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	-	15,880,000	15,880,000
Repayment of principal	(163,550)	(263,701)	(427,251)
Repayment of interest	(57,227)	(429,384)	(486,611)
	(220,777)	15,186,915	14,966,138
<u>Other Changes</u>			
Acquisition of new leases (Notes 17 and 25(a))	969,615	-	969,615
Interest expense recognised in profit or loss (Note 22)	57,227	429,384	486,611
	1,026,842	429,384	1,456,226
At 30 June	1,063,337	15,616,299	16,679,636

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits with a licensed bank	100,000	-	-	-
Cash and bank balances	5,665,236	892,587	2,157,320	81,190
	5,765,236	892,587	2,157,320	81,190
Less: Fixed deposits pledged to a licensed bank	(100,000)	-	-	-
	5,665,236	892,587	2,157,320	81,190

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26. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Directors of the Group</u>				
Short-term employee benefits:				
- fees	24,000	22,000	24,000	22,000
- salaries, bonuses and other benefits	588,000	597,690	588,000	597,690
Defined contribution benefits	60,060	57,361	60,060	57,361
	<u>672,060</u>	<u>677,051</u>	<u>672,060</u>	<u>677,051</u>

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Other Key Management Personnel</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	468,750	419,100	-	-
Defined contribution benefits	59,139	49,725	-	-
	<u>527,889</u>	<u>468,825</u>	<u>-</u>	<u>-</u>

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27. RELATED PARTY TRANSACTIONS

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, shareholders, related parties, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions

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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Transaction with subsidiaries:				
- Management fee	-	-	(972,000)	-
Transaction with a related company:				
- Sales of goods	(775,574)	(2,314,786)	-	-
- Purchase of goods	775,574	2,314,786	-	-
Transaction with related parties:				
- Sales of goods	(1,032,448)	(3,327,228)	-	-
- Purchase of goods	307,390	456,362	-	-
- Purchase of assets	180,000	32,214	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) 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.

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28. OPERATING SEGMENTS

28.1 BUSINESS SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group 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 2 main reportable segments as follows:-

- (i) Plantation segment – involving in cultivation and harvesting of DSR durians;
- (ii) Retail and manufacturing segment – retailing of fresh durians and the development, production and distribution of durian-based products.
- (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
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				<u>(1,747,574)</u>
Consolidated revenue				<u>10,959,981</u>
Results				
Segment profit/(loss)	3,703,282	(356,496)	(396,210)	2,950,576
Finance costs				<u>(1,268,324)</u>
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

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28. OPERATING SEGMENTS (CONT'D)

28.1 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>

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28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2022				
Revenue				
External revenue	3,808,309	3,989,692	-	7,798,001
Inter-segment revenue	2,314,786	-	-	2,314,786
	6,123,095	3,989,692	-	10,112,787
Consolidation adjustments				(2,314,786)
Consolidated revenue				7,798,001
Results				
Segment profit/(loss)	2,199,455	(471,801)	(1,715,358)	12,296
Finance costs				(486,611)
Consolidation adjustments				210,000
Consolidated loss before taxation				(264,315)
Segment profit/(loss) includes the followings:-				
Depreciation	353,944	305,762	1,320	661,026
Interest expense	436,361	50,250	-	486,611
Fair value changes in biological assets (net)	(19,342)	-	-	(19,342)

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28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	Corporate RM	The Group RM
2022				
Assets				
Segment assets	61,286,545	4,369,558	47,369,947	113,026,050
Consolidation adjustments				(47,093,555)
Consolidated total assets				<u>65,932,495</u>
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	25,189,783	796,785	8,480	25,995,048
- right-of-use assets	45,733	923,882	-	969,615
Liabilities				
Segment liabilities	38,016,558	4,649,631	87,880	42,754,069
Consolidation adjustments				(25,093,555)
Consolidated total liabilities				<u>17,660,514</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 investment in subsidiaries and related expenses, management fee, corporate assets and head office expenses.

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28. OPERATING SEGMENTS (CONT'D)

28.2 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.

28.3 MAJOR CUSTOMERS

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

	2023 RM	2022 RM	Segment
Customer A	-	3,279,377	Retail and Manufacturing
Customer B	1,550,550	-	Plantation
Customer C	1,338,990	-	Plantation
Customer D	1,245,295	-	Plantation
	<u>4,134,835</u>	<u>3,279,377</u>	

29. FINANCIAL INSTRUMENTS

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

29.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 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 Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

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

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

(iii) Equity Price Risk

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

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

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

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 47% 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 statement of financial position of the Group and the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses 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.

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 - 210 days past due.

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables, Amount owing by a related company and Amount owing by related parties (Trade Balances)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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 12 months (2022 – 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

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

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 for trade receivables is summarized below:-

	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
2022			
Current (not past due)	3,495,068	-	3,495,068
1 to 90 days past due	1,215	-	1,215
91 to 180 days past due	8,608	-	8,608
	3,504,891	-	3,504,891

The Group believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these trade receivables were negligible.

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Non-trade Balances)

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

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

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owning By Subsidiaries (Non-trade Balances) (Cont'd)

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

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

	Gross Amount RM	Collective Allowance RM	Carrying Amount RM
The Company			
2023			
Low credit risk	30,697,501	-	30,697,501
<hr/>			
2022			
Low credit risk	25,013,205	-	25,013,205
<hr/>			

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) **Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practices 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					
2023					
<u>Non-derivative</u>					
<u>Financial</u>					
<u>Liabilities</u>					
Lease liabilities	2.44 - 6.73	1,062,523	1,177,210	373,388	803,822
Term loans	5.54 - 7.85	23,407,922	36,793,623	2,912,372	33,881,251
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

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29.1 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					
2022					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.61 - 6.73	1,063,337	1,217,222	303,473	913,749
Term loans	6.50 - 6.60	15,616,299	24,257,925	1,663,401	22,594,524
Trade payables	-	615,047	615,047	615,047	-
Other payables and accruals	-	180,878	180,878	180,878	-
Amount owing to related parties	-	45,093	45,093	45,093	-
		17,520,654	26,316,165	2,807,892	23,508,273

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 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				
2023				
<u>Non-derivative</u>				
<u>Financial Liability</u>				
Other payables and accruals	-	42,534	42,534	42,534
The Company				
2022				
<u>Non-derivative</u>				
<u>Financial Liabilities</u>				
Other payables and accruals	-	50,058	50,058	50,058
Amount owing to subsidiaries	-	45,322	45,322	45,322
		95,380	95,380	95,380

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 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 parent and non-controlling interest.

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

	The Group	
	2023	2022
	RM	RM
Lease liabilities (Note 17)	1,062,523	1,063,337
Term loans (Note 18)	23,407,922	15,616,299
	<u>24,470,445</u>	<u>16,679,636</u>
Less: Cash and bank balances (Note 25(c))	(5,665,236)	(892,587)
Net debts	<u>18,805,209</u>	<u>15,787,049</u>
Total equity	<u>59,039,920</u>	<u>48,271,981</u>
Debt-to-equity ratio	<u>0.32</u>	<u>0.33</u>

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables (Note 11)	2,682,475	1,859,180	-	-
Amount owing by subsidiaries (Note 13)	-	-	31,669,501	25,013,205
Amount owing by related parties (Note 14)	932,468	1,645,711	-	-
Cash and bank balances	5,665,236	892,587	2,157,320	81,190
	<u>9,280,179</u>	<u>4,397,478</u>	<u>33,826,821</u>	<u>25,094,395</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Amount owing to subsidiaries (Note 13)	-	-	-	45,322
Amount owing to related parties (Note 14)	19,224	45,093	-	-
Lease liabilities (Note 17)	1,062,523	1,063,337	-	-
Term loans (Note 18)	23,407,922	15,616,299	-	-
Trade payables (Note 19)	757,345	615,047	-	-
Other payables and accruals (Note 20)	147,677	180,878	42,534	50,058
	<u>25,394,691</u>	<u>17,520,654</u>	<u>42,534</u>	<u>95,380</u>

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29. FINANCIAL INSTRUMENTS (CONT'D)

29.4 GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	1,195,865	429,384	-	-

29.5 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 is 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.

30. CAPITAL COMMITMENT

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment:				
- approved and contracted for	-	59,750	-	-

31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 17 May 2023, the Company proposed to undertake a private placement of up to 15,646,000 new ordinary shares in the Company, representing 5% of the existing number of issued shares, to independent third-party investors at an issue price to be determined (Proposed Private Placement). On 20 June 2023, the Company announced the first tranche of private placement of 11,830,000 new ordinary shares at RM0.82 per share for a total cash consideration of RM9,700,600.

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32. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

- (a) On 31 July 2023, the Company announced the second tranche of private placement of 1,709,000 new ordinary shares at RM0.82 per share for a total cash consideration of RM1,401,380. The Proposed Private Placement is expected to be completed by the third quarter of 2023.
- (b) On 4 October 2023, DSR Taiko Berhad ("DSR Taiko") incorporated a new subsidiary, DSR JCIB Sdn. Bhd. ("DSR JCIB") and subscribed for 60,000 ordinary shares of RM1.00 each in DSR JCIB, for a cash consideration of RM60,000.