



**VINVEST  
CAPITAL  
HOLDINGS  
BERHAD**

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**ADVANCING  
TOMORROW,  
TODAY.**

**2023**

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**ANNUAL  
REPORT**

2

Financial Highlights

3

Chairman's Statement

4

Management Discussion and Analysis

6

Corporate Structure

7

Corporate Information

22

Sustainability Statement

23

Additional Compliance Information

24

Financial Statements

102

Analysis of Shareholdings

104

Notice of Annual General Meeting



8

Directors' Profile

11

Corporate  
Governance  
Overview  
Statement

17

Audit and Risk  
Management  
Committee  
Report

20

Statement  
on Risk  
Management  
and Internal  
Control

# CONTENTS

107

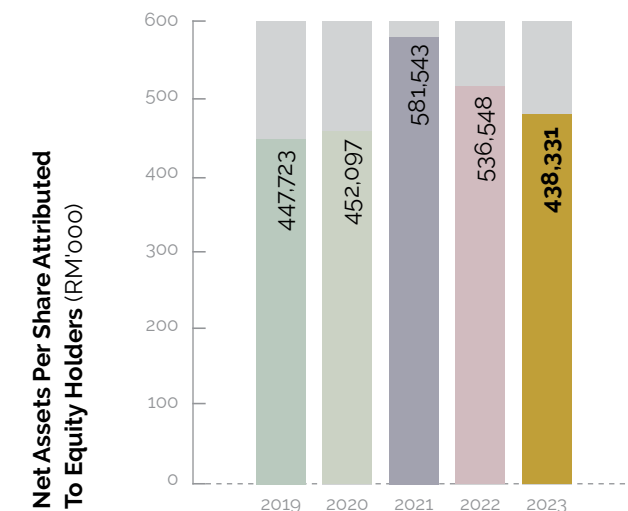
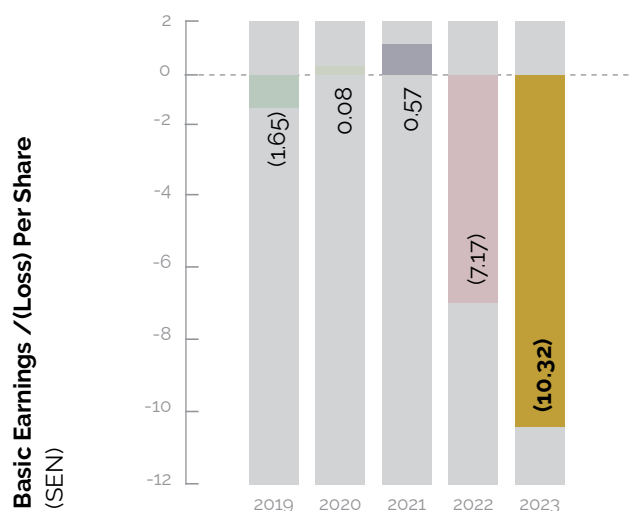
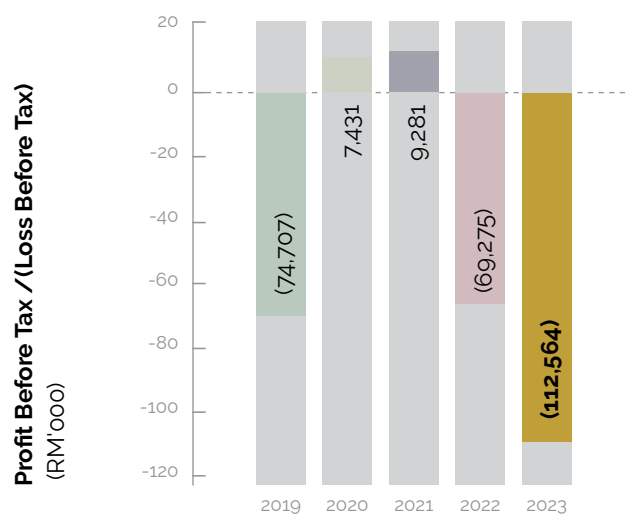
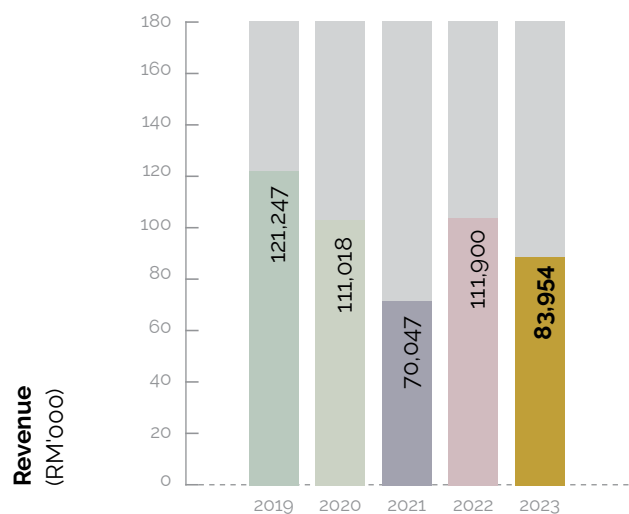
Statement  
Accompanying  
the Notice of  
Annual General  
Meeting

108

Administrative  
Guide

FORM OF  
PROXY

# FINANCIAL HIGHLIGHTS



## Five Years Group Financial Summary

FYE 31.12.2023      FPE 31.12.2022      FYE 30.06.2021      FPE 30.06.2020      FYE 31.12.2019

### FINANCIAL RESULTS (RM'000)

Revenue	83,954	111,900	70,047	111,018	121,247
Profit before tax/(Loss before tax)	(112,564)	(69,275)	9,281	7,431	(74,707)
Profit/(Loss) attributable to equity holders	(98,217)	(68,205)	3,867	4,374	(68,737)

### KEY BALANCE SHEET DATA (RM'000)

Total Assets	578,988	694,659	788,674	522,706	572,540
Total Liabilities	127,612	130,658	174,826	51,366	106,484
Net assets attributable to equity holders	438,331	536,548	581,543	452,097	447,723
No. of shares in issue at year end	969,100,408	969,100,075	906,455,000	5,664,539,071	5,664,535,688

### SHARES INFORMATION

Basic earnings / (Loss) per share (sen)	(10.32)	(7.17)	0.57	0.08	(1.65)
Net assets per share attributable to equity holders (RM)	0.45	0.55	0.64	0.08	0.08



Dear  
*Shareholders,*

On behalf of the  
Board of Directors of  
**VinVest Capital Holdings Berhad,**  
I hereby present the financial  
and operation performance of  
VinVest for the financial year ended  
31 December 2023 ("FYE 2023").

## CHAIRMAN'S STATEMENT

To complement our existing on-going projects, during the year, we had commenced work on 2 new projects, namely a housing development project located in Cheras, Kuala Lumpur, and a mixed-development project in Kuala Terengganu. The estimated completion times for these 2 projects are approximately 3-4 years. In addition to these, the Group still have valuable landbanks located in and outside of the Klang Valley, which have been earmarked for future developments. Notwithstanding the above, the property development sector is still facing some strong headwinds in the form of rising material prices and operational costs, along with lesser spending power by the consumers. In light of the above, while monitoring and planning our next development projects, the Group is actively seeking to diversify our revenue streams by looking at projects that are recurrent in nature, and/or have slower gestation periods as compared to development projects.

For the current year, in compliance with the approved accounting guidelines, the Group had provided impairment on its various classes of assets amounting to RM44.175 million. These impairments are strictly non-revenue and non-operational in nature, and hence would not impact the operations and cashflow of the Group. The impairments, along with the loss before tax incurred by the Group were mainly due to the long-term effects of the pandemic, such as the weak property and retail market, delays in launching new projects due to rising material costs, etc. In addition to the above, the current year results were also impacted by the reconciliation of its work-in-progress accounts for its mixed development project in Kuala Lumpur, which is nearing completion. The higher material and operational costs, along with the additional costs arising from the

extended construction period wrought by the pandemic, had severely impacted the profitability for the construction segment during the year.

Although painful on the financials, the provision of these impairments is necessary, and will ultimately make the Group leaner and stronger as it will be backed with better quality assets only (such as its valuable land banks for future projects), while being strategically poised for the recovery ahead. The Group is expecting to complete and deliver one of its major development project by the middle of 2024, and is looking into launching new development projects when the timing is right. The Group will continue to seek new opportunities, as part of our integration strategy for organic and inorganic growth, in order to have stronger performance for the coming years.

Further details on our financial and operational performance are outlined in the Management Discussion and Analysis section of this annual report.

On behalf of the Board, I wish to express our gratitude to our staff for their dedication, diligence, professionalism and commitment to the Group during the trying times. I would also like to take this opportunity to convey our appreciation to our clients, business associates, shareholders and various stakeholders for their continued support, faith and confidence in VinVest.

Thank you.

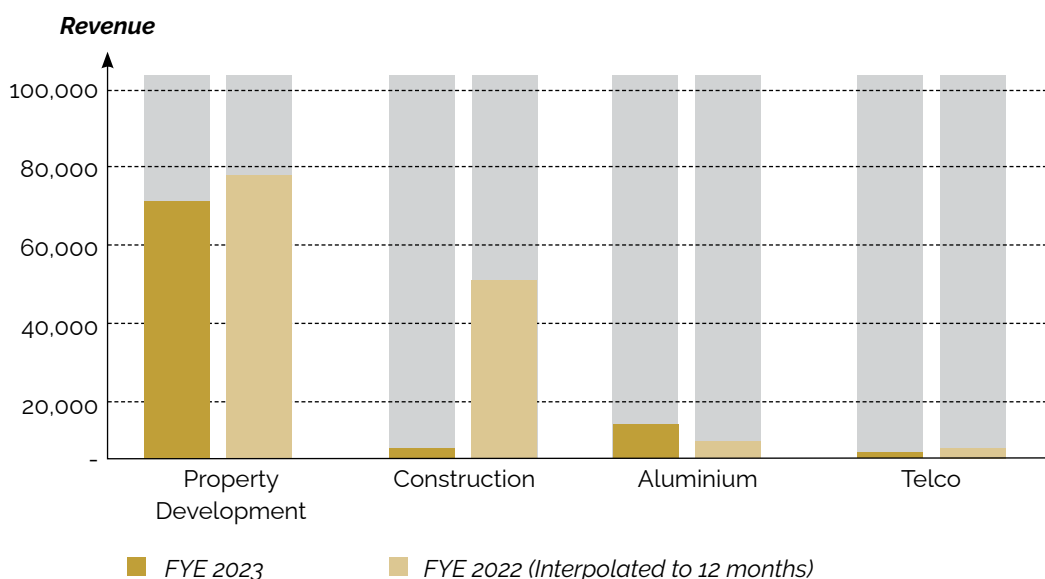
**Ar. Lim Tong Hock**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

VinVest is a public company listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa") since 18 January 2005. The core business activities of the Group during financial year ended 31 December 2023 ("FYE 2023") were :

1. Property Development
2. Construction
3. Aluminium design and fabrication
4. Telecommunication engineering services



Revenue by Segment	FYE 2023 (12 months)	FPE 31.12.2022 (18 months)	FYE 2022 (Interpolated to 12 months)	Changes	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(%)
Property Development	70,152	119,491	79,661	(9,509)	-11.9%
Construction	408	82,192	54,795	(54,387)	-99.3%
Aluminium	13,149	9,278	6,185	6,964	112.6%
Telco	245	2,061	1,374	(1,129)	-82.2%
Inter-co elimination	-	(101,122)	(67,415)	67,415	-100.0%
<b>Total</b>	<b>83,954</b>	<b>111,900</b>	<b>74,600</b>	<b>9,354</b>	<b>12.5%</b>

## FINANCIAL OVERVIEW

For FYE 2023, the Group recorded revenue of RM83,954 million, an increase of RM9,354 million from the interpolated 12-months financial period ended 31 December 2022 ("FPE 2022"). The higher revenue recorded in FYE 2023 was attributable to the ramping up of the on-going development project in Kuala Lumpur, which is fully sold and expected to be completed by the middle of 2024.

For FYE 2023, the Group had provided impairments amounting to RM44.175 million for its consolidated goodwill, receivables and property, plant & equipment, in compliance with approved accounting standards. The provision of impairments was mainly due to the long-term effects of the pandemic, such as the weak property and retail market, delays in launching new projects due to rising material costs, etc., which had severely affected the outlook for the telco, property and construction industry. These impairments are strictly non-cash flow in nature and has no material impact on the operations of the Group.

## FINANCIAL OVERVIEW (CONTINUED)

In addition, the construction segment had reconciled its work-in-progress accounts for its mixed development project in Kuala Lumpur, which had incurred higher costs due to price escalation on the construction materials and holding costs, and additional costs arising from the extended construction period wrought by the pandemic. This further impacted on the profitability for the Group during year.

Due to the combined reasons above, the Group recorded a loss before tax of RM112.564 million for FYE 2023. The substantial part of these losses is non-cash flow and non-operational and thus have no material impact on the operations of the Group, which is still fundamentally solid.

Cash reserves stood at RM29.4 million as at 31 December 2023 compared to RM47.6 million as at 31 December 2022.

## SEGMENTAL OVERVIEW

### Property Development

For the FYE 2023, the Group recorded RM70.152 million in revenue from the property development segment, which was mainly derived from its on-going mixed development project in Kuala Lumpur. The lower revenue was attributable to the different stages of progress billing for its mixed development project in Kuala Lumpur, which is expected to be completed by mid-2024.

### Construction

The construction segment contributed revenue of RM0.408 million for FYE 2023. The low revenue for 2023 was due to the reconciliation for its work-in-progress accounts for the mixed development project in Kuala Lumpur, which had incurred higher costs due to price escalation on the construction materials and holding costs, and additional costs arising from the extended construction period wrought by the pandemic. This had also impacted the profitability for the construction segment. In addition to the ongoing project in Kuala Lumpur which is expected to handover by middle of 2024, the Group had also commenced works for a new mixed development project in Kuala Terengganu, Terengganu.

### Aluminium

The aluminium segment recorded RM13.149 million during FYE 2023. The higher revenue was mainly contributed by the strong progress in its on-going projects.

### Telco

The telco segment continued to be severely affected by the lack of new sites commissioned by customers, especially in Sarawak, where most of our telco operations are situated. This has significantly impacted our revenue for the current year.

## REVIEW OF OPERATING ACTIVITIES

During the FYE 2023, most of the Group's revenue were derived from the on-going development project in Kuala Lumpur, which targeted to handover and completed by the middle of 2024. During the year, we had also commenced work on 2 new projects, namely a housing development project located in Cheras, Kuala Lumpur, and a mixed-development project in Kuala Terengganu. The estimated completion times for these 2 projects are approximately 3-4 years. In addition to these, the Group still have valuable landbanks located in and outside of the Klang Valley, which have been earmarked for future developments.

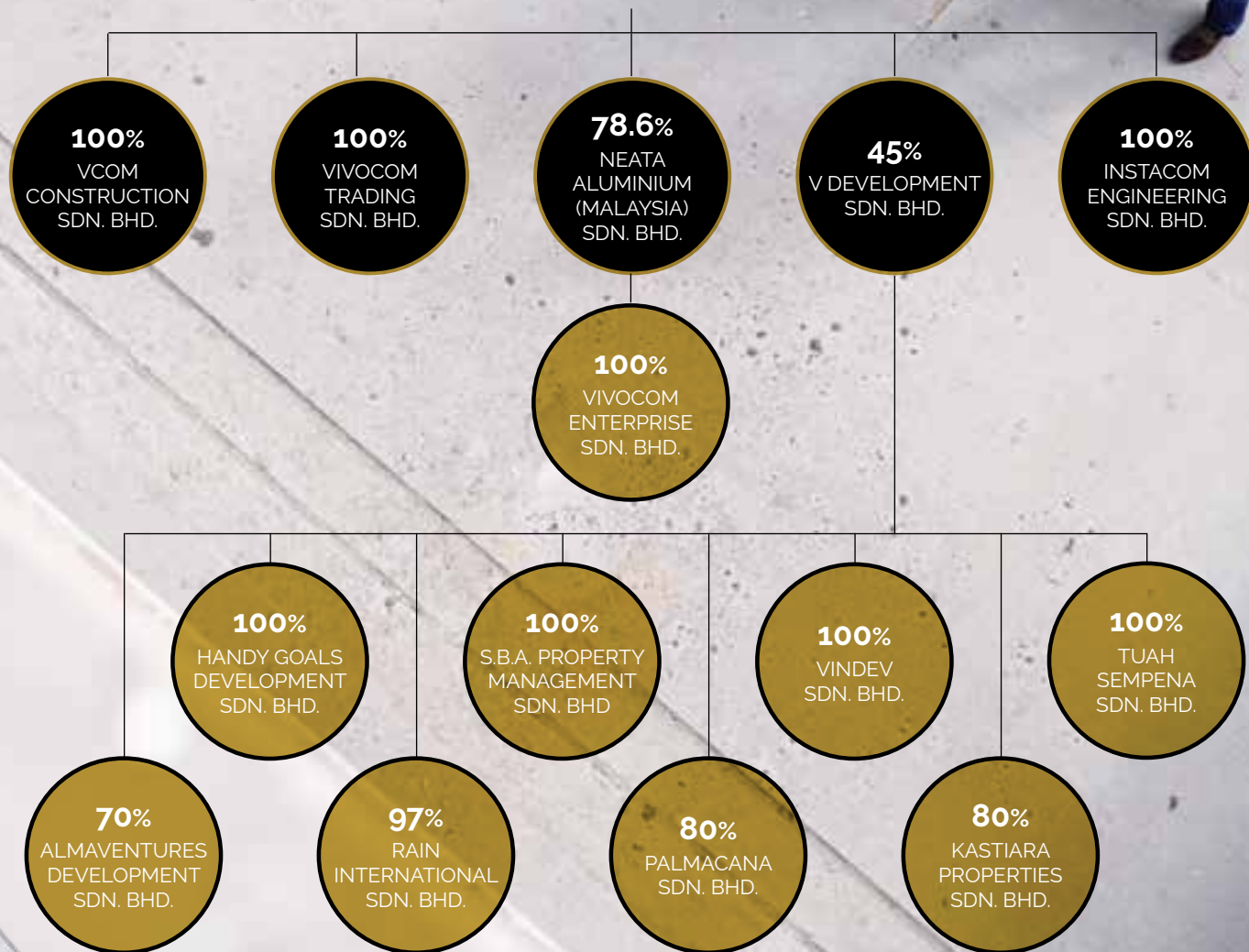
## FUTURE PROSPECTS

The property development sector is still facing some strong headwinds in the form of rising material prices and operational costs, along with lesser spending power by the consumers. In view of the above, while monitoring and planning our next development projects, the Group is actively seeking to diversify our revenue streams by looking at projects that are recurrent in nature, and/or have slower gestation periods as compared to development projects. The Group will continue to seek new opportunities, as part of our integration strategy for organic and inorganic growth, in order to have stronger performance for the coming years.

# CORPORATE STRUCTURE



**VINVEST  
CAPITAL  
HOLDINGS  
BERHAD**





## BOARD OF DIRECTORS

**Ar. Lim Tong Hock**  
(Chairman, Independent Non-Executive Director)

**Dato' Seri Chia Kok Teong**  
(Chief Executive Director)

**David Hah Wei Onn**  
(Executive Director)

**Tan Chuek Hooi**  
(Executive Director)

**Choo Seng Choon**  
(Independent Non-Executive Director)

**Dato' Azahar bin Rasul**  
(Non-Independent Non-Executive Director)

**Tay Mun Kit**  
(Independent Non-Executive Director)

**Wong Wan Rou**  
(Non-Independent Non-Executive Director)

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Tay Mun Kit** (Chairman)  
**Ar. Lim Tong Hock**  
**Dato' Azahar bin Rasul**  
**Choo Seng Choon**

## NOMINATION COMMITTEE

**Tay Mun Kit** (Chairman)  
**Ar. Lim Tong Hock**  
**Dato' Azahar bin Rasul**

## REMUNERATION COMMITTEE

**Tay Mun Kit** (Chairman)  
**Ar. Lim Tong Hock**  
**Dato' Azahar bin Rasul**

## AUDITORS

SBY Partners PLT  
(LLP 0026726-LCA & AF0660)  
Chartered Accountants  
9-C, Jalan Medan Tuanku,  
Medan Tuanku  
50300 Kuala Lumpur

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
(ACE Market)

## COMPANY SECRETARY

**Tan Kah Koon**  
SSM PC NO.201908001500 (MAICSA 7066666)

**Anne Kung Soo Ching**  
SSM PC NO.201908002507 (MIA 8449)

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Malayan Banking Berhad  
Malaysia Debt Ventures Berhad  
RHB Islamic Bank Berhad  
Public Bank Berhad  
Hong Leong Islamic Bank Berhad  
Alliance Bank Malaysia Berhad

## REGISTERED OFFICE

29-2, Level 29, Oval Damansara  
685, Jalan Damansara  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel : 03-2770 8163  
Fax : 03-2770 8166  
Email Address : bizvibeconsultancy@gmail.com

## SHARE REGISTRAR

149, Jalan Aminuddin Baki  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel : 03-7729 5529  
Fax : 03-7728 5948  
Email Address : insurban@gmail.com

## PRINCIPAL PLACE OF BUSINESS

4, Jalan Seri Utara 1  
Off Jalan Ipoh  
68100, Batu Caves  
W.P. Kuala Lumpur

No.4, Lot 20174, 1<sup>st</sup> Floor  
Stutong Avenue  
Jalan Setia Raja  
93350 Kuching, Sarawak

# DIRECTORS' PROFILE

## BOARD OF DIRECTORS

Name of Members	Designation	Nationality
Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director	Malaysian
Dato' Seri Chia Kok Teong	Chief Executive Director	Malaysian
David Hah Wei Onn	Executive Director	Malaysian
Tan Chuek Hooi	Executive Director	Malaysian
Choo Seng Choon	Independent Non-Executive Director	Malaysian
Dato' Azahar bin Rasul	Non-Independent Non-Executive Director	Malaysian
Tay Mun Kit	Independent Non-Executive Director	Malaysian
Wong Wan Rou	Non-Independent Non-Executive Director	Malaysian

### AR. LIM TONG HOCK

A Malaysian and aged 70, Ar. Lim Tong Hock ("Ar. Lim") was appointed as an Independent Non-Executive Director and as the Chairman of the Board of Directors on 1 April 2015. He is also a member of the Audit & Risk Management, Nomination and Remuneration Committee of the Company.

Ar. Lim Tong Hock began his training as assistant architect in 1980 in the architects' department of Borough of Haringey, London, after obtaining his Bachelor's degree. Subsequently, he worked for Briffa Phillips Chartered Architects in London before returning to Malaysia to join a private architectural practice in Kuala Lumpur in 1984. In 1990, he obtained his corporate membership to practice as an architect and set up his own practice under the name of ADL Architect. He has vast experience in designing and managing projects such as hotels, housing, industrial and institutional buildings.

As at 31 December 2023, he did not hold ordinary shares in the Company.

Ar. Lim attended all the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

Ar. Lim has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

### DATO' SERI CHIA KOK TEONG

A Malaysian and aged 62, Dato' Seri Chia Kok Teong ("Dato' Seri Chia") was appointed as the Chief Executive Director on 3 January 2020.

Dato' Seri Chia obtained his Bachelor of Economics (Majoring in Accounting) from Monash University, Australia in 1988. Upon graduation, he started his career in Australia before returning to Malaysia, working in various roles ranging from accounting, financial controllership, business development, strategic planning, business advisory and consultancy in several respectable and reputable corporations.

Dato' Seri Chia has more than 30 years of extensive experience in the corporate sector, particularly in the area of corporate management, corporate advisory and strategies including turn-arounds of companies and mergers and acquisition, equities and investment across a wide range of business industries.

As at 31 December 2023, he held ordinary 294,766,934 shares in the Company.

Dato' Seri Chia attended all the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

Dato' Seri Chia has no conviction for offences within the past 10 years other than traffic offences. Other than the recurrent transactions of revenue or trading in nature which are necessary for the Group's day-to-day operations, and for which he is deemed interested, there are no other business arrangement with the Group in which he has a personal interest.

## MR. DAVID HAH WEI ONN

---

A Malaysian and aged 51, David Hah was appointed as the Executive Director of the Group on 21 February 2020.

David Hah is a member of the Chartered Institute of Management Accountants, Malaysian Institute of Accountants and Chartered Global Management Accountants.

David has a combined experience of more than 20 years in finance in various industries which included food and beverage, manufacturing, fast moving consumer goods, retails, and property development. He started his career with Golden Arches Restaurant Sdn Bhd which operated the McDonald's chain in Malaysia in 1997. He then joined Watson's Personal Care Stores Sdn Bhd, a subsidiary company of Hutchison Whampoa Limited (listed in Hong Kong's Stock Exchange) in 2003 as an accountant. In 2011, he joined the finance team in Country Heights Group of Companies prior to joining the Group in 2017 as its Head of Finance & Accounts.

As at 31 December 2023, he did not hold ordinary shares in the Company.

David Hah attended all the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

David Hah has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

## MR. TAN CHUEK HOOI

---

A Malaysian and aged 64, Tan Chuek Hooi ("Mr. Tan") was appointed as the Executive Director of the Group on 21 May 2021.

Mr Tan graduated from University of Windsor, Ontario, Canada in 1983 with a Bachelor of Commerce (Honours) in Business Administration majoring in Accounting and minoring in Business Statistics.

He started his career as an accountant with United Computers Sdn Bhd in 1984. In 1986, he joined Imagineering Sdn Bhd as its Finance Manager, where he was responsible for the implementation of the company's operation procedure. In 1987, he accepted an appointment from Tech Pacific NZ Ltd in Auckland New Zealand, where he acted as its Finance Manager. During his stay, he was in charge of, among others, the company system administration, credit control and financial accounting. After seven years working in New Zealand, he then returned to Malaysia and later joined Tele Dynamics Sdn Bhd as its Financial Controller. He was mainly responsible for maintaining the company's whole financial system which included, among others, treasury function, financial accounting, corporate planning and cash flow management. He joined V Development Sdn Bhd since

October 2014 and is responsible for day-to-day operations of the V Development Group. V Development Sdn Bhd is a 45%-owned subsidiary company of the Group.

As at 31 December 2023, he held ordinary 583,333 shares in the Company.

Mr. Tan attended all the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

Mr. Tan has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

## MR. CHOO SENG CHOON

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A Malaysian and aged 50, Choo Seng Choon ("Mr. Choo") was appointed as an Independent Non-Executive Director on 7 September 2011. He served as an Executive Director from 15 May 2015 to 29 July 2019 and was redesignated as a Non-Independent Non-Executive Director on 29 July 2019. On 1 September 2023, he was redesignated as Independent Non-Executive Director. He was also appointed as a member of audit and risk management committee on 22 March 2024.

Mr. Choo is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Member of the Malaysian Institute of Accountants, a Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur.

He has over 25 years of professional experience that includes internal audits, risk management, investigations, business management consulting, business process re-engineering, corporate governance advisory, due diligence, financial projections and financial audits, and is currently managing his own corporate consultancy firm. He also sits on the board of directors of EA Holdings Berhad, LTKM Berhad, Hua Yang Berhad.

As at 31 December 2023, he did not hold ordinary shares in the Company.

Mr. Choo attended all of the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

Mr. Choo has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

# DIRECTORS' PROFILE (CONT'D)

## DATO' AZAHAR BIN RASUL

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A Malaysian aged 62, Dato' Azahar Bin Rasul ("Dato' Azahar") was appointed as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee on 23 March 2012. He is also a member of the Nomination and Remuneration Committee of the Company. On 22 March 2024, he was redesignated as Non-Independent Non-Executive Director.

He obtained his Bachelor of Science Degree in Business Administration from Central Michigan University in 1988 and a Master of Science Degree in Accounting from the University of New Haven, Connecticut, USA in 1990. He has over 26 years of experience in the field of corporate accounting, finance, banking and administration. His last employment was with Land & General Berhad as its Senior Manager for Administration and Finance until 1995, when he left to set up his own business. Dato' Azahar has resigned from the board of directors of EA Holdings Berhad on 31 January 2024.

As at 31 December 2023 he did not hold ordinary shares in the Company.

Dato' Azahar attended 3 out of 4 of the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any directors or substantial shareholder of the Company.

Dato' Azahar has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

## MR. TAY MUN KIT

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A Malaysian aged 48, Mr. Tay Mun Kit ("Mr. Tay") was appointed as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee on 18 December 2012. He is also a Chairman of the Nomination and Remuneration Committee of the Company. He was appointed as the Chairman of the Audit and Risk Management Committee on 1 April 2015.

Mr. Tay is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Member of the Malaysian Institute of Accountants. He has over 25 years of professional experience in corporate management and consultancy including finance and accounting, financial audit and due diligence, company secretarial matters and corporate exercises. He is currently an accountant for a commercial company.

As at 31 December 2023, he did not hold ordinary shares in the Company.

Mr. Tay attended all the Board meetings held during his tenure in office for the financial year ended 31 December 2023. He has no family relationship with any director or substantial shareholder of the Company.

Mr. Tay has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

## WONG WAN ROU

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A Malaysian aged 35, female, Wong Wan Rou was appointed as the Non-Independent Non-Executive Director on 30 June 2023.

Wong Wan Rou obtained her Bachelor Degree of Accountancy from University Putra Malaysia (UPM) in 2012. She is a Chartered Accountant of the Malaysian Institute of Accountants and member of the Certified Practising Accountant (Australia).

Wong Wan Rou has more than 10 years of professional and commercial experience in various industries which includes audit, telecommunications and IT industries, retail & trading, property investment and property development. After obtaining her degree in accountancy in 2012, she joined Crowe Malaysia PLT as an audit assistant. During her tenure in the audit firm, she was involved in the auditing process of clients in various industries. She subsequently joined Knusford Berhad, a company listed on the Bursa Malaysia for a short period of time as an accountant before joining the Asian International Arbitration Centre (AIAC), a not-for-profit organization, as its Deputy Head of Finance in 2018. She left AIAC to join EA Holdings Berhad in 2019. She also sits on the board of directors of EA Holdings Berhad currently.

As at 31 December 2023, she did not hold ordinary shares in the Company.

Ms. Wong attended all the Board meetings held during her tenure in office for the financial year ended 31 December 2023. She has no family relationship with any director or substantial shareholder of the Company.

Ms. Wong has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

The Board of Directors ("the Board") of VinVest Capital Holdings Berhad recognises the importance of good corporate governance and is fully committed towards ensuring that the highest standards of corporate governance are implemented and maintained as set out in the Malaysian Code on Corporate Governance ("the Code") throughout the Group as a fundamental part of its responsibilities to protect and enhance shareholders' value.

## CORPORATE GOVERNANCE STRUCTURE

The Board has established a system of governance structure which sets out roles, functions, compositions, operations and processes of the Board to promote high standards of corporate governance and to facilitate effective decision making. This structure is found in the Board Charter of the company is available on Group's corporate website at [www.vinvest.com.my](http://www.vinvest.com.my).

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board Responsibilities

The Board is responsible of development of corporate objectives, review and approval of corporate plans, performance and the corporate governance of the Group. The Board also responsible for the identification and management of key risk, the adequacy and integrity of internal control systems.

The Board is responsible for the overall corporate governance of the Group, including the following specific roles and responsibilities:

- a) Reviewing, approve and monitor the overall strategies and direction of the Group;
- b) Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;
- c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks
- d) Succession planning;
- e) Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- f) Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated specific responsibilities to the Board Committees, Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries ensures that all Board meetings are properly convened and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. They also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

### 2. Board Composition

The Board strongly concurred that an effective and well-balanced Board which consists of members with wide range of business, technical and financial background is important to achieve the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The positions of the Chairman and CEO are held by two different individuals and there is a clear division of responsibilities. The Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the CEO is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. Board Composition (Continued)

The Board is made up of eight (8) members as follows :

No.	Name of Members	Designation
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director
2	Dato' Seri Chia Kok Teong	Chief Executive Director
3	David Hah Wei Onn	Executive Director
4	Tan Chuek Hooi	Executive Director
5	Choo Seng Choon	Independent Non-Executive Director
6	Dato' Azahar bin Rasul	Non-Independent Non-Executive Director
7	Tay Mun Kit	Independent Non-Executive Director
8	Wong Wan Rou <i>(Appointed to the Board on 30 June 2023)</i>	Non-Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision-making powers and processes. All Board members carry an independent judgment to bear on issues of strategy, performance, resources and standard of conducts. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on pages 8 to 10 of this annual report.

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

The Board meets at least four (4) times a year with additional meetings being held as and when required. For the financial year ended 31 December 2023, 4 Board meetings were held. The Board is satisfied with the level of time committed by its member in discharging their duties and roles as Directors of the Company.

The attendance of the Directors at Board meetings during the financial period are as shown below:

No.	Name	Designation	Attendance	Percentage of Attendance
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director	4/4	100%
2	Dato' Seri Chia Kok Teong	Chief Executive Director	4/4	100%
3	David Hah Wei Onn	Executive Director	4/4	100%
4	Tan Chuek Hooi	Executive Director	4/4	100%
5	Choo Seng Choon	Non-Independent Non-Executive Director <i>(Re-designated to Independent Non-Executive Director on 1 September 2023)</i>	4/4	100%
6	Dato' Azahar bin Rasul	Senior Independent Non-Executive Director <i>(Re-designated to Non-Independent Non-Executive Director on 22 March 2024)</i>	3/4	75%
7	Tay Mun Kit	Independent Non-Executive Director	4/4	100%
8	Wong Wan Rou <i>(Appointed to the Board on 30 June 2023)</i>	Non-Independent Non-Executive Director	2/2	100%

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. Board Composition (Continued)

The Board has adopted a nine (9) year policy for Independent Non-Executive Directors. According to MCCG, if the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. Mr Tay Mun Kit, Independent Non-Executive Director, had served the Board of VinVest for more than nine (9) years. His tenure of service is set out in the Profile of Board of Directors of this Annual Report.

The Board has via the NC conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that Tay Mun Kit remain objective and independent in expressing their views.

Based on the recommendation of the NC, the Board will be seeking the shareholders' approval in the coming AGM for Tay Mun Kit to continue as Independent Directors of the Company by way of ordinary resolutions. The justifications for their continuation as Independent Directors are disclosed in the Notice of the AGM.

The Board had appointed Ms Wong Wan Rou on 30 June 2023 as a non-independent non-executive director of the Company in accordance with the amendments to the Ace Market Listing Requirements, which required listed corporations to have at least one (1) woman director on their board. The Board is always committed to ensuring that the directors of the Company possess a broad balance of knowledge, merits, capability, experience, skillsets, integrity and diversity, including gender diversity. The Company always provide a fair opportunities and higher female representation will be considered when vacancies arise with the primary aim of selecting the best candidate to support the achievement of the Groups' objectives.

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors are encouraged to continually attend relevant training programmes to equip themselves with the necessary knowledge and to keep abreast with the relevant changes in laws, regulations and business development. All Directors have continuously undergone training programmes to enhance their skills and knowledge.

During the financial year under review, the Directors had attended the following training programmes :-

Directors	Title of seminar/course
Ar. Lim Tong Hock	<ul style="list-style-type: none"> <li>The Impact of the 2023 Federal Court Decision in Sunrise Garden vs Sunway on Planning Law under the TCPA on 5 August 2023</li> <li>Design Lecture Series Seminar: Pursuit of Comfort on 22 November 2023</li> <li>PAM Technical Talk Seminar : Passive Fire Protection, Saving Lives and Protecting Assets &amp; Beyond the Basics on 25 November 2023</li> </ul>
Dato' Seri Chia Kok Teong	National Income Tax 2023 Webinar on 18 and 19 October 2023
David Hah Wei Onn	National Income Tax 2023 Webinar on 18 and 19 October 2023
Choo Seng Choon	<ul style="list-style-type: none"> <li>MIA Webinar Series: Embracing ESG in Value Creation on 21 and 22 June 2023</li> <li>Webinar Mandatory Accreditation Programme Part II: Leading for Impact (LLP) on 19 and 20 September 2023</li> <li>MIA Webinar Series: Equity Accounting, Joint Ventures, Joint Arrangements and Joint Operations on 6 December 2023</li> <li>MIA Webinar Series: Joint Ventures, Shareholders Agreement and Conflict of Interest Situation on 22 December 2023</li> </ul>
Tan Chuek Hooi	National Income Tax 2023 Webinar on 18 and 19 October 2023
Azahar bin Rasol	Seminar on Community Health & Crime Prevention on 19 Nov 2023
Tay Mun Kit	MIA Webinar Series: Board of Director Leadership - ESG Essential on 21 and 22 March 2023
Wong Wan Rou	<ul style="list-style-type: none"> <li>MIA Webinar Series: Preparation and Presentation of Consolidated Financial Statements on 11 and 12 December 2023</li> <li>Post Budget 2024 Seminar on 6 November 2023</li> <li>CPA Webinar: Mastering E-Invoicing Implementation in Malaysia on 3 October 2023</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 2. Board Composition (Continued)

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees.

Each committee will operate within its clearly defined terms of reference.

a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Management Committee are set out on page 17 to 19 of this annual report.

b) Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors, where majority of them are independent, as follows:

Tay Mun Kit	-	Chairman
Ar. Lim Tong Hock	-	Member
Dato' Azahar bin Rasul	-	Member

The Nomination Committee was set up to provide a formal and transparent procedure for appointment of Directors as well as assessment on effectiveness of individual Directors and the Board as a whole. The Committee has reviewed the Board's mix of skills and experience and other qualities of all the Directors. The annual assessment of the effectiveness of the Board has been performed by the Nomination Committee.

With the current composition, the Committee is of the opinion that the Board has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

Nomination Committee attendance were as follows : -

No.	Name Of Members	Attendance	Percentage
1	Tay Mun Kit	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

### 3. Remuneration

The objective of the Remuneration Committee is to provide a formal and transparent procedure for developing remuneration policy for Directors. The Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms which enables the Group to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. Executive Directors play no part in decision on their own remunerations.

The Remuneration Committee comprises exclusively of Non-Executive Directors, where majority of them are independent, as follows:

Tay Mun Kit	-	Chairman
Ar. Lim Tong Hock	-	Member
Dato' Azahar bin Rasul	-	Member

The remuneration packages for the directors are designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-executive Directors' package primarily consists of fees only.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

### 3. Remuneration (Continued)

The remuneration packages for the Directors for the financial year ended 31 December 2023 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	2,128	-
Fees	-	204

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows :-

	Executive Directors	Non-Executive Directors
1 - 50,000	-	3
50,001 - 100,000	-	2
200,001 - 250,000	2	-

Remuneration Committee attendance :-

No.	Name of Members	Attendance	Percentage
1	Tay Mun Kit	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

The Board opines that the disclosure of the Key Senior Management personnel's names and the various remuneration components (salaries, bonuses and other emoluments) would not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

### 4. Board's Performance Assessment

The Board has established formal assessment processes for evaluation of its performance and the performance of its committee and individual directors. These assessment processes comprise Board Assessment, Board Skills Matrix, Individual Directors Assessment, Board Committee Self and Peer Assessment, and Assessment of Independence of Independent Directors and was administered by Nomination Committee.

Based on this assessment, the Board was satisfied with the overall performance of individual Director, Board and Board Committees for the financial period under review.

## PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit & Risk Management Committee

The Board acknowledges its overall responsibilities for maintaining a sound system of risk management and internal control and has delegated its role in the review process to the Audit & Risk Management Committee ("ARMC"). The ARMC comprises of three (3) Independent Non-Executive Directors and one (1) Non-independent Non-Executive Director. The Chairman of the ARMC is distinct from the Chairman of the Board. It is a practice for the ARMC to require a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC. For the FYE 31 December 2023, no former key audit partner has been appointed or is a Director of the Company. The ARMC met 4 times during the current financial year. The activities of the ARMC during the financial year are described in the Audit and Risk Management Committee Report found on pages 17 to 19 of this annual report, along with the authority, duties and responsibilities of the ARMC.

### 2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on pages 20 to 21 of this annual report detailing the features of the risk management and internal control frameworks of the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### 1. Communication with Stakeholders

The Board acknowledges the need for stakeholders to be informed of all material business matters affecting the Group. The Board will ensure the timely release of financial results on a quarterly basis to provide stakeholders with an overview of the Group's performance and operations in addition to the various announcements made during the year. These announcements are also available on the Group's website at [www.vinvest.com.my](http://www.vinvest.com.my) in the investors' relation section.

### 2. Conduct of General Meetings

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting. Notice of Annual General Meeting and the annual report are sent to shareholders at least 28 days before the date of the meeting, in accordance with the requirements of the Code, enabling shareholders a longer time to review the details of the resolution being proposed for better decision. The notice included details of resolutions to be passed in the general meeting.

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is complemented by the Corporate Governance Report, which is prepared based on the prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements for ACE Market of Bursa Malaysia Securities Berhad, to provide a detailed description of the application of the Group's corporate governance practices. The Corporate Governance Report is available on the Group's website, [www.vinvest.com.my](http://www.vinvest.com.my), as well as on Bursa Malaysia Berhad's website, [www.bursamalaysia.com](http://www.bursamalaysia.com).

## COMPLIANCE STATEMENT

The Board believes that the Company has during the financial year ended 31 December 2023 followed the Principles and Recommendations of the Code in all material aspects.

This statement is made in accordance with the resolution of the Board dated 29 April 2024.

## DIRECTORS' RESPONSIBILITY STATEMENT

This statement is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is responsible to ensure the financial statements prepared for each financial period/year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each financial period/year.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which comply with the provisions of the Companies Act, 2016.

The Directors have general responsibility for taking such steps as are reasonable available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

<b>Chairman</b>	<b>Tay Mun Kit</b> (Independent Non-Executive Director)
<b>Members</b>	<b>Ar. Lim Tong Hock</b> (Independent Non-Executive Director) <b>Dato' Azahar bin Rasul</b> (Non-Independent Non-Executive Director) <b>Choo Seng Choon</b> (Independent Non-Executive Director) <i>* Appointed to the ARMC on 22 March 2024</i>
<b>Secretary</b>	<b>Tan Kah Koon</b> (Company Secretary)

## TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

### 1. Objective

The primary objectives of the Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiaries.

The Committee shall also assist the Board in complying with specified accounting standards and required disclosures as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time.

The Committee shall also establish a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors and overseeing and appraising the quality of audits conducted by the Company's internal and external auditors.

### 2. Composition

- (a) The Audit and Risk Management Committee shall be appointed by the Board from amongst themselves comprising not less than three (3) members where the majority of them shall be composed of independent non-executive directors and the CEO shall not be a member of the Audit and Risk Management Committee.
- (b) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.
- (c) The term of office of the Audit and Risk Management Committee is two (2) years and may be re-nominated and appointed by the Board.
- (d) The members of the Audit and Risk Committee shall elect a Chairman from amongst themselves who shall be an independent director.
- (e) All members of the Audit and Risk Management Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit and Risk Management Committee cease to be a Director of the Company, his membership in the Audit and Risk Management Committee would cease forthwith.
- (f) No Alternate Director of the Board shall be appointed as a member of the Audit and Risk Management Committee.
- (g) If the number of members of the Audit and Risk Management Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- (h) The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

### 3. Duties and Responsibilities

The duties and responsibilities of the Committee shall include the followings:-

#### **External Audit**

- (a) To review the nomination of external auditors and their audit fees;
- (b) To review the nature, scope and quality of external audit plan/arrangements;
- (c) To review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;
- (d) To review the external auditors' audit report;
- (e) To review with the external auditors, their evaluation of the system of internal accounting controls;
- (f) To review the Company's policies and procedures with Management and external auditors to ensure the adequacy of internal accounting and financial reporting controls;
- (g) To review any letter of resignation from the external auditors; and
- (h) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

#### **Internal Audit**

- (a) To review the adequacy of scope, functions and resources of the internal audit function;
- (b) To review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (c) To review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
- (d) To review and approve any appointment, termination or resignation of the internal auditor.

#### **Risk Management and Internal Control**

- (a) To review the adequacy of the Group's risk management framework and to provide independent assurance to the Board of Directors on the effectiveness of the Company's risk management processes;
- (b) To evaluate the quality and effectiveness of the Company's internal controls and management information systems, including compliance with applicable laws, rules and guidelines;
- (c) Monitoring and communication of risk assessment results to the Board; and
- (d) To recommend to the Board of Directors the Statement of Internal Control and any changes to the said statement.

### 4. Authority

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company :

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the resources which the Committee needs to perform the duties;
- (c) have full access to any information which the Committee requires in the course of performing its duties;
- (d) have unrestricted access to all employees of the Group;
- (e) have direct communication channels with the external auditors;
- (f) be able to obtain outside legal or independent professional advice in the performance of its duties at the cost of the Company; and
- (g) be able to invite outsiders with relevant experience to attend its meetings, if necessary.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

### 5. Meetings and Minutes

The Committee shall hold not less than four (4) meetings a year to review the quarterly results and year end financial statements. In order to form the quorum for each meeting, a minimum of two (2) members present shall be Independent Directors.

In addition to the Committee members, the head of internal audit shall normally attend the meetings. Representatives of the external auditors shall attend meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on each meeting to the Board.

The Secretary to the Committee shall be the Company Secretary.

### 6. Internal Audit Function

The Company's internal audit function is outsourced to an independent professional internal audit service provider, which reports directly to the Audit and Risk Management Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit and Risk Management Committee. All internal audit reports will be presented to the Audit and Risk Management Committee for deliberation. The Audit and Risk Management Committee would then make the relevant recommendations for the management's further action. The total costs incurred for the outsourced internal audit function during the year was RM12,240.

### Summary of Activities

During the financial year ended 31 December 2023, in line with the terms of reference, the Committee carried out the following activities in the discharge of its functions and duties:

1. Meeting with the external auditors to review the audited financial statements for the financial year ended 31 December 2023;
2. Reviewed the audit reports of the Group prepared by the external auditors and considered the major findings by the auditors and management's responses thereto;
3. Reviewed the quarterly and year-end financial results of the Group prior to submission to the Board for consideration and approval;
4. Reviewed the disclosure of related party transactions entered into by the Group;
5. Reviewed the audit plan, nature and scope of the external auditors and considering their audit fee;
6. Reviewed the audit plan, nature and scope as proposed by the internal auditors;
7. Reviewed the audit reports presented by the internal auditors on the findings and recommendations and ensure that they are duly acted upon by the management.
8. Reviewed the Statement on Risk Management and Internal Control to be published in the Annual Report.

### MEETING ATTENDANCE

The Committee held four (4) meetings during the financial year ended 31 December 2023. The details of the attendance are as follows:

Directors	No. of meetings attended
Tay Mun Kit	4/4
Dato' Azahar bin Rasul	3/4
Ar. Lim Tong Hock	4/4

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code of Corporate Governance under Principle 6 states that the Board should establish a sound risk management framework and internal controls systems to safeguard shareholders' investments and the Group's assets.

## BOARD RESPONSIBILITIES

The Board acknowledges the importance and responsibilities of maintaining a good system of risk management and internal controls and risk management which includes determining the Group's level of risk tolerance and in conjunction with the management of the Group, the establishment of an appropriate internal control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to safeguard shareholders' investment and the Group's assets.

The system of risk management and internal control covers not only financial control but also operational and compliance control. The Board believes that this is a continuing process and more importantly a concerted effort by all employees of the Group. As part of its review, the Board will continue taking necessary measures to strengthen its risk management and internal control system to address any weaknesses identified.

## SYSTEM OF RISK MANAGEMENT

The Board acknowledged that all areas of the Group's activities involve some degree of risks and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives.

Day to day operations in respect of commercial, financial, legal compliance and operational aspects of the Group are closely monitored by the Management and they are delegated with the responsibilities to manage identified risks within defined parameters and standards. Significant risks will be highlighted to the Board and deliberation of risks and mitigating responses are carried out. The Risk Management Framework and Risk Management Policies to be adopted by the Board serves as guidance notes to the Management on the systematic approach to assess and manage risk.

Objectives of the Risk Management Framework and Policies are as followings:-

- (a) To identify and prioritise potential risk areas and risk events;
- (b) To develop methods to evaluate identified risks;
- (c) To develop risk management, risk mitigation and risk response strategies and plans.

## SYSTEM OF INTERNAL CONTROL

The key measures implemented in the Group are as follows :-

- (i) A well-defined organization structure with distinct lines of accountability that sets out the authority delegated to the board and management committees;
- (ii) A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- (iii) Documented policies and procedures for all significant processes;
- (iv) Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators for effective monitoring and decision making;
- (v) Consistent monitoring of results against budget, with major variances being followed up and management action taken, where necessary;
- (vi) Close involvement in the daily operation by the senior management; and
- (vii) Review of quarterly and annual financial results by the Audit and Risk Management Committee;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional firm to review the adequacy and integrity of the internal control systems of the Group.

The functions of the internal audit are as follows :-

1. Perform audit work in accordance with the pre-approved internal audit plan.
2. Carry out review on the system of internal controls of the Group.
3. Review and comment on the effectiveness and adequacy of the existing control policies and procedures.
4. Provide recommendations, if any, for the improvement of the control policies and procedures.
5. Review and comment on the implementation status of the recommendation by the internal audit function.

The internal audit function reports directly to the Audit and Risk Management Committee and is independent of the management. The internal audit reports are submitted to the Audit and Risk Management Committee who would review and deliberate on the findings before making the necessary recommendations to the Board to strengthen its system internal control and policies.

## CONCLUSION

The Board have received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group and is of the view that they are adequate to safeguard shareholders' investments and the Group's assets. There were no material losses incurred during the financial year as a result of weaknesses in internal control that would require a separate disclosure in the annual report. The Board will, when necessary, take the necessary steps to further enhance the Company's system of risk management and internal control to adapt to the ever changing and challenging business environment.

## REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control ("SORMIC") pursuant to the scope set out in the Audit and Assurance Guide ("AAPG3"), Guidance for Auditors on Engagements to Report on the SORMIC to the Group for financial year ended 31 December 2023. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not consistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal records. The External Auditors report was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purpose or parties. As stated in their report, the External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

AAPG3 does not require the External Auditors to consider whether the Directors' SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon.

This Statement was made in accordance with a resolution of the Board dated 29 April 2024.

# SUSTAINABILITY STATEMENT

The Board of Directors ("Board") recognizes the essence of sustainability as a key driver for business continuation and long term growth and acknowledges the increasing relevance of sustainability in our business value. The Board is committed to develop and engage various responsible and sustainable measures in our business operation to promote and continually contribute to the environment, society and economy. However, similar to any major initiative, this will involve an on-going and long-term transformation in corporate culture, strategy and processes.

Our main focus on sustainability measures are as listed as below:

## (a) Environmental Sustainability

The Group values the importance, impact and implications its business operations have on the environment as a whole and strive to conduct business in the best possible ways to conserve and minimize the impact to the environment. The four (4) main identified efforts are:

### (i) Paperless environment

Business entities and staff are encouraged to fully maximize the advancement and benefits of technology for communication, filing and only print physical copy when necessary. The management has also implemented e-leave system to a promote seamless and efficient system to reduce the impact to the environment.

### (ii) Recycling

Staffs are encouraged to maximize the usage of papers by printing on both sides while unwanted papers and recyclable items are collected and sent to be recycled. This initiative is in place to support the environmentally friendly effort.

### (iii) Hybrid Working

We have implemented a flexible work model that encompasses hybrid work arrangements with a blend of in-office, remote, and on-site staff. The employees have more flexibility to get work done, when, how and where they're most productive. This flexibility will encourage better work-life balance, in addition to savings in traveling time and reduction in fuel usage.

### (iv) Energy Consumption

The Group is monitoring the consumption of energy in the workplace. Staff are advice to switch off electricity during lunch break or where equipment are not in used. The Group is also exploring other measures to reduce consumption of energy and wastage.

We also ensured that all business activities at the project sites is carried out in a responsible manner. The respective management team is to ensure that all projects are complied with all relevant authorities' requirements including environmental reporting. All permits, approvals and reporting requirements are obtained, maintained and strictly adhered to according to the law and regulations. Wastes are also identified and handled according to the compliances and regulations by all relevant authorities.

## (b) Economic Sustainability

The Group seeks to always uphold and comply the standards of Corporate Governance within the operation of the company in order to meet shareholder expectations and to benefit the stake of the shareholders. The Group also releases quarterly reports and annual report timely to keep stakeholders abreast of the progress of the company.

The Group works mainly with local enterprises in support of the growth of local businesses and products. Pool of suppliers and subcontractors are sourced locally unless special request, specifications or skills are required by the clients to promote business growth within the country.

The Board and management team believe that product safety and quality assurance will increase competitive edge of the entire Group in the marketplace, therefore the Group continuously emphasis on good workmanship and delivering high quality product as commitment all customers. To achieve such standards, Quality Assurance and Quality Control Department which has been set up in the subsidiary companies play pivotal roles to ensure products and all works carried out is at its best quality possible. The construction division has also taken initiative to adopt ISO standards in its day -to-day operation.

## (c) Social Sustainability

Human resource is the strategic asset of the Group. The Group always strives to set up a quality work environment for our dedicated workers in line with the health and safety standards. The Group has a fundamental responsibility and commitment to ensure that all employees work in a safe and healthy environment.

For construction division, the presence of a safety officer is mandatory on site as we strive to achieve the lowest rate of lost- work time injuries and to ensure the safety of all personnel on site. It is also mandatory for staff to attend Occupational Safety and Health Administration (OSHA) courses conducted by external trainers to enhance their understanding and responsibility on employees' health and safety.

At the manufacturing front, enforcement of safe work practices for all production workers in the production areas is also in place. Production work flow is organised in an orderly manner to ensure optimum workers' movement, safety and sustainable work rate. Production debris and hazardous materials are handled in accordance to the safety requirements and regulations to ensure a safe workplace and minimum harm to the environment.

Workforce development is also crucial to increase efficiency and productivity at work. Staff are sent for various training during their employment to enhance their skills and abilities which would be beneficial for the group besides offering excellent opportunities for staff future career development. The Group also appreciate individuality and diversity regardless of gender, ethnicity or cultural background. We do not tolerate discrimination in any form and encourage all staff to reach their full potential.



**(a) Utilisation of Proceeds**

There were no proceeds raised from corporate proposals during the financial year.

**(b) Audit and Non-Audit Fees**

The amount of audit and non-audit fees paid to the external auditors and their affiliates by the Group and the Company respectively for the financial year are as follows :-

	Company (RM)	Group (RM)
Audit services rendered	90,000	348,000
Non-audit services rendered	8,000	8,000
<b>Total</b>	<b>98,000</b>	<b>356,000</b>

**(c) Material Contracts Involving Directors and Major Shareholders**

There were no material contracts entered into by the Company and its subsidiaries involving the Company's Directors and/or Major Shareholders' interest.

**(d) Recurrent Related Party Transactions of Revenue Nature ("RRPT")**

The Company did not enter into any RRPT during the financial year 31 December 2023.



26

Directors' Report

30

Statement by  
Directors

Statutory  
Declaration

31

Independent  
Auditors' Report

36

Statements  
of Financial  
Position

# REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD  
ENDED 31 DECEMBER 2023

37

Statements of  
Comprehensive  
Income

38

Statements  
of Changes In  
Equity

39

Statements of  
Cash Flows

42

Notes to the  
Financial  
Statements

# DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(112,620,950)	(1,127,799)
Attributable to:		
Owners of the Company	(98,216,988)	(1,127,799)
Non-controlling interests	(14,403,962)	-

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

## DIVIDEND

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

## MOVEMENTS ON 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.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has issued the issuance of 333 new ordinary shares of RM0.50 each arising from the exercise of warrants E 2018/2023.

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

There was no issuance of debentures by the Company during the financial year.

## WARRANTS E 2018/2023

The Company has Renounceable Rights Issue of up to 3,010,706,070 Rights Shares on the basis of two (2) Rights Shares for every three (3) existing ordinary shares held, together with up to 1,505,353,035 free detachable warrants in the Company ("Warrants E") on the basis of one (1) free Warrant E for every two (2) Rights Shares subscribed for at 5.00 p.m. on Monday, 30 July 2018 at an issue price of RM0.025 per Rights Share ("Rights Issue with Warrants"). On 4 November 2020, the total number of outstanding Warrants E of 1,132,906,538 has been adjusted to 113,290,653 pursuant to the Share Consolidation.

During the financial year, 333 of Warrants E were exercised at an exercise price of RM0.50 per warrant.

As at 22 August 2023, being the maturity date of the Warrants E, 107,472,012 Warrants E remained unexercised and ceased to be valid.

The salient terms of Warrants E are disclosed in Note 21 to the financial statements.

## OPTION GRANTED OVER UNISSUED SHARES

No option has been granted during the financial year to take up the unissued shares of the Company.

### DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

AR. Lim Tong Hock  
 Dato' Azahar Bin Rasul  
 Dato' Seri Chia Kok Teong  
 Choo Seng Choon  
 David Hah Wei Onn  
 Tay Mun Kit  
 Tan Chuek Hooi  
 Wong Wan Rou (Appointed on 30 June 2023)

The directors of the subsidiaries in office since the beginning of the financial year to the date of this report, excluding directors who are also directors of the Company are:

Dato' Mohd Sinon Bin Mudakir  
 Dato' Chia Kok Seng  
 Anne Kung Soo Ching  
 Chan Tong Seng  
 Chean Chuan Fatt  
 Diong Mee Chai  
 Hor Peng Kan  
 Kambayashi Yoshiyuki  
 Mohd Farhan Bin Mohd Gazali  
 Mohammad Saroni Bin Morid  
 Winson Low Eng Sing

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the directors who held office at the end of the financial year in the shares in the Company during the financial year are as follows:

	----- No. of Ordinary Shares -----			
	01.01.2023	Bought	Sold	31.12.2023
<b>The Company</b>				
<b>Direct Interest</b>				
Dato' Seri Chia Kok Teong	294,766,934	-	-	294,766,934
Tan Chuek Hooi	583,333	-	-	583,333

None of the directors, except for Dato' Seri Chia Kok Teong and Tan Chuek Hooi holding office at the end of the financial year had interest in shares in the Company or its related corporations during the financial year.

By virtue of Dato' Seri Chia Kok Teong and Tan Cheuk Hooi interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Seri Chia Kok Teong and Tan Cheuk Hooi are deemed to have interest in the ordinary shares if the subsidiaries to the extent that the Company has an interest.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown under Directors' Remuneration section below, or the fixed salary of a full-time employee of the Company) 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.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' REMUNERATION

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.07.2021 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	01.07.2021 to 31.12.2022 RM
Executive Directors' remuneration				
- fees, salaries, allowances and bonuses	1,895,810	2,837,850	-	-
- defined contribution plan	228,007	338,476	-	-
- other employee benefits	4,063	3,840	-	-
	<hr/> 2,127,880	<hr/> 3,180,166	<hr/> -	<hr/> -
Non-executive Directors' remuneration				
- fees, salaries, allowances and bonuses	204,000	288,000	204,000	288,000
Total directors' remuneration	<hr/> 2,331,880	<hr/> 3,468,166	<hr/> 204,000	<hr/> 288,000

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any directors, officers and auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

## OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (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 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 affect the ability of the Group and of the Company to meet their obligations when they fall due.

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

## AUDITORS

The auditors' remuneration for the financial year ended 31 December 2023 of the Group and of the Company amounted to RM348,000 (2022: RM351,000) and RM90,000 (2022: RM100,000) respectively.

The auditors, Messrs. SBY Partners PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

**TAN CHUEK HOOI**

Director

**DAVID HAH WEI ONN**

Director

Kuala Lumpur,

Date: 29 April 2024

# STATEMENT BY DIRECTORS

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

In the opinion of the directors, the financial statements set out on pages 36 to 101 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in Kuala Lumpur on 29 April 2024

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

**TAN CHUEK HOOI**

**DAVID HAH WEI ONN**

# STATEMENT BY DECLARATION

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

I, David Hah Wei Onn (MIA membership no.: 23902), being the director primarily responsible for the financial management of Vinvest Capital Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 36 to 101 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, David Hah Wei Onn at Kuala Lumpur on 29 April 2024.

Before me

Commissioner for Oaths

**DAVID HAH WEI ONN**



## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Vinvest Capital Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 31 December 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 36 to 101.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### Key Audit Matters

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

Risk area and rationale	Our response
<p><b>Goodwill on consolidation (Note 8 to the financial statements)</b></p> <p>As at 31 December 2023, the Group's goodwill amounted to RM286,398,433.</p> <p>We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates on the future results and key assumptions that is applied across the cash flow projections of the cash generating units (CGU) in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;</li> <li>- assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins and growth rate;</li> <li>- assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors;</li> <li>- challenged and made enquiries on the management on the key inputs used in the measurement methods;</li> <li>- performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment; and</li> <li>- agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets approved by the management.</li> </ul>

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF VINVEST CAPITAL HOLDINGS BERHAD

## Report on the Audit of the Financial Statements (Continued)

### Key Audit Matters (Cont'd)

Risk area and rationale	Our response
<p><b>Trade receivables, other receivables, deposits and prepayments, contract assets and amount owing by subsidiaries (Note 11, 15, 16 and 17 to the financial statements)</b></p> <p>As at 31 December 2023, the carrying amount of:</p> <p>(a) the Group's and the Company's total trade receivables amounted to RM53,069,853 and RM3,737,905 respectively;</p> <p>(b) the Group's and the Company's other receivables, deposits and prepayments amounted to RM49,466,751 and RM3,669,479 respectively;</p> <p>(c) the Group's contract assets amounted to RM71,142,614; and</p> <p>(d) the Company's amount owing by subsidiaries amounted to RM27,261,554.</p> <p>We focused on this area as the significant judgements involved in determining the probability of default, analysing the historical bad debts, appropriate forward-looking information, debtors' payment term and the current economic trend in assessing the expected credit loss.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- understood the Group's credit risk policy and assumptions in estimating the expected credit losses ("ECL");</li> <li>- recomputed the probability of default using the historical data and forward-looking information adjustment applied by the Company;</li> <li>- challenged and made enquiries on the management on the key inputs used in the measurement methods and the rationale underlying the relationship between the forward-looking information used by the Company;</li> <li>- reviewed the ageing analysis of trade and other receivables.</li> <li>- reviewed the revised agreement on the outstanding balance of RM8,259,160 of the structured entity in regards to the assignment of debts;</li> <li>- communicated with the key senior management personnel of the structured entity on the recoverability of the outstanding balance of RM8,295,160 and assessed the financial capacity of the structured entity;</li> <li>- assessed the competency on the professionalism of the structured entity that act as the recovery agent;</li> <li>- reviewed the collection of receivables subsequent to the financial year;</li> <li>- assessed the financial capacity of the subsidiaries that are indebted to the Company; and</li> <li>- assessed the net total assets of the subsidiaries that are indebted to the Company.</li> </ul>
<p><b>Property development cost (Note 13 to the financial statements)</b></p> <p>As at 31 December 2023, the Group's property development cost contributed by a subsidiary namely, S.B.A. Property Management Sdn. Bhd. ("SBA"), amounted to RM28,246,183.</p> <p>We focused on this area as the significant judgements involved in determining the need for impairment for the development cost amounted to RM28,246,183 incurred by SBA for a government project in Perak as the project is currently stopped and the financial institutions that grant the loan for this project has recalled the term loan.</p>	<ul style="list-style-type: none"> <li>- We have physically sighted the project site to observe physical existence and condition of the site;</li> <li>- The development cost incurred for the project amounted to RM28,246,183 is in regards to strengthen the soil of the land that was previously a swamp area;</li> <li>- Verify and assess the capitalisation of the development costs amounted to RM28,246,183;</li> <li>- Had discussion with the Management and project director on the development cost incurred to ensure that the existing condition of the land is suitable to redesign and develop for future new projects, if any;</li> <li>- The Management is in the plan to either sell the land or redesign and redevelop for other purposes;</li> </ul>

## Report on the Audit of the Financial Statements (Continued)

### Key Audit Matters (Cont'd)

Risk area and rationale	Our response
<p><b>Revenue and cost of sales from property development activities and construction services (Note 30 to the financial statements)</b></p> <p>As at 31 December 2023, the Group's revenue and cost of sales arising from property development activities and construction activities are amounted to RM83,953,680 and RM122,461,807 respectively.</p> <p>The amount of revenue of the Group's property development activities and construction services are recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligations.</p> <p>The progress towards complete satisfaction of performance obligation is determined by reference to proportion of development costs incurred/construction costs incurred for work performed to date compared to the estimated total development costs/total construction costs for each project.</p> <p>We determine that the Group's revenue and cost of sales recognition as the key audit matter due to the significant directors' judgement is required in determining the progress towards satisfaction of a performance obligation, the extent of the property development costs/construction costs incurred, the estimated property development and construction revenue and cost, as well as the recoverability of the projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of the future events.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- understood the management's process in preparing the budget and reviewed its feasibility;</li> <li>- assessed the reliability of total budgeted cost by comparing budgeted costs to actual outcomes;</li> <li>- assessed on the management's determination on the satisfaction of a performance obligations;</li> <li>- recomputed on the percentage of completion computation that contribute towards the revenue recognition during the financial year ended 31 December 2023 and assessed management's assessment in determining the percentage of completion;</li> <li>- verified actual construction costs incurred;</li> <li>- assess on the adequacy of the liquidated ascertained damages; and</li> <li>- verified the gross development value against the signed sales and purchase agreements.</li> </ul>

### 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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF VINVEST CAPITAL HOLDINGS BERHAD

## Report on the Audit of the Financial Statements (Continued)

### **Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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.

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 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF VINVEST CAPITAL HOLDINGS BERHAD

## Report on the Audit of the Financial Statements (Continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

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, related actions taken to eliminate threats and safeguards applied.

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

### Other Matters

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

#### **SBY PARTNERS PLT**

Reg. No: 202106000003 (LLP0026726-LCA) AF: 0660  
Chartered Accountants

Kuala Lumpur,  
Date: 29 April 2024

#### **SUKHPAL SINGH A/L KAUR SINGH**

03494/05/2024 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
Note	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	9,191,354	9,872,315	730,242	1,413,097
Investment properties	6	2,590,585	2,178,745	-	-
Right-of-use assets	7	886,835	1,119,234	-	-
Intangible assets	8	286,398,433	292,589,111	-	-
Investment in subsidiaries	9	-	-	520,896,424	350,067,100
Other investments	10	1,028,860	17,788,151	-	16,500,000
Trade receivables	11	-	1,062,716	-	-
		300,096,067	324,610,272	521,626,666	367,980,197
<b>CURRENT ASSETS</b>					
Inventories	12	503,174	808,044	-	-
Property development cost	13	62,928,566	67,908,097	-	-
Finance receivables	14	1,095,007	1,492,351	-	-
Trade receivables	11	53,069,853	73,348,172	3,737,905	8,578,503
Other receivables, deposits and prepayments	15	49,466,751	75,204,548	3,669,479	4,256,776
Contract assets	16	71,142,614	94,102,532	-	-
Amount owing by subsidiaries	17	-	-	27,261,554	174,051,430
Current tax assets		4,954,766	1,578,272	-	-
Fixed deposits with licensed banks	18	14,176,976	13,366,891	-	-
Cash and bank balances	19	21,554,368	42,240,202	10,960,847	13,831,111
		278,892,075	370,049,109	45,629,785	200,717,820
<b>TOTAL ASSETS</b>		578,988,142	694,659,381	567,256,451	568,698,017
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	20	567,146,328	567,146,160	567,146,328	567,146,160
Reserves	21	-	6,340,929	-	6,340,929
Accumulated losses		(128,815,535)	(36,939,476)	(51,450,870)	(56,664,000)
Total equity attributable to owners of the Company		438,330,793	536,547,613	515,695,458	516,823,089
Non-controlling interests		13,045,765	27,454,058	-	-
<b>TOTAL EQUITY</b>		451,376,558	564,001,671	515,695,458	516,823,089
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Loan and borrowings	22	26,321,571	21,825,356	-	-
Lease liabilities payables	25	12,900	159,479	-	-
Deferred tax liabilities	26	15,098	15,098	-	-
Trade payables	27	-	3,648,955	-	-
		26,349,569	25,648,888	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	27	23,124,623	25,049,029	-	-
Other payables and accruals	28	9,971,953	9,929,456	184,019	275,402
Amount owing to directors	29	52,329,906	52,011,295	51,300,000	51,347,995
Loan and borrowings	22	15,576,944	16,623,408	-	-
Lease liabilities payables	25	146,577	217,351	-	-
Current tax liabilities		112,012	1,178,283	76,974	251,531
		101,262,015	105,008,822	51,560,993	51,874,928
<b>TOTAL LIABILITIES</b>		127,611,584	130,657,710	51,560,993	51,874,928
<b>TOTAL EQUITY AND LIABILITIES</b>		578,988,142	694,659,381	567,256,451	568,698,017

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
REVENUE	30	83,953,680	111,899,900	-	-
COST OF SALES		(122,461,807)	(77,707,412)	-	-
GROSS (LOSS)/PROFIT		(38,508,127)	34,192,488	-	-
OTHER OPERATING INCOME		700,433	5,370,371	17,374,871	108,307
ADMINISTRATIVE EXPENSES		(31,672,378)	(50,639,115)	(13,788,643)	(3,384,201)
OTHER OPERATING EXPENSES		(39,051,625)	(51,949,885)	(4,714,027)	(12,548,261)
LOSS FROM OPERATIONS		(108,531,697)	(63,026,141)	(1,127,799)	(15,824,155)
FINANCE COSTS	31	(4,032,116)	(6,248,997)	-	-
LOSS BEFORE TAXATION	32	(112,563,813)	(69,275,138)	(1,127,799)	(15,824,155)
INCOME TAX EXPENSE	33	(57,137)	(3,780,571)	-	(400,434)
LOSS FOR THE FINANCIAL YEAR/ PERIOD, REPRESENTING		(112,620,950)	(73,055,709)	(1,127,799)	(16,224,589)
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR/PERIOD		(112,620,950)	(73,055,709)	(1,127,799)	(16,224,589)
Owners of the Company		(98,216,988)	(68,205,005)	(1,127,799)	(16,224,589)
Non-controlling interests		(14,403,962)	(4,850,704)	-	-
		(112,620,950)	(73,055,709)	(1,127,799)	(16,224,589)
LOSS PER SHARE (Sen)					
Basic	34	(10.32)	(7.17)		
Diluted	34	N/A	N/A		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company			Total RM	Non- controlling interests RM	Total equity RM
		Share capital RM	Warrant reserve RM	(Accumulated losses)/ Retained earnings RM			
At 1 July 2021		543,936,160	6,340,929	31,265,529	581,542,618	32,304,762	613,847,380
<u>Transactions with owners:</u>							
Issuance of ordinary shares pursuant to shares subscription agreement Between the Company and EAH	20	23,210,000	-	-	23,210,000	-	23,210,000
Total comprehensive loss for the financial period		-	-	(68,205,005)	(68,205,005)	(4,850,704)	(73,055,709)
At 31 December 2022/ 1 January 2023		567,146,160	6,340,929	(36,939,476)	536,547,613	27,454,058	564,001,671
<u>Transactions with owners:</u>							
Issuance of shares pursuant to exercise of Warrants E	20	168	-	-	168	-	168
Expiration of Warrants E	21	-	(6,340,929)	6,340,929	-	-	-
		168	(6,340,929)	6,340,929	168	-	168
Acquisition of subsidiaries		-	-	-	-	(4,331)	(4,331)
Total comprehensive loss for the financial year		-	-	(98,216,988)	(98,216,988)	(14,403,962)	(112,620,950)
At 31 December 2023		567,146,328	-	(128,815,535)	438,330,793	13,045,765	451,376,558

Company	Note	Non-distributable			Total equity RM
		Share capital RM	Warrant reserve RM	Accumulated losses RM	
At 1 July 2021		543,936,160	6,340,929	(40,439,411)	509,837,678
<u>Transactions with owners:</u>					
Issuance of ordinary share pursuant to share subscription agreement between the Company and EAH	20	23,210,000	-	-	23,210,000
Total comprehensive loss for the financial period		-	-	(16,224,589)	(16,224,589)
At 31 December 2022/1 January 2023		567,146,160	6,340,929	(56,664,000)	516,823,089
<u>Transactions with owners:</u>					
Issuance of shares pursuant to exercise of Warrants E	20	168	-	-	168
Expiration of Warrants E	21	-	(6,340,929)	6,340,929	-
		168	(6,340,929)	6,340,929	168
Total comprehensive loss for the financial year		-	-	(1,127,799)	(1,127,799)
At 31 December 2023		567,146,328	-	(51,450,870)	515,695,458

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



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before taxation	(112,563,813)	(69,275,138)	(1,127,799)	(15,824,155)
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	1,606,979	2,490,589	581,506	846,269
Depreciation of right-of-use assets	232,954	306,585	-	-
Deposit forfeited	(31,250)	-	-	-
Fair value loss/(gain) on:				
- quoted shares	-	6,710,000	-	6,710,000
- unit trust	(40,709)	(48,558)	-	-
Loss on bond redemption	-	158,743	-	158,743
Impairment/(reversal of impairment) losses on:-				
- amount owing by subsidiaries	-	-	(17,348,368)	-
- goodwill	8,208,000	20,949,000	-	-
- trade receivables	5,016,820	19,867,329	3,840,598	2,854,261
- other receivables	30,189,972	19,734,205	23,471	-
- contract assets	(89,476)	173,699	-	-
- property development costs	-	500,000	-	-
- property, plant and equipment	849,958	2,984,000	849,958	2,984,000
Reversal of provision for late payment penalty on term loan	(89,502)	-	-	-
Written off:-				
- bad debts - finance receivables	256,595	-	-	-
- bad debts - trade receivables	107,628	284,375	-	-
- inventories	143,529	229,821	-	-
Interest income	(492,322)	(573,866)	(24,229)	(18,624)
Other interest	934,477	1,709,909	-	-
Lease liability interest	6,033	20,227	-	-
Hire purchase interest	37,803	49,853	-	-
Term loan interest	3,053,803	4,447,943	-	-
Fair value discount on payables	117,367	21,065	-	-
Fair value discount on receivables	100,966	(818,423)	-	-
Loss on disposal of other investment - quoted	11,014,000	-	11,014,000	-
Loss on disposal of property, plant and equipment, net	-	436,858	-	-
Gain on foreign exchange - unrealised	-	(26,261)	-	-
Dividend income	(2,274)	(89,683)	(2,274)	(89,683)
Waiver of debts	-	(17,122)	-	-
Operating (loss)/profit before working capital changes	(51,432,462)	10,225,150	(2,193,137)	(2,379,189)
Decrease in inventories	161,341	234,111	-	-
Decrease/(increase) in receivables	11,309,048	46,633,842	1,563,826	(403,367)
(Decrease)/increase in payables	(5,591,903)	4,137,584	(91,383)	(342,470)
Changes in property development costs	4,979,531	18,051,054	-	-
Changes in contract assets/contract liabilities	23,049,394	(40,919,447)	-	-
<i>Cash (used in)/generated from operations</i>	(17,525,051)	38,362,294	(720,694)	(3,125,026)
Tax paid	(4,530,791)	(4,632,422)	(174,557)	(514,963)
Tax refunded	16,000	50,000	-	-
Net cash (used in)/generated from operating activities	(22,039,842)	33,779,872	(895,251)	(3,639,989)

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

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	492,322	573,866	24,229	18,624
Dividend received	2,274	89,683	2,274	89,683
Withdrawal/(placement) of fixed deposits pledged to banks	1,656,391	(7,794,768)	-	-
Proceed from disposal of unit trust	300,000	300,000	-	-
Net cash outflow from acquisition of subsidiary (Note g)	(1,999,782)	-	-	-
Proceeds from disposal of other investment	5,486,000	2,750,000	5,486,000	2,750,000
Proceeds from disposal of property, plant and equipment	-	543,362	-	-
Purchase of property, plant and equipment (Note A)	(800,421)	(340,192)	(748,609)	-
<i>Net cash generated from/(used in) investing activities</i>	5,136,784	(3,878,049)	4,763,894	2,858,307
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances from/(repayment to) directors	318,611	133,601	(47,995)	-
Advances to/(repayment from) subsidiaries	-	-	(6,691,080)	(15,657,184)
Drawdown of term loans	4,000,000	-	-	-
Repayment of term loans, net	(825,310)	(50,747)	-	-
Repayment of short term borrowings, net	(431,710)	(37,960,899)	-	-
Finance receivables	140,749	3,543,783	-	-
Interest paid	(934,477)	(1,709,909)	-	-
Interest paid on lease liabilities	(6,033)	(20,227)	-	-
Interest paid on hire purchase	(37,803)	(49,853)	-	-
Interest paid on term loan	(3,053,803)	(4,447,943)	-	-
Repayment of lease liabilities, net	(217,908)	(280,722)	-	-
Expiration of Warrants E	168	-	168	-
Repayment of hire purchase, net	(267,958)	(371,123)	-	-
<i>Net cash (used in)/generated from financing activities</i>	(1,315,474)	(41,214,039)	(6,738,907)	(15,657,184)
<i>Net decrease in cash and cash equivalents</i>	(18,218,532)	(11,312,216)	(2,870,264)	(16,438,866)
Cash and cash equivalents at the beginning of the financial year/period	47,609,039	58,921,255	13,831,111	30,269,977
Cash and cash equivalents at the end of the financial year/period (Note B)	29,390,507	47,609,039	10,960,847	13,831,111

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

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## NOTES TO STATEMENTS OF CASH FLOWS

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
(A) Purchase of property, plant and equipment				
Aggregate cost	1,775,976	340,192	-	-
Less: Finance lease payables	(975,555)	-	-	-
	800,421	340,192	-	-
(B) Cash and cash equivalents comprise				
Cash and bank balances	21,554,368	42,240,202	10,960,847	13,831,111
Fixed deposits with licenced banks	14,176,976	13,366,891	-	-
Bank overdrafts	(1,496,303)	(1,497,129)	-	-
	34,235,041	54,109,964	10,960,847	13,831,111
Less: Fixed deposits pledged as securities	(4,844,534)	(6,500,925)	-	-
	29,390,507	47,609,039	10,960,847	13,831,111

(C) Cash outflows for right of use assets are as follow:

	Group	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<u>Included in net cash used in operating activities:</u>		
- Interest paid in relation to lease liabilities	6,033	20,227
- Payment relating to leases of low value assets	11,350	11,050
- Payment relating to short-term leases	3,068,708	2,973,828
<u>Included in net used in financing activities:</u>		
- Payment for the principal portion of lease liabilities	217,908	280,722
Total cash outflow for leases	3,303,999	3,285,827

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2023

## 1. GENERAL INFORMATION

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

The address of the registered office of the Company is 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The address of the principal place of business of the Company is No. 4, Jalan Seri Utara 1, Off Jalan Ipoh, 68100 Kuala Lumpur, Wilayah Persekutuan, Malaysia and No. 4, Lot 20174, 1st Floor, Stutong Avenue, Jalan Setia Raja, 93350 Kuching, Sarawak, Malaysia.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

On 1 January 2023, the Group and the Company adopted the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2023:

### Amendments to MFRSs

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

The adoption of the above Amendments to MFRSs did not have any material impacts to the financial statements of the Group and the Company.

### Amendments to MFRSs that have been issued and applicable to the Group and the Company but are not yet effective.

The amendments to MFRSs that have been issued and applicable to the Group and Company but are not yet effective up to the date of issuance of the Group and the Company's financial statements are disclosed below. The Group and Company intend to adopt these standards when they become effective:

	<b>Effective for annual periods beginning on or after</b>
<b>Amendments to MFRSs</b>	
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

**Amendments to MFRSs that have been issued and applicable to the Group and the Company but are not yet effective. (continued)**

<b>Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of these Amendments to MFRSs that have been issued but not yet effective and applicable to the Group and of the Company are not expected to have a material impact to the financial statements of the Group and of the Company.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

All material accounting policy information set out below are consistent with those applied in the previous financial year unless otherwise stated.

### (a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

#### (i) *Acquisition method of accounting for non-common control business combinations*

Acquisition of subsidiaries is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (a) Basis Of Consolidation (continued)

#### (ii) *Non-controlling interest*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 equity and attributed to owners of the Company.

### (b) Investment In Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

### (c) Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, where applicable.

Freehold land is not subject to depreciation as it has unlimited useful life. Assets under construction included in property, plant and equipment are not subject to depreciation as these assets are not yet available for use.

All other property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Building	2 – 10%
Computers, telecommunication and electronic equipment	10 – 33%
Machinery and tools	10 – 20%
Motor vehicles	10 – 20%
Base stations and network operation centres	15 years
Staff quarters	10 – 33%
Renovation	10 – 33%
Scaffolding	10 – 33%

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at each end of reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(d) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary company at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess i.e. bargain purchase is recognised as income immediately in profit or loss.

(e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

The estimated useful lives of capitalised development expenditure are over a period of fifteen years. Software license and intellectual property rights both are over a period of twenty years.

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

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

(f) Impairment Of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at each end of the 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. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Impairment Of Non-financial Assets (continued)

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

A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(g) Inventories

Property Development Cost

Property development cost comprise costs associated the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities, such as direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Property development cost not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Other Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on weighted average basis. The cost of raw materials is the aggregate of the original cost of purchases plus the cost of bringing the inventories to their present conditions and locations. The cost of work-in-progress includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(h) Financial Assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) *Classification Of Financial Assets*

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI');

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').



3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Financial Assets (continued)

(ii) *Amortised Cost And Effective Interest Method*

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) *Debt Instruments Classified As FVTOCI*

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements of gains or losses in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Accumulated OCI is reclassified from equity to profit or loss and recognised in other gains/losses upon derecognition of the financial assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss within other gains/losses in the period in which it arises.

(iv) *Equity Instruments*

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gain/losses in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTOCI are not reported separately from other changes in fair value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Financial Assets (continued)

(v) *Financial Assets At FVTPL*

This category comprises only in-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor do they voluntarily classify any financial assets as being at FVTPL.

(vi) *Impairment Of Financial Assets*

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Any impairment gain or loss arising from such changes is to be recognised in profit or loss.

The Group and the Company always recognise lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vii) *Derecognition Of Financial Assets*

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expired, or the Group and the Company transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and the Group and the Company do not retain control of the financial asset.

In the event the Group and the Company enter into transactions whereby the Group and the Company transfer assets recognised in statements of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(i) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) *Financial Liabilities At FVTPL*

This category comprises only out-of-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss. The Group and the Company do not have any liabilities held for trading nor have the Group and the Company designated any financial liabilities as being at FVTPL.

(ii) *Other Financial Liabilities*

Other financial liabilities include the following items:

- bank borrowings, where such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding; and
- payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) *Derecognition Of Financial Liabilities*

The Group and the Company derecognise a financial liability when their contractual obligations are discharged or cancelled, or expired. The Group and the Company also derecognise a financial liability when their terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

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

(j) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

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

All transactions with the owners of the Company are recorded separately within equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Contract Assets/Contract Liabilities

(i) *Contract Assets*

Contract asset represents service contracts cost which comprise of cost related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract. Contract costs includes direct labour, expenses and an appropriate proportion of contract overheads.

Revenue from work done on service contract is recognised based on the stage of completion method. The stage of completion is determined based on proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, the contract revenue shall be recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

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

The aggregate costs incurred and profit or loss recognised on each contract is compared against the progress billings up to the financial period end. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to contract customers.

(ii) *Contract Liabilities*

Contract liabilities represents the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed to the customer. The contract liabilities of the Group comprise of deferred revenue where the Group has billed or has collected the payment before services are provided to the customers.

(l) Lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what the purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer as the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are lessees, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Lease

Recognition And Measurement

(i) *Initial Measurement*

*As a Lessor*

When the Group and the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To clarify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on stand-alone selling prices.

When the Group and the Company are intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use assets arising from head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

*As a Lessee*

The Group and the Company recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group's and Company's incremental borrowing rate is used. Generally, the Group and the Company use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to early terminate the contract.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and lease of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (l) Lease (continued)

#### Recognition And Measurement (continued)

#### (ii) *Subsequent measurement*

##### *As a Lessor*

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

##### *As a Lessee*

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assesses whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company accounts for lease modification as a separate lease when the consideration for the lease increases by an amount that commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decreases the carrying amount of the right-of-use assets and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use assets.

### (m) Revenue Recognition

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which the Group and the Company will be entitled to in exchange of those goods or services.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(m) Revenue Recognition (continued)

Recognition And Measurement

At the inception of each contract with customer, the Group and the Company assess the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and in the Company's customary business practices. A goods or services is distinct if:

- the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer; and
- the Group's and the Company's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract.

If a goods or service is not distinct, the Group and the Company combine it with other promised goods or services until the Group and the Company identify a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured based on the consideration specified in contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group and the Company estimate the amount of consideration that they expect to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Controls over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performances create or enhance a customer-controlled asset; or
- the Group and the Company performances do not create an asset with alternative use to the Group and the Company and the Group and the Company have a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The revenue recognition policies of the Group's and of the Company's major activities are described below:

(i) *Revenue From Construction Contracts*

Revenue from contract works is recognised over time based on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(m) Revenue Recognition (continued)

Recognition And Measurement (continued)

(ii) *Revenue From Property Development*

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group have an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(iii) *Revenue From Fabrication and Installation of Aluminium Doors and Windows*

Revenue from aluminium contracts include multiple deliverables and more than 12 months is recognised over time based on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

Revenue from fabrication and installation services is recognised over time when services rendered to customers.

(iv) *Revenue From Telecommunication Engineering*

Revenue from telecommunication engineering is recognised over time when services rendered to customers.



3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(o) Interest Income

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

(p) Employee Benefits

(i) *Short Term Employee Benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company and its subsidiary companies. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Past-service costs are recognised immediately in profit or loss.

(ii) *Defined Contribution Plan*

The Company's and its subsidiary companies' contributions to defined contribution plans regulated and managed by the government are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(q) Income Tax Expense

Income taxes for the financial year comprise current and deferred taxes.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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 year.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(r) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity).

A related party is:

- (i) a person or a close member of that person's family is related to a reporting entity if that person:
  - a. has control or joint control of the reporting entity;
  - b. has significant influence over the reporting entity; or
  - c. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity.
  
- (ii) an entity is related to a reporting entity if any of the following conditions applies:
  - a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiary company and fellow subsidiary company is related to the others).
  - b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - c. both entities are joint ventures of the same third party.
  - d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - f. the entity is controlled or jointly controlled by a person identified in (i).
  - g. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of the holding company of the entity).
  - h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the holding company of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and of the subsidiary companies either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

(s) Cash And Cash Equivalents

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

(t) Functional And Foreign Currency

(i) *Functional and Presentation Currency*

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Functional And Foreign Currency (continued)

(ii) *Foreign Currency Transactions and Balances*

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

(iii) *Foreign Operations*

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition of foreign operations, are translated into RM for consolidation at the rates of exchange ruling at the end of the reporting year. Revenues and expenses of foreign operations are translated into RM at the average rates for the financial year. All exchange differences arising from translation are recognised directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, accumulated translation differences recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to comprehensive income.

(u) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each end of reporting date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

(v) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(w) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (x) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effect of all dilutive potential ordinary shares, which comprise warrants and share options granted to the employees.

### (y) 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 makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenues.

### (z) Warrant Reserve

Amount allocated in relation to the issuance of warrants is credited to warrant reserve which is non-distributable. Warrant reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

### (aa) Fair Value Measurement

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

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
- Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation of Property, Plant and Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their 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 are disclosed in Note 5.

(b) Impairment of goodwill

The carrying value of goodwill is reviewed for impairment annually. Impairment is measured by comparing the carrying amount of goodwill with its recoverable amount of the cash-generating units ("CGU"). The measurement of the recoverable amount of CGUs is determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations.

Management estimates and judgements are used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used as disclosed in Note 8 to the financial statements.

(c) Impairment of Investment in Subsidiary Companies

The carrying value of investment in subsidiary companies is reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Income Taxes

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

*Group*

The carrying amount of the current tax assets, current tax liabilities and deferred tax liabilities are RM4,954,766 (2022: RM1,578,272), RM112,012 (2022: RM1,178,283) and RM 15,098 (2022: RM 15,098) respectively.

*Company*

The carrying amount of the current tax liabilities is RM76,974 (2022: RM251,531).

(e) Impaired Trade Receivables and Contract Assets

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(f) Fair Value of Financial Instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

(g) Impairment of Other Receivables

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting year.

(h) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use, the management is required to make an estimate of the expected future cash flows and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(i) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

(j) 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 12 to the financial statements.

(k) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

(l) Revenue Recognition for Properties Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract. When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists. The carrying amount of property development costs as at the reporting date is disclosed in Note 13 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment is as follows:

Group	Freehold land and factory		Computers, telecommunication and electronic equipment		Machinery and tools		Motor vehicles		Office equipment, furniture and fittings		Base stations and network operation centres		Renovation		Scaffolding		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<i>Cost</i>																	
At 1 July 2021	6,700,000	2,411,290	3,173,312	2,745,975	2,115,990	8,415,967	745,181	333,714	26,641,429								
Additions	-	-	28,457	117,866	110,000	16,069	-	67,800	340,192								
Disposals	-	-	(1,200)	(1,153,200)	(727,210)	-	-	-	(1,881,610)								
Written off	-	-	(472,568)	(350,000)	(622,148)	-	-	-	(1,444,716)								
At 31 December 2022/ 1 January 2023	6,700,000	1,965,979	2,137,978	1,778,765	1,509,911	8,415,967	812,981	333,714	23,655,295								
Additions	-	12,001	-	1,756,048	7,927	-	-	-	1,775,976								
At 31 December 2023	6,700,000	1,977,980	2,137,978	3,534,813	1,517,838	8,415,967	812,981	333,714	25,431,271								
<i>Accumulated depreciation</i>																	
At 1 July 2021	609,000	2,315,845	899,736	1,655,337	1,414,383	3,179,364	247,118	333,714	10,654,497								
Charge for the financial period	189,000	71,424	531,865	401,501	330,099	841,588	125,112	-	2,490,589								
Disposals	-	(1,200)	(172,980)	(727,210)	-	-	-	-	(901,390)								
Written off	-	(472,568)	-	(350,000)	(622,148)	-	-	-	(1,444,716)								
At 31 December 2022/ 1 January 2023	798,000	1,913,501	1,258,621	979,628	1,122,334	4,020,952	372,230	333,714	10,798,980								
Charge for the financial year	126,000	25,107	265,423	365,269	188,715	561,057	75,408	-	1,606,979								
At 31 December 2023	924,000	1,938,608	1,524,044	1,344,897	1,311,049	4,582,009	447,638	333,714	12,405,959								
<i>Accumulated impairment</i>																	
At 1 July 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the financial period	-	-	-	-	-	2,984,000	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2022/ 1 January 2023	-	-	-	-	-	2,984,000	-	-	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	-	-	849,958	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	3,833,958	-	-	-	-	-	-	-	-	-	-	-
<i>Net carrying amount</i>																	
At 31 December 2023	5,776,000	39,372	613,934	2,189,916	206,789	-	365,343	-	9,191,354								
At 31 December 2022	5,902,000	52,478	879,357	799,137	387,577	1,411,015	440,751	-	9,872,315								

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computers, telecom- munication and electronic equipment RM	Machinery and tools RM	Motor vehicles RM	Office, equipment furniture and fittings RM	Base stations and network operation centres RM	Total RM
<i>Cost</i>						
At 1 July 2021	251,801	2,300	350,000	31,527	8,415,967	9,051,595
Written off	-	-	(350,000)	-	-	(350,000)
At 31 December 2022/ 1 January 2023	251,801	2,300	-	31,527	8,415,967	8,701,595
Additions	7,028	-	741,581	-	-	748,609
At 31 December 2023	258,829	2,300	741,581	31,527	8,415,967	9,450,204
<i>Accumulated depreciation</i>						
At 1 July 2021	251,801	2,300	350,000	24,766	3,179,362	3,808,229
Charge for the financial period	-	-	-	4,681	841,588	846,269
Written off	-	-	(350,000)	-	-	(350,000)
At 31 December 2022/ 1 January 2023	251,801	2,300	-	29,447	4,020,950	4,304,498
Charge for the financial year	351	-	18,539	1,557	561,059	581,506
At 31 December 2023	252,152	2,300	18,539	31,004	4,582,009	4,886,004
<i>Accumulated impairment</i>						
At 1 July 2021	-	-	-	-	-	-
Charge for the financial period	-	-	-	-	2,984,000	2,984,000
At 31 December 2022/ 1 January 2023	-	-	-	-	2,984,000	2,984,000
Charge for the financial year	-	-	-	-	849,958	849,958
At 31 December 2023	-	-	-	-	3,833,958	3,833,958
At 31 December 2023	6,677	-	723,042	523	-	730,242
At 31 December 2022	-	-	-	2,080	1,411,017	1,413,097

- (a) The freehold land and factory amounting to RM5,776,000 has been pledged to licensed banks as security for the bank and credit facilities granted to the Group as disclosed in Note 24 to the financial statements.



**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

(b) The carrying amount of property, plant and equipment acquired under hire purchase terms are as follows:-

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Motor vehicles	231,560	127,349
Machinery and tools	-	71,237
	231,560	198,586

Certain motor vehicles and machinery and tools are pledged to licensed banks for the related finance lease liabilities as disclosed in Note 23 to the financial statements.

During the financial year ended 31 December 2023, the Group and Company has impaired the base stations and network operation centre for an amount of RM849,958 (2022: RM2,984,000). The impaired amount was derived from the discounted cash flow projection computed by the Company.

As some of the contract has been expired and few expired soon, the Company unable to extend and unable to secure new contract and such the base stations and network operation centre unable to generate future economic benefits to the Group and the Company and such management have impaired accordingly.

**6. INVESTMENT PROPERTIES**

	<b>Construction in progress RM</b>
<i>Group</i>	
<i>Cost</i>	
At 1 July 2021/31 December 2022/1 January 2023	2,178,745
Reclassification from other receivables	411,840
At 31 December 2023	2,590,585
 <i>Net carrying amount</i>	
At 31 December 2023	2,590,585
At 31 December 2022	2,178,745

Investment properties comprises of a leasehold unit of Condominium and a leasehold unit of shoptlot which are under construction.

The subsidiary of the Company, namely Neata Aluminium (Malaysia) Sdn Bhd, existing other receivables has agreed to contra the outstanding balance with the aforementioned leasehold properties amounted to RM2,590,585.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 7. RIGHT OF USE ASSETS

The details of right-of-use assets are as follows:

Group	Leasehold land and building RM	Factory RM	Office and shop lot RM	Equipment RM	Total RM
<i>Cost</i>					
At 1 July 2021	1,033,841	627,557	818,963	55,957	2,536,318
Additions	-	-	175,584	62,394	237,978
Written off	-	-	-	(55,957)	(55,957)
At 31 December 2022/ 1 January 2023	1,033,841	627,557	994,547	62,394	2,718,339
Adjustment	-	-	555	-	555
At 31 December 2023	1,033,841	627,557	995,102	62,394	2,718,894
<i>Accumulated amortisation</i>					
At 1 July 2021	230,622	627,557	454,819	35,479	1,348,477
Charge for the financial period	-	-	249,916	56,669	306,585
Written off	-	-	-	(55,957)	(55,957)
At 31 December 2022/1 January 2023	230,622	627,557	704,735	36,191	1,599,105
Charge for the financial year	18,320	-	214,634	-	232,954
At 31 December 2023	248,942	627,557	919,369	36,191	1,832,059
<i>Net carrying amount</i>					
At 31 December 2023	784,899	-	75,733	26,203	886,835
At 31 December 2022	803,219	-	289,812	26,203	1,119,234

The Group's right of use assets have lease term ranging from 2 to 4 years (2022: 2 to 4 years) with extension options ranging from 1 to 2 years (2022: 1 to 2 years).

The Group have leases with terms of 12 months or less. The Group has applied the short term lease recognition exemption for these leases.

## 8. INTANGIBLE ASSETS

The details of intangible assets are as follows:

Group	Goodwill RM	Software licenses RM	Intellectual property rights RM	Total RM
<i>Cost</i>				
At 1 July 2021/31 December 2022/ 1 January 2023	360,622,728	4,500,000	4,000,000	369,122,728
Acquisition of subsidiaries	2,017,322	-	-	2,017,322
At 31 December 2023	362,640,050	4,500,000	4,000,000	371,140,050
<i>Accumulated amortisation</i>				
At 1 July 2021/31 December 2022/ 1 January 2023/31 December 2023	4,073,325	754,737	1,937,985	6,766,047

**8. INTANGIBLE ASSETS (CONTINUED)**

<b>Group</b>	<b>Goodwill RM</b>	<b>Software licenses RM</b>	<b>Intellectual property rights RM</b>	<b>Total RM</b>
<i>Accumulated impairment</i>				
At 1 July 2021	43,011,292	3,745,263	2,062,015	48,818,570
Additions	20,949,000	-	-	20,949,000
At 31 December 2022/ 1 January 2023	63,960,292	3,745,263	2,062,015	69,767,570
Additions	8,208,000	-	-	8,208,000
At 31 December 2023	72,168,292	3,745,263	2,062,015	77,975,570
<i>Net carrying amount</i>				
At 31 December 2023	286,398,433	-	-	286,398,433
At 31 December 2022	292,589,111	-	-	292,589,111

(a) Goodwill

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amounts of goodwill amounted to RM109,449,722 (2022: RM109,449,722), RM7,805,818 (2022: RM16,013,818) and RM169,142,893 (2022: RM167,125,571) have been allocated to the investment in Neata Aluminium (Malaysia) Sdn. Bhd., Instacom Engineering Sdn. Bhd. and V Development Sdn. Bhd. and its subsidiaries respectively.

The recoverable amount of the CGUs is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors covering a three to five years period. The future cash flows are based on management's three to five years business plan, which is the best estimate of future performance. The pre-tax discount rate applied to the cash flow projections for the five-year period is 5.70% (2022: 5.10%) per annum.

The calculation of value in use for this CGU is most sensitive to the following assumptions:-

- (i) Budgeted revenue – Revenue is based on the letter of awards for construction and aluminium design and fabrication and telecommunication and civil and engineering services.
- (ii) Budgeted gross margin – Gross margin is based on average values achieved in prior years preceding the start of the budget period. The anticipated growth rate for gross margin is projected to be minimal.
- (iii) Growth rates – Based on industry outlook for the segment and directors' past experience.
- (iv) Pre-tax discount rate – Discount rate of 5.70% represents the weighted average cost of capital of the CGU.

The value assigned to the key assumptions which represents directors' assessment of future trends in the aluminium fabrication, construction services, telecommunication services and civil and engineering services is based on both external sources and internal sources.

The Group undertakes an annual terms of impairment evaluation. During the financial year ended 31 December 2023, the Group recognised additional impairment amounted to RM8,208,000 (2022: RM20,949,000) arising from V Development Sdn Bhd as the carrying amount in excess of the recoverable amount.

**Sensitivity to changes in assumptions**

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 8. INTANGIBLE ASSETS (CONTINUED)

### (b) Software licences and intellectual property rights

The software licences consist of perpetual and exclusive software licensing rights to use and integrate the acquired software into the Company's projects and to reproduce, market, sell, distribute and sub-licence the software to third parties and end-users.

The intellectual property rights ("IPR") were acquired from a director on a willing buyer and willing seller arrangement. Pursuant to the agreement, the assignor, the director of the Company being the proprietor of the IPR, assigns the IPR to the Company in the work, including all associated product designs, proprietary processes, human capital, customer maintenance contract, development rights and know how processes.

The software licences and IPR are amortised on a straight-line basis over 20 (2022: 20) years. The software licences and IPR were fully impaired in the financial year ended 31 December 2016. The amortisation and impairment losses of software licences and IPR were included in the statement of comprehensive income in prior years.

## 9. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2023 RM	31.12.2022 RM
<i>Unquoted shares, at cost</i>		
At 1 January 2023/1 July 2021	406,384,100	406,384,100
Converted from equity contribution	170,829,324	-
At 31 December 2023/2022	577,213,424	406,384,100
<i>Less: Accumulated impairment losses</i>		
At 1 July 2021/31 December 2022/1 January 2023/31 December 2023	(56,317,000)	(56,317,000)
	520,896,424	350,067,100

### Equity contribution to subsidiaries

Equity contribution to subsidiaries represents balances which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the holding company's net investment in the subsidiary companies.

During the financial year, the Management reassessed and reclassified these amounts from amount owing by subsidiary companies, as these amounts are part of the net investment in the subsidiaries.

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation/ place of business	Effective equity interest		Principal activities
		2023	2022	
		%	%	
Direct subsidiaries:				
Instacom Engineering Sdn. Bhd.	Malaysia	100	100	Telecommunication engineering
Neata Aluminium (Malaysia) Sdn. Bhd.	Malaysia	78.6	78.6	Fabrication and installations aluminium doors and windows
Vivocom Trading Sdn. Bhd.	Malaysia	100	100	Trading of construction materials
Vcom Construction Sdn. Bhd.	Malaysia	100	100	Telecommunication engineering
V Development Sdn. Bhd.	Malaysia	45	45	Property development

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary companies	Country of incorporation/ place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
<i>Subsidiary company of Neata Aluminium (Malaysia) Sdn. Bhd.:</i>				
Vivocom Enterprise Sdn. Bhd.	Malaysia	100	100	Construction services and property development.
<i>Subsidiary companies of V Development Sdn. Bhd.:</i>				
Handy Goals Development Sdn. Bhd. *	Malaysia	100	100	Property development
Vindev Sdn. Bhd.	Malaysia	100	100	Property development
S.B.A Property Management Sdn. Bhd.	Malaysia	100	100	Property development
Tuah Sempena Sdn. Bhd. *	Malaysia	100	100	Property development
Almaventures Development Sdn. Bhd.	Malaysia	70	70	Property development and related activities
Rain International Sdn. Bhd.	Malaysia	97	97	Import, export and mining of nature resources
Kastiara Properties Sdn. Bhd. ("KSB")	Malaysia	80	-	Property Development
Palmacana Sdn. Bhd. ("PSB")	Malaysia	80	-	Property Development

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

The directors regard that V Development Sdn Bhd ("VDSB"), is a subsidiary Company notwithstanding of the Company's 45% effective equity interest in VDSB as the Company has the voting rights through Board of Directors representation and the Company has power to control the finance and operations of VDSB.

Impairment loss recognised

Impairment loss was provided for investment in subsidiaries in which these subsidiaries had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, financial performance and cash flows of these subsidiaries are not expected to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiaries.

Acquisition of subsidiary companies

During the financial year, the one of the subsidiaries of the Company, V Development Sdn. Bhd., has acquired 80% equity interest in Kastiara Properties Sdn. Bhd. ("KSB") and Palmacana Sdn. Bhd. ("PSB") for a total consideration of RM1,000,000 for each company respectively. As a result, KSB and PSB became the subsidiaries of the Company.

The fair values of the identifiable assets acquired and liabilities assumed and the effects on cash flows arising from the acquisition of KSB and PSB as follows:

	KSB RM	PSB RM	Total RM
Current assets	21,048	80	21,128
Current liabilities	(18,049)	(20,401)	(38,450)
	2,999	(20,321)	(17,322)
Goodwill	997,001	1,020,321	2,017,322
Total consideration paid	1,000,000	1,000,000	2,000,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

	KSB RM	PSB RM	Total RM
The effect of the acquisition on cash flows is as follows:	<b>RM</b>	<b>RM</b>	<b>RM</b>
Total cash consideration paid	1,000,000	1,000,000	2,000,000
Less: Cash and cash equivalents of the subsidiary company acquired	(118)	(100)	(218)
Net cash outflows on acquisition	999,882	999,900	1,999,782

### Non-controlling interest

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Neata Aluminium (Malaysia) V Development Sdn. Bhd. RM	Sdn. Bhd. RM	Total RM
2023			
NCI percentage of ownership interest and voting interest	21.40%	55.00%	
Carrying amount of NCI (Loss)/profit allocation to NCI	(7,728,764) (19,422,761)	20,774,529 5,018,799	13,045,765 (14,403,962)
2022			
NCI percentage of ownership interest and voting interest	21.40%	55.00%	
Carrying amount of NCI (Loss)/profit allocation to NCI	11,693,997 (8,647,364)	15,760,061 3,796,660	27,454,058 (4,850,704)

The summary of financial information before intra-group elimination is as follows:

	31.12.2023 RM	31.12.2022 RM
<b>Summary of financial position</b>		
Non-current assets	17,366,350	386,944,437
Current assets	346,654,264	644,771,829
Non-current liabilities	(26,336,669)	(25,648,888)
Current liabilities	(164,762,012)	(398,591,070)
Net assets	172,921,933	607,476,308
<b>Summary of financial performance</b>		
Revenue	83,708,297	213,021,472
Net loss for the financial year/period	(82,662,841)	(178,828,984)
Total comprehensive loss for the financial year/period	(82,662,841)	(178,828,984)
<b>Summary of cash flows</b>		
Cash (outflows)/inflows from operating activities	(524,241)	33,779,872
Cash inflows/(outflows) from investing activities	3,675,700	(3,878,049)
Cash inflows/(outflows) from financing activities	868,120	(4,214,039)
Net increase in cash and cash equivalents	4,019,579	25,687,784

**10. OTHER INVESTMENTS**

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<i>Unquoted bond, at amortised cost</i>				
At 1 January 2023/1 July 2021	-	2,908,743	-	2,908,743
Redeemed	-	(2,908,743)	-	(2,908,743)
At 31 December 2023/2022	-	-	-	-
<i>Quoted shares in Malaysia, at fair value through profit or loss</i>				
At 1 January 2023/1 July 2021	16,500,000	-	16,500,000	-
Addition	-	23,210,000	-	23,210,000
Disposal	(16,500,000)	-	(16,500,000)	-
Fair value gain	-	(6,710,000)	-	(6,710,000)
At 31 December 2023/2022	-	16,500,000	-	16,500,000
<i>Unit trust in Malaysia, at fair value through profit or loss</i>				
At 1 January 2023/1 July 2021	1,288,151	1,539,593	-	-
Disposal	(300,000)	(300,000)	-	-
Fair value gain	40,709	48,558	-	-
At 31 December 2023/2022	1,028,860	1,288,151	-	-
Total	1,028,860	17,788,151	-	-

Unquoted Bond

In previous financial year, the Group and the Company invested in unquoted bond from a corporate issuer for RM2,750,000 with fixed profit rate of 6.40% per annum and has a maturity period of 3 years.

Quoted Shares

In previous financial year, the Company has subscribed 1,100,000,000 new ordinary shares in EA Holdings Berhad ("EAH"), representing approximately 21.7% equity interest in EAH at an issue price of RM0.0211 per share as stated in Note 10 to the financial statements.

During the financial year ended 31 December 2023, the Company's other investment comprising 1,100,000,000 ordinary shares in EA Holdings Berhad ("EAH") was disposed of without the Company's approval and subsequently the Company has initiated a legal suit. Please refer Note 40 to the financial statement on the status update of the legal suit.

Unit Trust

The Group has recognised a fair value gain at the reinvestment price ranging from RM0.9915 to RM1.033 (2022: RM0.9747 to RM1.039) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 11. TRADE RECEIVABLES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<i>Non-current</i>				
Trade receivables	-	1,062,716	-	-
<i>Current</i>				
Trade receivables	96,909,846	112,171,345	18,524,710	19,524,710
Less: Impairment	(43,839,993)	(38,823,173)	(14,786,805)	(10,946,207)
	53,069,853	73,348,172	3,737,905	8,578,503
Total trade receivables	53,069,853	74,410,888	3,737,905	8,578,503

The Group's and the Company's credit period granted ranges from 30 days (2022: 30 days). Other credit terms are assessed and approved on a case by case basis.

The reconciliation of trade receivables' movements accumulated impairment losses of the Group and of the Company are as follows:-

	Group RM	Company RM
At 1 July 2021	18,955,844	8,091,946
Impairment loss during the financial year/period	19,867,329	2,854,261
At 31 December 2022/1 January 2023	38,823,173	10,946,207
Impairment loss during the financial year/period	5,016,820	3,840,598
At 31 December 2023	43,839,993	14,786,805

Included in trade receivables as at financial year ended retention sum of RM5,358,952 (2022: RM3,658,843) relating to construction contracts. Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	Group	
	31.12.2023 RM	31.12.2022 RM
Within 12 months	4,235,175	2,596,127
More than 1 year and less than 2 years	1,123,777	741,306
More than 5 years	-	321,410
	1,123,777	1,062,716
	5,358,952	3,658,843

Analysis of retention sum on impairment loss and deferred payment terms with discount rate of 7.10% (2022: 5.70%) per annum being the weighted average cost of capital of the Group is as follows:-

	Group	
	31.12.2023 RM	31.12.2022 RM
Nominal value	12,325,999	10,508,523
Impairment loss	(6,306,098)	(6,306,098)
Discounted	(660,949)	(543,582)
	5,358,952	3,658,843



**11. TRADE RECEIVABLES (CONTINUED)**

The reconciliation of retention sum receivables' movements accumulated impairment losses of the Group is as follows:

	<b>Group RM</b>
At 1 July 2021	1,801,381
Impairment loss during the financial period	4,504,717
At 31 December 2022/1 January 2023	6,306,098
Impairment loss during the financial year	-
At 31 December 2023	6,306,098

**12. INVENTORIES**

	<b>Group</b>	
	<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>
<i>At cost:</i>		
Finished goods	503,174	808,044
<i>Recognised in profit or loss</i>		
Inventories recognised as cost of sales	301,870	24,513,440
Inventories written off	143,529	229,821

**13. PROPERTY DEVELOPMENT COST**

	<b>Group</b>	
	<b>31.12.2023 RM</b>	<b>31.12.2022 RM</b>
Land costs	27,361,391	44,846,217
Development costs	35,567,175	23,061,880
	62,928,566	67,908,097
At 1 January 2023/1 July 2021	199,540,063	123,553,099
Cost incurred during the financial year/period	382,613	81,349,108
Cost recognised to profit or loss	(136,393,510)	(136,393,510)
Less: Impairment	(600,600)	(600,600)
At 31 December 2023/31 December 2022	62,928,566	67,908,097

Movements in the accumulated impairment losses are as follows:

	<b>Group RM</b>
At 1 July 2021	100,600
Impairment loss during the financial period	500,000
At 31 December 2022/1 January 2023	600,600
Impairment loss during the financial year	-
At 31 December 2023	600,600

In previous financial year, the subsidiaries of the Company, namely Tuah Sempena Sdn. Bhd. has impaired RM500,000 development cost incurred due to the cancellation of the project in Perak.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 14. FINANCE RECEIVABLES

	Group	
	31.12.2023 RM	31.12.2022 RM
<i>At amortised cost</i>		
Current	1,095,007	1,492,351

A wholly-owned subsidiary of the Company, Instacom Engineering Sdn. Bhd. ("IESB") had entered into Teaming Agreements with several contractors ("Contractors") for the purpose of procuring telecommunication projects in construction of telecommunication towers, fibre optic ducting and related infrastructures.

The terms and conditions of the Teaming Agreement state that IESB is responsible for the funding of site procurement, design, funding and construction of the structures of the telecommunication projects. IESB and Contractors are entitled for the rental proceeds receivable from Telecommunications Service Provider ("TSP") for a period of eighty-four (84) months.

Finance receivables are the rental proceeds with the maturity ranging from 1 to 7 years (2022: 1 to 7 years) and are financed by banking facilities as disclosed in Note 22 to the financial statements.

## 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Other receivables	100,425,288	98,339,943	5,249,147	5,812,973
Less: Accumulated impairment losses	(65,946,030)	(35,756,058)	(1,579,668)	(1,556,197)
	34,479,258	62,583,885	3,669,479	4,256,776
Deposits	14,580,096	11,430,989	-	-
	49,059,354	74,014,874	3,669,479	4,256,776
Prepayments	407,397	1,189,674	-	-
	49,466,751	75,204,548	3,669,479	4,256,776

### Group

Other receivables that are individually determined to be impaired relate to receivables that are in significant financial difficulties and have defaulted on payments and the directors are of the opinion that these are not recoverable.

Included in the other receivables is an assignment of debts of RM65,435,086 (2022: RM67,438,743). In previous financial year, the Company's subsidiaries have entered into an assignment of debts with a non-related structured entity to recover other long outstanding debts from the subsidiaries customer. During the financial year, the company's subsidiary companies have entered into a revised acceptance of installments plan for a repayment period of 12 months.

In previous financial year, the Group has recovered an amount of RM24,997,869, being the accumulation amount for a few years from the structured entity over the assignment of debts that the Company's subsidiaries has entered into with the structured entity.

During the financial year ended 31 December 2023, the Group has impaired RM30,166,501 (2022: RM19,116,924) of the assignment of debts based on the expected credit loss computation prepared by the management.

In previous financial year, included in other receivables is an amount of RM2,458,429 given to Dato' Seri Chia Kok Teong being the Chief Executive Director of the Company by a subsidiary of the Company, namely V Development Sdn Bhd., for the purposes of the Company's business.

**15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)**

Movements in the accumulated impairment losses are as follows:

	<b>Group RM</b>	<b>Company RM</b>
At 1 July 2021	16,021,853	1,556,197
Impairment loss during the financial period	19,734,205	-
At 31 December 2022/1 January 2023	35,756,058	1,556,197
Impairment loss during the financial year	30,189,972	23,471
At 31 December 2023	65,946,030	1,579,668

**16. CONTRACT ASSETS**

	<b>Group RM</b>	<b>Company RM</b>
Contract assets	73,759,650	96,809,044
Less: Impairment loss	(2,617,036)	(2,706,512)
	71,142,614	94,102,532

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. The contract liabilities primarily relate to the advance consideration received from customers for construction contracts, which revenue is recognised overtime during the construction.

	<b>Group RM</b>	<b>Company RM</b>
Represented by:-		
Contract assets		
Aggregate construction contract costs incurred to date	363,973,511	358,961,984
Add: Attributable profits	95,602,681	226,663,278
	459,576,192	585,625,262
Less: Progress billings	(385,816,542)	(488,816,218)
	73,759,650	96,809,044
Less: Impairment	(2,617,036)	(2,706,512)
	71,142,614	94,102,532

The reconciliation of contract assets' movements in accumulated impairment losses of the Group is as follows:-

	<b>Group RM</b>
At 1 July 2021	2,532,813
Impairment loss during the financial period	173,699
At 31 December 2022/1 January 2023	2,706,512
Reversal of impairment loss during the financial year	(89,476)
At 31 December 2023	2,617,036

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 17. AMOUNT OWING BY SUBSIDIARIES

Amount owing by subsidiaries is unsecured, interest-free and recoverable on demand.

	Company	
	31.12.2023 RM	31.12.2022 RM
Amount owing by subsidiaries		
Non-trade balances		
Gross amount	28,095,301	192,233,545
Less: Impairment	(833,747)	(18,182,115)
	27,261,554	174,051,430

The reconciliation of amount owing by subsidiaries' movements in accumulated impairment losses of the Company is as follows:-

	Company RM
At 1 July 2021	-
Impairment loss during the financial period	18,182,115
At 31 December 2022/1 January 2023	18,182,115
Reversal of impairment loss during the financial year	(17,348,368)
At 31 December 2023	833,747

## 18. FIXED DEPOSITS WITH LICENSED BANK

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates of 1.85% to 3.91% (2022: 1.60% to 4.82%) per annum. Fixed deposits were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

## 19. CASH AND BANK BALANCES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Cash on hand	17,528	19,810	-	-
Cash at banks	20,037,759	33,519,557	10,893,530	13,764,069
Cash at bank held under				
Housing Development	1,431,764	8,633,793	-	-
Short term investment funds	67,317	67,042	67,317	67,042
	21,554,368	42,240,202	10,960,847	13,831,111

Cash at bank held under Housing Development amounted to RM1,431,764 are held under the Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (Act 118) and are therefore restricted from used in other operations.

**20. SHARE CAPITAL**

	<b>Group and Company</b>			
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Number of ordinary shares</b>		<b>RM</b>	<b>RM</b>
Issued and fully paid:				
At 1 January 2023/1 July 2021	969,100,075	906,455,000	567,146,160	543,936,160
Ordinary shares issued via share subscription agreement*	-	62,645,075	-	23,210,000
Issuance of shares pursuant to exercise of warrants	333	-	168	-
At 31 December 2023/31 December 2022	<u>969,100,408</u>	<u>969,100,075</u>	<u>567,146,328</u>	<u>567,146,160</u>

\* In previous financial year, the Company has subscribed 1,100,000,000 new ordinary shares in EA Holdings Berhad ("EAH"), representing approximately 21.7% equity interest in EA Holdings Berhad at share price of RM0.0211 per share which are satisfied via the increase of 62,645,075 new ordinary shares of the company at share price of RM0.375 per shares.

During the financial year, the Company has issued the issuance of 333 ordinary shares of RM0.50 each arising from the exercise of warrants.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

**21. RESERVES**

	<b>Group and Company</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Warrants		
At 1 January 2023/1 July 2021	6,340,929	6,340,929
Expiry of warrants	(6,340,929)	-
At 31 December 2023/31 December 2022	<u>-</u>	<u>6,340,929</u>

Warrants reserve represents the proceeds from the issuance of warrants which is non-distributable. The warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

Salient terms of Warrants E 2018/2023 are as follow:

- i. The Company has Renounceable Rights Issue of up to 3,010,706,070 Rights Shares on the basis of two (2) Rights Shares for every three (3) existing ordinary shares held, together with up to 1,505,353,035 free detachable warrants in the Company ("Warrant E") on the basis of one (1) free Warrant E for every two (2) Rights Shares subscribed for at 5.00 p.m. on Monday, 30 July 2018 at an issue price of RM0.025 per Rights Share ("Rights Issue with Warrants").
- ii. A total of 1,132,906,538 free detachable warrants have been issued pursuant to the Rights Issue of one (1) free warrant for every two (2) subscribed Rights Share at an issue price of RM0.025 each on 30 July 2018. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 29 August 2018.
- iii. Each warrant carries the entitlement to subscribe for one (1) new share in the Company at an exercise price of RM0.05 and at any time during the exercise period up to the date of expiry on 22 August 2023. Any warrants not exercised during the exercise period will thereafter lapse and ceased to be valid for any purpose.
- iv. The new shares to be issued arising from the exercise of warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the new shares arising from the exercise of warrants.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 21. RESERVES (CONTINUED)

- v. On 4 November 2020, the total number of outstanding Warrants E of 1,132,906,538 has been adjusted to 113,290,653 pursuant to the Share Consolidation.
- vi. During the financial year, 333 of Warrants E were exercised at an exercise price of RM0.50 per warrant.
- vii. As at 22 August 2023, being the maturity date of the Warrants E, 107,472,012 Warrants E remained unexercised and ceased to be valid.

## 22. LOANS AND BORROWINGS

	Note	Group	
		31.12.2023 RM	31.12.2022 RM
<i>Non-current</i>			
Secured:			
Hire purchase payables	23	1,047,329	368,045
Term loans	24	25,274,242	21,457,311
		26,321,571	21,825,356
<i>Current</i>			
Secured:			
Hire purchase payables	23	188,646	160,333
Term loans	24	13,417,061	14,059,302
Bankers' acceptances	(i)	474,934	906,644
Bank overdrafts	(ii)	1,496,303	1,497,129
		15,576,944	16,623,408
Total loans and borrowings		41,898,515	38,448,764

(i) The bankers' acceptances are secured by way of:-

- (a) pledged of fixed deposits;
- (b) joint and several guarantee by the directors of the Group and of the Company; and
- (c) first fixed charge over two landed properties owned by a third party.

During previous financial year ended, the bankers' acceptances bear effective interest at rate ranging from 7.60% to 7.85% (2022: 3.69% to 8.35%) per annum.

(ii) The bank overdrafts are secured by way of:-

- (a) pledged of fixed deposits; and
- (b) joint and several guarantee by the directors of the Group.

The bank overdrafts bear effective interest at rate 6.35% to 8.10% (2022: 7.50%) per annum.

23. HIRE PURCHASE PAYABLES

	Note	Minimum lease payments RM	Future finance charges RM	Net present value RM
<i>Group</i>				
<i>2023</i>				
Shown under current liabilities				
Within 1 year	22	246,658	(58,012)	188,646
Shown under non-current liabilities				
Between 2 to 5 years	22	1,198,630	(151,301)	1,047,329
		<u>1,445,288</u>	<u>(209,313)</u>	<u>1,235,975</u>
<i>2022</i>				
Shown under current liabilities				
Within 1 year	22	179,007	(18,674)	160,333
Shown under non-current liabilities				
Between 2 to 5 years	22	395,229	(27,184)	368,045
		<u>574,236</u>	<u>(45,858)</u>	<u>528,378</u>

The hire purchase payables bear effective interest at rates ranging from 3.22% to 3.27% (2022: 2.67% to 2.69%) per annum.

24. TERM LOANS

	Note	Group	
		31.12.2023 RM	31.12.2022 RM
<i>Current</i>			
Within 1 year	22	13,417,061	14,059,302
<i>Non-current</i>			
Between 2 to 5 years	22	25,274,242	18,222,446
After 5 years		-	3,234,865
		<u>25,274,242</u>	<u>21,457,311</u>
Total term loans		<u>38,691,303</u>	<u>35,516,613</u>

The term loans are secured by way of:

- pledged of freehold land and factory of the Group;
- facility agreement;
- all monies legal charge or all monies deed of assignment and power of attorney over the land for development as referred to Note 13;
- debenture by way of fixed and floating charge over the entire current and future assets of the subsidiary;
- assignment of performance bond by main contractor of the subsidiary in favour of the bank;
- deed of assignment over the proceeds received from Dewan Bandaraya Kuala Lumpur in relation to the property development project of the subsidiary as referred to Note 13; and
- jointly and several guarantee by the directors of the Group and of the Company.

The term loans bear effective interest at rate ranging from 3.50% to 7.67% (2022: 3.40% to 8.42%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 25. LEASE LIABILITIES PAYABLES

The lease liabilities payables are repayable as follows:-

	Group	
	31.12.2023 RM	31.12.2022 RM
Shown under current liabilities		
Within 1 year	146,577	217,351
Shown under non-current liabilities		
Between 2 to 5 years	12,900	159,479
	159,477	376,830

The lease liabilities payables bears effective interest rate at 5% (2021: 5%) per annum.

## 26. DEFERRED TAX LIABILITIES

	Group	
	31.12.2023 RM	31.12.2022 RM
At 1 January 2023/1 July 2021	15,098	17,096
Realised in profit or loss (Note 33)	-	(1,998)
At 31 December 2023/31 December 2022	15,098	15,098

The deferred tax liabilities are in respect of taxable temporary differences arising from the qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation.

## 27. TRADE PAYABLES

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
<i>Non-current</i>				
Trade payables	-	3,648,955	-	-
<i>Current</i>				
Trade payables	23,124,623	25,049,029	-	-
Total trade payables	23,124,623	28,697,984	-	-

The credit terms to the Group and the Company of trade payables granted ranged from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.



**27. TRADE PAYABLES (CONTINUED)**

Included in trade payables are retention sums of RM4,789,071 (2022: RM3,982,983) relating to construction contracts. Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	957,995	334,028
More than 1 year and less than 2 years	1,027,278	855,114
More than 2 years and less than 5 years	1,163,507	1,070,446
More than 5 years	1,640,291	1,723,395
	4,789,071	3,982,983

Analysis of retention sum on deferred payment terms with discount rate of 5.70% (2022: 5.70%) per annum, being the weighted average cost of capital of the Group is as follows:-

	<b>Group</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Nominal value	5,339,567	4,533,479
Discounted	(550,496)	(550,496)
	4,789,071	3,982,983

**28. OTHER PAYABLES AND ACCRUALS**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	2,540,492	1,377,658	94,019	175,402
Deposit received	5,068,716	5,706,560	-	-
	7,609,208	7,084,218	94,019	175,402
Accruals	2,362,745	2,845,238	90,000	100,000
	9,971,953	9,929,456	184,019	275,402

Included in other payables is an amount of RM763,151 received from Dato' Seri Chia Kok Teong being the Chief Executive Director of the Company by a subsidiary of the Company, namely V Development Sdn Bhd., for the purposes of the Company's business.

**29. AMOUNT OWING TO DIRECTORS**

The amount owing to directors are unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 30. REVENUE

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<b>Major products and service lines</b>				
Construction services	407,945	-	-	-
Property development	70,151,857	100,561,158	-	-
Aluminium design and fabrication	13,148,495	9,277,978	-	-
Telecommunication engineering	245,383	2,060,764	-	-
<b>Total</b>	<b>83,953,680</b>	<b>111,899,900</b>	<b>-</b>	<b>-</b>
Timing and recognition:-				
- at point in time	325,831	(89,782,830)	-	-
- over time	83,627,849	201,682,730	-	-
<b>Total</b>	<b>83,953,680</b>	<b>111,899,900</b>	<b>-</b>	<b>-</b>

### Transaction price allocated to remaining performance obligations

As of 31 December 2023, the aggregate amount of the transaction price allocated to remaining performance obligations is RM528,784,632 (2022: RM409,382,786). The Group will recognise this amount of revenue as performance obligations are satisfied, which is expected to occur over the next 3 years.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

The following information reflects the typical transactions of the Group and the Company:-

Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction services	Revenue from construction contracts is recognised over time using the cost incurred method.	Credit period of 30 days from the invoice date.	Variation orders.	Not applicable.	Defect liability period up to 24 months is given to the contract customers.
Property development	Revenue from property development is recognised over time using stage of completion method.	Credit period of 30 days from the invoice date.	Variation orders.	Not applicable.	Defect liability period up to 12 months is given after the property sold.
Aluminium design and fabrication	Revenue from contracts is recognised over time using the cost incurred method.	Credit period of 30 to 90 days from the invoice date.	Variation orders.	Not applicable.	Defect liability period up to 30 months is given to the contract customers.
	Revenue from fabrication and installation services is recognised over time when services rendered to customers.	Credit period of 30 to 90 days from the invoice date.	Trade discounts.	No returns or refunds policy.	Not applicable.
Telecommunication engineering	Revenue from telecommunication engineering is recognised over time when services rendered to customers.	Credit period of 30 to 120 days from the invoice date.	Trade discounts.	No returns or refunds policy.	Not applicable.

**31. FINANCE COSTS**

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
Bank overdraft	112,158	146,814	-	-
Bankers' acceptance and revolving credit	59,008	825,596	-	-
Fair value discount on payables	-	21,065	-	-
Hire purchase	37,803	49,853	-	-
Term loans	3,053,803	4,447,943	-	-
Lease liabilities	6,033	20,227	-	-
Other interest charges	763,311	737,499	-	-
	4,032,116	6,248,997	-	-

**32. LOSS BEFORE TAXATION**

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
Loss before taxation is stated <i>after charging</i> :				
Auditors' remuneration				
- current year	348,000	351,000	90,000	100,000
- overprovision in prior year	2,000	-	(1,000)	-
Depreciation of property, plant and equipment	1,606,979	2,490,589	581,506	846,269
Depreciation of right-of-use assets	232,954	306,585	-	-
Fair value discount on payables	117,367	21,065	-	-
Fair value discount on receivables	100,966	(818,423)	-	-
Fair value loss on other investment	-	6,710,000	-	6,710,000
Impairment/(reversal of impairment) losses on:-				
- goodwill	8,208,000	20,949,000	-	-
- trade receivables	5,016,820	19,867,329	3,840,598	-
- other receivables	30,189,972	19,734,205	23,471	-
- contract assets	(89,476)	173,699	-	-
- development costs	-	500,000	-	-
- property, plant and equipment	849,958	2,984,000	849,958	2,984,000
Loss on foreign exchange - realised	-	79,701	-	-
Loss on bond redemption	-	158,743	-	158,743
Loss on disposal of other investment - quoted	11,014,000	-	11,014,000	-
Loss on disposal of property, plant and equipment	-	436,858	-	-
Written off of:-				
- finance receivables	256,595	-	-	-
- trade receivables	107,628	284,375	-	-
- inventories	143,529	229,821	-	-
Expenses relating to leases of low value assets	11,350	11,050	-	-
Expenses relating to short-term leases	3,068,708	2,973,828	-	-
Employee benefits (Note 35)	9,939,426	16,836,964	204,000	288,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 32. LOSS BEFORE TAXATION (CONTINUED)

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<i>and crediting:</i>				
Deposit forfeited	(31,250)	-	-	-
Dividend income	(2,274)	(89,683)	-	(89,683)
Fair value gain on unit trust	(40,709)	(48,558)	-	-
Interest income	(492,322)	(573,866)	(24,229)	(18,624)
Rental income	-	(56,732)	-	-
Gain on foreign exchange:-				
- realised	(1,706)	-	-	-
- unrealised	-	(26,261)	-	-
Reversal impairment losses on:	-	-		
- amount owing by subsidiary	-	-	(17,348,368)	-
Reversal of provision for late payment penalty on term loan	(89,502)	-	-	-
Waiver of debts	-	(17,122)	-	-

## 33. INCOME TAX EXPENSE

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
Malaysian income tax:				
- current year/period provision	-	3,771,008	-	-
- under provision in respect of prior year/period	57,137	11,561	-	400,434
	57,137	3,782,569	-	400,434
Deferred tax (Note 26):				
- origination and reversal of temporary differences	-	(1,998)	-	-
	57,137	3,780,571	-	400,434

Income tax is calculated based on the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

**33. INCOME TAX EXPENSE (CONTINUED)**

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

	<b>Group</b>		<b>Company</b>	
	<b>From 01.01.2023 to 31.12.2023 RM</b>	<b>From 01.07.2021 to 31.12.2022 RM</b>	<b>From 01.01.2023 to 31.12.2023 RM</b>	<b>From 01.07.2021 to 31.12.2022 RM</b>
Loss before taxation	(112,563,813)	(69,275,138)	(1,127,799)	(15,824,155)
Income tax expense at Malaysian statutory tax rate of 24% (2022: 24%)	(27,015,315)	(16,626,033)	(270,672)	(3,797,797)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	32,509,923	11,279,409	4,348,251	3,819,321
- income not subject to tax	(6,893,679)	(405,165)	(4,164,154)	(21,524)
- deferred tax assets not recognised during the financial year/period	1,399,071	9,516,718	86,575	-
	27,015,315	20,390,962	270,672	3,797,797
• Under provision of taxation in respect of prior year/period	57,137	11,561	-	400,434
• Under provision of deferred tax liability in respect of prior year/period	-	4,081	-	-
	57,137	3,780,571	-	400,434

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>From 01.01.2023 to 31.12.2023 RM</b>	<b>From 01.07.2021 to 31.12.2022 RM</b>	<b>From 01.01.2023 to 31.12.2023 RM</b>	<b>From 01.07.2021 to 31.12.2022 RM</b>
Excess of accumulated depreciation claimed over corresponding capital allowances	(351,528)	(380,715)	(194)	(620)
Unutilised capital allowances	7,416,558	7,169,934	-	-
Unabsorbed business losses	33,082,932	27,529,287	360,301	-
	40,147,962	34,318,506	360,107	(620)

The potential deferred tax assets in respect of these items have not been recognised as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiaries can utilise the benefits. The unabsorbed business losses and unutilised capital allowances of the Company and of the Group are available for offsetting against future taxable profits of respective subsidiaries, subject to no substantial changes in shareholdings of those entities under the Income Tax Act 1967 and subject to the relevant provision of Income Tax Act 1967.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 33. INCOME TAX EXPENSE (CONTINUED)

In accordance to the applicable tax legislation, the Company's and the Group's:-

- (i) Unabsorbed capital allowances can be carried forward indefinitely; and
- (ii) Unutilised business losses will be expired as follow:-

Year of Assessment	Unabsorbed Business Losses	Expiry Year
<i>Group</i>		
	<b>RM</b>	
2021	14,829,444	2031
2022	12,765,843	2032
2023	5,487,645	2033
	33,082,932	
<i>Company</i>		
2023	360,301	2033

Effective from year of assessment 2021 as announced in Budget 2022, the unutilised tax losses of the Group as at 31 December 2023, will only be available for carried forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unutilised tax losses will be disregarded.

## 34. LOSS PER SHARE

### Loss Per Share

The basic earnings per ordinary share as at 31 December 2023 is arrived at by dividing the Group's profit attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	From <b>01.01.2023</b> to <b>31.12.2023</b>	From <b>01.07.2021</b> to <b>31.12.2022</b>
Loss attributable to owners of the Company (RM)	(98,216,988)	(68,205,005)
Weighted average number of ordinary shares (units)	951,756,052	951,755,719
Basic loss per share (Sen)	(10.32)	(7.17)

### Diluted Loss Per Share

In the current financial year, the Group has no dilution in its loss per ordinary share as there are no dilutive potential ordinary shares.

In the previous financial year, the outstanding Warrants have been excluded from the computation of diluted loss per ordinary share as the exercise of Warrants to ordinary share would be anti-dilutive.

### 35. EMPLOYEE BENEFITS

The employee benefits recognised in profit or loss are as follows:

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
Salaries, bonus, wages and allowances	8,522,802	13,605,367	204,000	288,000
Defined contribution plan	893,253	1,423,541	-	-
Other employee benefit	523,371	1,808,056	-	-
	9,939,426	16,836,964	204,000	288,000

Included in employee benefits are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
Executive Directors				
Directors' remuneration				
- fees, salaries, allowances and bonuses	1,895,810	2,837,850	-	-
- defined contribution plan	228,007	338,476	-	-
- other employee benefits	4,063	3,840	-	-
	2,127,880	3,180,166	-	-
Non-Executive Directors				
Directors' remuneration				
- fees	204,000	288,000	204,000	288,000
Total directors' remuneration	2,331,880	3,468,166	204,000	288,000

### 36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

a) The table below details changes in the liabilities of the Group arising from the financing activities, including both cash and non-cash changes are as follows: -

	At 01.01.2023 RM	Net Cash Flows RM	Non-cash Changes RM	At 31.12.2023 RM
<i>Group</i>				
Bankers' acceptances	906,644	(490,718)	59,008	474,934
Hire purchase	528,378	(305,761)	1,013,358	1,235,975
Term loan	35,516,163	(3,878,663)	7,053,803	38,691,303
Lease liabilities	376,830	(223,941)	6,588	159,477

**NOTES TO THE  
FINANCIAL STATEMENTS (CONT'D)**

- 31 DECEMBER 2023

**36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)**

- a) The table below details changes in the liabilities of the Group arising from the financing activities, including both cash and non-cash changes are as follows: - (continued)

	<b>At 01.07.2021</b>	<b>Net Cash Flows</b>	<b>Non-cash Changes</b>	<b>At 31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<i>Group</i>				
Bankers' acceptances	10,267,776	(10,025,964)	664,832	906,644
Hire purchase	899,501	(420,976)	49,853	528,378
Term loan	63,878,434	(33,390,563)	4,740,049	35,227,920
Lease liabilities	419,575	(300,949)	258,204	376,830

- b) The reconciliation of the liabilities of the Group arising from the financing activities for banker's acceptance, hire purchase, term loan and lease liabilities, are as follows: -

	<b>Banker's acceptance RM</b>	<b>Hire purchase RM</b>	<b>Term loan RM</b>	<b>Lease liabilities RM</b>
<i>Group</i>				
<i>2023</i>				
As at 1 January 2023	906,644	528,378	35,516,613	376,830
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	-	-	4,000,000	-
Repayment of borrowing	(431,710)	(267,958)	(825,310)	(217,908)
Repayment of interest	(59,008)	(37,803)	(3,053,803)	(6,033)
<u>Non-cash transaction cost</u>				
Additional during the financial year	-	975,555	-	-
Adjustment during the financial year	-	-	-	555
Finance charges recognised in profit or loss	59,008	37,803	3,053,803	6,033
As at 31 December 2023	474,934	1,235,975	38,691,303	159,477
<i>Group</i>				
<i>2022</i>				
As at 1 July 2021	10,267,776	899,501	63,878,434	419,575
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	-	-	21,551,064	-
Repayment of borrowing	(9,361,132)	(371,123)	(50,201,578)	(280,722)
Repayment of interest	(664,832)	(49,853)	(4,740,049)	(20,227)
<u>Non-cash transaction cost</u>				
Additional during the financial period	-	-	-	237,977
Finance charges recognised in profit or loss	664,832	49,853	4,740,049	20,227
As at 31 December 2022	906,644	528,378	35,227,920	376,830



**36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)**

- c) The reconciliation of the short-term investment arising from the financing activities for short-term investment is as follows: -

	<b>Short-term investment</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<i>Group</i>		
As at 1 January 2023/1 July 2021	67,042	1,531,822
<u>Changes in financing cash flows</u>		
Withdrawal of short-term investments	-	(1,483,404)
Dividend received	2,274	18,624
As at 31 December 2023/31 December 2022	69,316	67,042

**37. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Director as chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is organised into main business segments as follows:

- (a) Investment holding
- (b) Telecommunication engineering
- (c) Aluminium design and fabrication
- (d) Construction services and property developments
- (e) Property development

For the purpose of making decisions about resource allocation, the Executive Director assesses the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Director is of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 37. OPERATING SEGMENTS (CONTINUED)

### Business segments

Group 2023	Provision of telecommunication engineering and services as well as investment holding RM	Telecommunication engineering and services RM	Trading of construction materials RM	Fabrication and installations of aluminium doors and windows RM	Construction services RM	Property development RM	Elimination RM	Total RM
Revenue	-	245,383	-	13,148,495	407,945	70,151,857	-	83,953,680
External revenue	-	-	-	-	-	-	-	-
<b>Results</b>								
Segment operating profit	15,157,505	(2,748,488)	(10,858)	(793,053)	(57,152,252)	11,783,082	(17,506,269)	(51,270,333)
Depreciation of property, plant and equipment*	(581,506)	(132,259)	(33)	(506,576)	(139,639)	(246,966)	-	(1,606,979)
Depreciation of right-of-use assets	-	(39,335)	-	-	(193,619)	-	-	(232,954)
Finance costs	-	(2,432)	-	(381,644)	(6,043)	(3,642,097)	-	(4,032,210)
Interest income	24,229	181,587	-	27,370	-	259,136	-	492,322
Other non-cash expenses (Note i)	(15,728,027)	(364,223)	-	(4,941,268)	(26,673,841)	1,706	(8,208,000)	(55,913,653)
Profit(loss) before taxation	(1,127,799)	(3,105,150)	(10,891)	(6,595,171)	(84,165,394)	8,154,861	(25,714,269)	(112,563,813)
Income tax expense	-	-	-	-	-	(57,137)	-	(57,137)
Profit/(loss) after taxation	(1,127,799)	(3,105,150)	(10,891)	(6,595,171)	(84,165,394)	8,097,724	(25,714,269)	(112,620,950)
<b>Assets</b>								
Segment assets	567,256,451	9,264,775	6,469	32,555,846	160,750,014	159,177,342	(641,375,954)	287,634,943
Goodwill	-	-	-	-	-	6,598,772	279,799,661	286,398,433
Tax recoverable	-	16,126	-	1,780,542	461,724	2,696,374	-	4,954,766
Total assets	567,256,451	9,280,901	6,469	34,336,388	161,211,738	168,472,488	(361,576,293)	578,988,142
<b>Other information</b>								
Additions to property, plant and equipment	748,609	5,701	-	3,999	3,200	1,014,466	-	1,775,975
<b>Liabilities</b>								
Segment liabilities	51,484,019	5,742,290	767,683	11,965,820	38,650,678	98,548,630	(121,558,063)	85,601,057
Loans and borrowings	-	-	-	6,477,926	-	35,420,589	-	41,898,515
Tax payables	76,974	-	-	-	-	35,038	-	112,012
Total liabilities	51,560,993	5,742,290	767,683	18,443,746	38,650,678	134,004,257	(121,558,063)	127,611,584

37. OPERATING SEGMENTS (CONTINUED)

Group 2022	Provision of telecommu- nication engineering and services as well as investment holding RM	Telecommu- nication engineering and services RM	Trading of construction materials RM	Fabrication and installations of aluminium doors and windows RM	Construction services RM	Property development RM	Elimination RM	Total RM
<b>Revenue</b>								
External revenue	-	2,060,764	-	9,277,978	(18,929,833)	119,490,991	-	111,899,900
Inter-company	-	-	-	-	101,121,572	-	(101,121,572)	-
Total revenue	-	2,060,764	-	9,277,978	82,191,739	119,490,991	(101,121,572)	111,899,900
<b>Results</b>								
Segment operating profit	(1,443,237)	(2,194,492)	(15,362)	(4,992,700)	16,693,031	6,912,489	(11,347,193)	3,612,536
Depreciation of property, plant and equipment	(846,269)	(194,505)	(50)	(864,634)	(280,557)	(304,574)	-	(2,490,589)
Depreciation of right-of-use assets	-	(56,669)	-	-	(249,916)	-	-	(306,585)
Finance costs	-	(9,590)	-	(616,514)	(1,056,285)	(4,566,608)	-	(6,248,997)
Interest income	18,624	201,976	-	226,928	2,272	124,066	-	573,866
Other non-cash expenses (Note i)	(13,553,273)	(108,202)	-	(7,248,054)	(42,312,649)	(1,193,191)	-	(64,445,369)
Profit(loss) before taxation	(15,824,155)	(2,361,482)	(15,412)	(13,494,974)	(27,204,104)	972,182	(11,347,193)	(69,275,138)
Income tax expense	(400,434)	-	-	-	290,833	(3,670,970)	-	(3,780,571)
Loss after taxation	(16,224,589)	(2,361,482)	(15,412)	(13,494,974)	(26,913,271)	(2,698,788)	(11,347,193)	(73,055,709)
<b>Assets</b>								
Segment assets	568,698,017	12,792,085	4,565	41,553,579	252,397,770	156,555,599	(631,509,617)	400,491,998
Goodwill	-	-	-	-	-	4,581,450	288,007,661	292,589,111
Tax recoverable	-	25,064	-	1,553,208	-	-	-	1,578,272
Total assets	568,698,017	12,817,149	4,565	43,106,787	252,397,770	161,137,049	(343,501,956)	694,659,381
<b>Other information</b>								
Additions to property, plant and equipment*	-	135,008	-	106,658	92,988	5,538	-	340,192
<b>Liabilities</b>								
Segment liabilities	51,623,397	6,173,888	754,888	17,441,181	212,577,698	101,797,170	(299,337,559)	91,030,663
Loans and borrowings	-	-	-	7,141,993	34,970	31,271,801	-	38,448,764
Tax payables	251,531	-	-	-	625,163	301,589	-	1,178,283
Total liabilities	51,874,928	6,173,888	754,888	24,583,174	213,237,831	133,370,560	(299,337,559)	130,657,710

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 37. OPERATING SEGMENTS (CONTINUED)

Other non-cash expenses consist of the following items:-

	Group	
	From 01.01.2023 to 31.12.2023	From 01.07.2021 to 31.12.2022
Impairment/(Reversal of impairment) losses on:-		
- goodwill	8,208,000	20,949,000
- trade receivables	5,016,820	19,867,329
- other receivables	30,189,972	19,734,205
- development costs	-	500,000
- contract assets	(89,476)	173,699
- property, plant and equipments	849,958	2,984,000
(Gain)/loss on foreign exchange		
- realised	(1,706)	79,701
- unrealised	-	(26,261)
Gain on disposal of property, plant and equipment	-	436,858
Loss on disposal of other investment	11,014,000	-
Written off:-		
- finance receivables	256,595	-
- trade receivables	107,628	284,375
- inventories	143,529	229,821
Fair value discount on retention sum payables	117,367	21,065
Fair value discount on retention sum receivables	100,966	(818,423)
<b>Total</b>	<b>55,913,653</b>	<b>64,415,369</b>

### Geographical information

No information is prepared on the geographical segments as the Group's entities are solely operated in Malaysia.

## 38. RELATED PARTY DISCLOSURE

(a) Identities of related parties

- (i) The Group has related party relationship with companies in which directors have financial interest and its key management personnel; and
- (ii) The Company has related party relationships with its subsidiaries and key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year as follows:

- (i) Transaction with related party of which a director of the Company:

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<b>Related companies</b>				
Contract revenue	-	101,121,572	-	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

### 38. RELATED PARTY DISCLOSURE

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year as follows:

(iii) Compensation of key management personnel

	Group		Company	
	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM	From 01.01.2023 to 31.12.2023 RM	From 01.07.2021 to 31.12.2022 RM
<u>Short-term employee benefits</u>				
Executive Directors				
Directors' remuneration				
- fees, salaries, allowances and bonuses	1,895,810	2,837,850	-	-
- defined contribution plan	228,007	338,476	-	-
- other employee benefits	4,063	3,840	-	-
	2,127,880	3,180,166	-	-
Non-Executive Directors				
Directors' remuneration				
- fees	204,000	288,000	204,000	288,000
	2,331,880	3,468,166	204,000	288,000

### 39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity and cash flows risks. The Group's activities are exposed to credit risk and liquidity and cash flows risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, foreign currency risk, equity price risk, credit risk, and liquidity and cash flows risks. The Group's and the Company's policies in respect of the major areas of treasury activities are as follows:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposures to interest rate risk arise mainly from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 39. FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial Risk Management Policies (continued)

#### (i) Interest Rate Risk (continued)

##### Interest Rate Risk Sensitivity Analysis

The interest rate risk sensitivity analysis on the fixed rate financial instruments is not disclosed as the interest-bearing financial instruments carry fixed interest rate and are measured at amortised cost.

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

	Group	
	2023 RM	2022v RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on loss after taxation/equity		
Increase of 100 basis points	(294,054)	(584,693)
Decrease of 100 basis points	294,054	584,693

#### (ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of the Group's entities.

The currencies giving rise to this risk are primarily USD. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

##### Foreign Currency Risk Sensitivity Analysis

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

	Group	
	2023 RM	2022v RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on loss after taxation/equity		
Strengthened by 5%		
- USD	-	-
Weakened by 5%		
- USD	-	-

### 39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(iii) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted shares. The quoted shares in Malaysia are listed on Bursa Malaysia. The Group does not has exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis on the profit of loss to a reasonably possible price movements as at the end of the reporting period, with all other variables held constant: -

	Group	
	2023 RM	2022v RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on loss after taxation/equity		
Increase in price by 10%	(78,193)	(1,351,899)
Decrease in price by 10%	78,193	1,351,899

(iv) Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposures to credit risk arises principally from trade and other receivables. The Company's exposures to credit risk arises principally from advances to subsidiaries and corporate guarantee granted to certain subsidiaries. The company monitors the results of these subsidiaries regularly and repayment made by subsidiaries. There are no significant changes as compared to previous financial year.

- Trade and other receivables

Risk management objectives, policies and processes for managing the risk

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 and financial institutions.

At the end of each reporting period, the Group assesses whether any of the trade and other receivables are credit impaired.

The gross carrying amount of credit impaired trade and other receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not has assets or sources of income that could generate sufficient cash flows to repay the amounts that subject to write-off. Nonetheless, trade and other receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount in the statements of financial position as at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 39. FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Financial Risk Management Policies (continued)

#### (iv) *Credit Risk (continued)*

- Trade and other receivables (continued)

#### Concentration of credit risk

At the reporting date, the amount owing by 4 (2022: 4) and 4 (2022: 4) major customers constituting approximately 66% (2022: 66%) and 100% (2022: 100%) of the total outstanding trade receivables of the Group and of the Company respectively. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group and of the Company.

#### Recognition and measurement of impairment loss

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The following table provides information about the exposure to credit risk for trade receivables as at the end of the reporting period:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Not past due	6,270,249	15,282,724
Past due but not impaired:		
- 1 to 30 days	1,382,556	2,645,566
- 31 to 60 days	-	602,336
- 61 to 90 days	1,577,055	17,057,089
	2,959,611	20,304,991
Impaired	43,839,993	38,823,173
	<b>53,069,853</b>	<b>74,410,888</b>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting period, trade receivables that are individually impaired were those that have defaulted in payments. These receivables are not secured by any collateral or credit enhancement.



**39. FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Financial Risk Management Policies (continued)

(iv) *Credit Risk (continued)*

- Trade and other receivables (continued)

Recognition and measurement of impairment loss (continued)

The Group's exposure to credit risk arises principally from trade and other receivables. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees. There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group's and Company's maximum exposure to credit risk is represented by:

- (a) the carrying amount of each class of financial assets recognised in the statements of financial position; and
- (b) the financial guarantees and undertaking provided by the Company to financial institutions to receive the borrowings of certain subsidiaries.

The Company monitors the financial performance (including the timeliness of loan repayments) of the subsidiaries on an on-going basis.

The maximum credit risk that the Company is exposed to from corporate guarantees and undertakings provided amounted to:

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>
Company	38,404,000	38,404,000

The above represents the maximum amount that the company could be obliged to pay if the guarantees were called on.

Generally, the Company considers the financial guarantees to be of low credit risk as the guarantees are provided as credit enhancement to the subsidiaries for secured borrowings.

As at the reporting date, there were no losses arising from the financial guarantees and undertakings provided by the Company.

The fair value of the above financial guarantees has not been recognised since the fair value on initial recognition was not material.

(v) **Liquidity and Cash Flows Risks**

Liquidity and cash flow risks are the risks that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposure to liquidity and cash flows risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

**NOTES TO THE  
FINANCIAL STATEMENTS (CONT'D)**

- 31 DECEMBER 2023

**39. FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Financial Risk Management Policies (continued)

(v) Liquidity and Cash Flows Risks (continued)

The following tables set out the maturity profile of the financial liabilities as 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):

<b>Maturity Analysis</b>	<b>Weighted Average Effective Rate</b>	<b>Contractual Carrying Amount</b>	<b>On Demand Undiscounted Cash Flows</b>	<b>Or Within 1 Year</b>	<b>1 - 5 Years</b>	<b>Over 5 years</b>
<b>Group 2023</b>	<b>%</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	-	23,124,623	23,124,623	23,124,623	-	-
Other payables	-	9,971,953	9,971,953	9,971,953	-	-
Amount owing to directors	-	52,329,906	52,011,295	52,011,295	-	-
Hire purchase payables*	3.22 - 3.27	1,235,975	1,445,289	246,660	1,198,629	-
Term loan	3.50 - 7.67	38,691,303	40,779,151	14,501,104	22,768,032	3,510,015
Other bank borrowings	6.35 - 8.10	1,971,237	2,089,511	2,089,511	-	-
Lease liabilities	5.00	159,477	162,990	149,900	13,090	-
		127,484,474	129,584,812	102,095,046	23,979,751	3,510,015

**2022**

Trade payables	-	28,697,984	28,697,984	28,697,984	-	-
Other payables	-	9,929,452	9,929,452	9,929,452	-	-
Amount owing to directors	-	52,011,295	52,011,295	52,011,295	-	-
Hire purchase payables	2.67 - 2.69	528,378	574,236	179,007	395,229	-
Term loan	3.40 - 8.42	35,516,613	35,209,920	13,752,609	18,222,446	3,234,865
Other bank borrowings	3.69 - 8.35	2,403,773	2,547,999	2,547,999	-	-
Lease liabilities	5.00	376,830	376,830	217,351	159,479	-
		129,464,325	129,347,716	107,335,697	18,777,154	3,234,865

<b>Maturity Analysis</b>	<b>Weighted Average Effective Rate</b>	<b>Contractual Carrying Amount</b>	<b>On Demand Undiscounted Cash Flows</b>	<b>Or Within 1 Year</b>
<b>Company 2023</b>	<b>%</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	-	184,019	184,019	184,019
Amount owing to directors	-	51,300,000	51,300,000	51,300,000
		51,484,019	51,484,019	51,484,019

<b>2022</b>				
Other payables	-	275,402	275,402	275,402
Amount owing to directors	-	51,347,995	51,347,995	51,347,995
		51,623,397	51,623,397	51,623,397

### 39. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group and the Company are calculated as trade and other payables plus lease liabilities plus amount owing to a director and loans and borrowings less fixed deposits with licensed banks and cash and bank balances.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year/year were as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	23,124,623	28,697,984	-	-
Other payables	9,971,953	9,929,456	184,019	275,402
Lease liabilities	159,477	376,830	-	-
Amount owing to a director	52,329,906	52,011,295	51,300,000	51,347,995
Loan and borrowings	41,898,515	38,448,764	-	-
	127,484,474	129,464,329	51,484,019	51,623,397
Less: Fixed deposits with licensed banks	(14,176,976)	(13,366,891)	-	-
Less: Cash and bank balances	(21,554,368)	(42,240,202)	(10,960,847)	(13,831,111)
	91,753,130	73,857,236	40,523,172	37,792,286
Total equity	451,376,558	564,001,671	515,695,458	516,823,089
Debt-to-equity ratio	0.20	0.13	0.08	0.07

There were no changes in the Group's and the Company's approach to capital management during the financial year /year.

#### (c) Classification of Financial Instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Measured at FVTPL</u>				
Other investments	1,028,860	17,788,151	-	16,500,000
<u>Measured at amortised cost</u>				
Finance receivables	1,095,007	1,492,351	-	-
Trade receivables	53,069,853	74,410,888	3,737,905	8,578,503
Other receivables and deposits	49,466,751	75,204,548	3,669,479	4,256,776
Contract assets	71,142,614	94,102,532	-	-
Amount owing by subsidiaries	-	-	27,261,554	174,051,430
Fixed deposits with licensed banks	14,176,976	13,366,891	-	-
Cash and bank balances	21,554,368	42,240,202	10,960,847	13,831,111
	210,505,569	300,817,412	45,629,785	200,717,820

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 31 DECEMBER 2023

## 39. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Classification of Financial Instruments (continued)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Liabilities</b>				
Measured at amortised cost				
Trade payables	23,124,623	25,049,029	-	-
Other payables	9,971,953	9,929,456	184,019	275,402
Lease liabilities	159,477	376,830	-	-
Amount owing to directors	52,329,906	52,011,295	51,300,000	51,347,999
Loan and borrowings	41,898,515	38,448,764	-	-
	<u>127,484,474</u>	<u>125,815,374</u>	<u>51,484,019</u>	<u>51,623,401</u>

### (d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the relatively short term nature, except for:-

- (i) the investment in quoted shares which is measured at fair value.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

### (e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2023 are as follows:

- (i) Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- (iii) Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

<b>Group</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2023</b>				
Financial Assets				
Other investments	1,028,860	-	-	1,028,860
<b>2022</b>				
Financial Assets				
Other investments	17,788,151	-	-	17,788,151
<b>Company</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2023</b>				
Financial Assets				
Other investments	-	-	-	-
<b>2022</b>				
Financial Assets				
Other investments	1,650,000	-	-	1,650,000

The Group and the Company do not have any financial liabilities nor any financial assets carried at fair value and classified as Level 2 as at 31 December 2023.

#### 40. MATERIAL LITIGATIONS

- (i) Arbitration Proceedings between Coneff Corporation Sdn. Bhd. ("Coneff") vs Vivocom Enterprise Sdn. Bhd. ("VESB")

VESB, an indirect wholly-owned subsidiary of the Company, was appointed by Coneff vide a Letter of Award dated 19 January 2016 to construct the building known as the D'idaman Project.

This arbitration claim was instituted by Coneff against VESB on 2 November 2018 for alleged damages and rectification works for a sum of RM59,387,164.00 for defects in the piling work and rectification of the defects in piling work in the D'idaman project. VESB lodged a counterclaim on 7 November 2020 against Coneff for a sum of RM62,526,288.75 being certified sums, rental of pile sheets, damages, loss of profit, interest etc.

The solicitors on record of this matter acting for VESB is of the opinion that VESB has a viable case for the following claims:

- (a) The sum of RM24,028,725.56 plus RM1,441,723.53 constituting 6% services tax ("ST") thereon as this sum was certified;
- (b) The sum of RM3,509,550.77 exclusive of ST is also payable as there is no dispute on the sum within 3 months from receipt of the final account on 24 May 2017 plus 6% ST;
- (c) The sum of RM278,388.32 for rental of piles sheet at the site on behalf of Coneff from 1 March 2017 to 30 September 2017 were incurred on behalf of Coneff; and
- (d) Interest on the above amounts calculated at the rate of Maybank Base Lending Rate plus 1% until the full and final settlement of the sums.

In addition, the solicitors on record of this matter acting for VESB is also of the opinion that VESB's claims are reasonably strong as Coneff breached the contract by failing to provide VESB with the security documents of RM80,000,000.00.

The arbitration is fixed for hearing from 02.05.2024 to 17.05.2024.

- (ii) Neata Aluminium (Malaysia) Sdn. Bhd. ("Neata"), a 78.6%-owned subsidiary of the Company vs Castmet Sdn. Bhd. ("Castmet") and Tujuan Gemilang Sdn. Bhd. ("Tujuan")

Neata instituted a Writ action against both Castmet Sdn Bhd ("Castmet") and Tujuan Gemilang Sdn Bhd. Castmet for work done in the project at PT 48541, PERSIARAN BESTARI, CYBER 10, CYBERJAYA, MUKIM DENGKIL, DAERAH SEPANG, SELANGOR DARUL EHSAN in the sum of RM648,092.94 for Phase being payment for certificate no.24 in Phase III and RM705,662.60 being the retention sum for Phases I,II and III.

On 15.06.2021, the Court dismissed Castmet's application to stay the matter pending arbitration with costs of RM5,000-00. The Court also struck off Neata's claim against Tujuan Gemilang but ordered Castmet to pay Tujuan Gemilang's costs of RM10,000-00. This decision on costs was delivered on 02.07.2021.

Castmet was wound up by the High Court on 26th April 2022. On 27th September 2022, Neata obtained leave of the High Court to proceed with the above suit against Castmet in liquidation. Castmet finally did not contest the suit and on 03.08.2023 recorded a consent judgment with Neata admitting the full sum that was claimed by Neata.

- (iii) Trisonsteel Metal (M) Sdn. Bhd. vs Neata

Trisonsteel Metal (M) Sdn Bhd ("Trisonsteel") has initiated a suit against Neata Aluminium (M) Sdn Bhd ("Neata") in the KL High Court for various projects claiming the sum of RM2,777,840.66, interest on RM2,777,840.66 at the rate of 5% per annum from judgment to full and final realisation and costs. Neata filed a defence stating that the amounts according to the payment certificates have been paid while the amount claimed by Trisonsteel has not been certified. Neata counterclaimed for liquidated damages amounting to RM11,813,000.00 for delay and payment for works done at the Affin Bank TRX Project amounting to RM60,192.47 together with costs and interest.

The matter is now fixed for full trial from 24 to 27 March 2025.

**40. MATERIAL LITIGATIONS (CONTINUED)**

- (iv) Legal Suit between MBSB and S.B.A. Property Management Sdn. Bhd ("SBA")

The subsidiary of the Company, namely S.B.A. Property Management Sdn. Bhd., ("SBA") has been served with a litigation suit by MBSB Bank Berhad ("MBSB") to recover the outstanding balance amounted to RM10,161,888.

On 8 June 2022, the High Court allowed an application by the Plaintiff for Summary Judgment and entered Judgment for the Plaintiff claim above only against SBA, with costs fixed at RM5,000. The Plaintiff has to date, not filed the draft order for the Summary Judgment. SBA and the guarantors filed a counterclaim for unlawful interference with trade and negligence but the counterclaim was struck off by the High Court with costs of RM5,000 as against all 5 defendants also on 8 June 2022.

On 27 October 2023, MBSB agreed to the Revised Settlement Plan as proposed by SBA for the settlement of the outstanding balance amounted to RM10,161,888, however the said settlement plan in subject to the following conditions:

- (a) Upfront payment of RM500,000 to be made in favour of MBSB;
- (b) SBA to be in agreement to record Consent Judgement to conclude all ongoing legal suit.

On 15 November 2023, SBA has paid the upfront payment of RM500,000 to MBSB.

- (v) Legal Suit between Modhka Marine Sdn. Bhd. ("Modhka") and Rain International Sdn Bhd ("Rain")

Modhka instituted a claim against Rain the refund of a deposit amounting to USD450,000-00 and further damages of RM1,546,078.36 and costs and interest for the cancellation of the charter of a ship. Rain maintains that it was at all material times willing and ready to provide another ship which Modhka unreasonably refused.

Rain has filed an application to stay the matter and to refer the same to arbitration as there is an arbitration clause in the contract. The matter has not been heard yet and still pending case management.

- (vi) In the matter of an arbitration between Vindev (Claimant) and Solda (M) Sdn. Bhd. (Respondent) ("Solda")

Vindev has initiated arbitration proceedings against Solda for the sum of RM500,000.00 being the refund of a deposit for sand extraction services which is related to the MES suit above as the agreement between MES and Vindev did not materialise. Solda has lodged a counterclaim for RM1,400,000.00 allegedly as damages for termination of the sand extraction agreement.

The matter is now fixed for full trial from 21 to 23 August 2024.

- (vii) Legal Suit between Vinvest Capital Holding Berhad ("Plaintiff") vs EA Holdings Berhad ("1st Defendant") and See Jovin ("2nd Defendant") Kuala Lumpur High Court Suit No. WA-22NCC-536-07/2023 – Hereinafter referred to as Suit 536.

Suit 536 concerns an action initiated by the Plaintiff on 28.07.2023 against the Defendants for loss of its 1,100,000,000 ordinary shares (in the 1st Defendant) ("Shares Belonging to the Plaintiff") due to the fraudulent, wrongful and/or illegal actions of the 2nd Defendant ("Original Action").

On 28.07.2023, the Plaintiff had filed an application for injunction to restrain the Defendants from, inter alia, trading any further transaction on the Shares Belonging to the Plaintiff, disclosing any information in relation to the Shares Belonging to the Plaintiff, and the voting rights and rights to move any resolution and/or meeting accorded to the Shares Belonging to the Plaintiff ("Injunction Application").

On 02.08.2023, an ad interim order had been granted by the High Court pending the full and final disposal of the Injunction Application.

The subsequent case management of the Injunction Application had been fixed on 02.05.2024. No hearing date has been fixed as at to date.

On 21.08.2023, one Ng Cheng Shin had filed an application for leave to intervene in Suit 536 ("Intervener Application").

**40. MATERIAL LITIGATIONS (CONTINUED)**

- (vii) Legal Suit between Vinvest Capital Holding Berhad ("Plaintiff") vs EA Holdings Berhad ("1st Defendant") and See Jovin ("2nd Defendant") Kuala Lumpur High Court Suit No. WA-22NCC-536-07/2023 – Hereinafter referred to as Suit 536. (continued)

On 10.10.2023, the High Court had granted the Intervener Application and consequently Ng Cheng Shin was made the 3rd Defendant in Suit 536.

On 15.11.2023, the Plaintiff had filed an application for discovery of documents against third parties, namely Bursa Malaysia Depository Sdn Bhd ("Discovery Application").

On 18.12.2023, the High Court had allowed the Plaintiff's amendment application filed on 14.12.2023 to include Bursa Malaysia Berhad as the 2nd Respondent to the Discovery Application ("Amended Discovery Application").

The hearing of the Amended Discovery Application has been fixed on 14.05.2024.

On 06.11.2023, the 3rd Defendant had initiated a counterclaim against the Plaintiff and the 1st Defendant and had added another 11 other individuals as parties to the counterclaim. The 3rd Defendant's claim is for declaratory reliefs and general damages, premised on alleged abuse of court process and conspiracy ("Counterclaim").

Amongst the 11 individuals named in the Counterclaim, 8 of the individuals are the directors of the Plaintiff, namely Abdul Fattah bin Mohamed Yatim, Choo Seng Choon, Wong Wan Rou, Tay Mun Kit, Lim Tong Hock, Chia Kok Teong and David Hah Wei Onn (as the 5th, 7th to 13th Defendants in the Counterclaim).

The case management of the Counterclaim has been fixed on 02.05.2024.

On 30.01.2024, the 5th, 7th to 13th Defendants in the Counterclaim had filed their respective applications to strike out the Counterclaim pursuant to Order 18 Rule 19(1)(a) of the Rules of Court 2012 ("the 5th, 7th to 13th Defendants' Striking Out Applications").

On 01.02.2024, the 4th and 6th Defendants in the Counterclaim had filed their applications to strike out the Counterclaim pursuant to Order 18 Rule 19(1)(a) of the Rules of Court 2012 ("the 4th and 6th Defendants' Striking Out Application").

The hearing of the 5th, 7th to 13th Defendants' Striking Out Applications has been fixed on 02.05.2024, whilst hearing of the 4th and 6th Defendants' Striking Out Application has been fixed on 24.06.2024.

**41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue on 29 April 2024 by the Board of Directors.

# ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2024

Total number of issued shares : 969,100,408  
 Class of shares : Ordinary Shares  
 Voting Rights : One vote per ordinary share

## SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED CAPITAL
Less than 100	3,613	20.2	80,414	0.0
100 - 1,000	2,786	15.5	1,465,665	0.2
1,001 - 10,000	6,261	34.9	30,168,605	3.1
10,001 - 100,000	4,262	23.8	150,442,744	15.5
100,001 and below 5%	995	5.5	428,920,971	44.3
5% and above	2	0.0	358,022,009	36.9
<b>TOTAL</b>	<b>17,919</b>	<b>100.0</b>	<b>969,100,408</b>	<b>100.0</b>

## SUBSTANTIAL SHAREHOLDERS

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
Dato' Seri Chia Kok Teong	294,766,934	30.4	-	-
Fan Ruey Yin	63,255,075	6.5	-	-

## DIRECTORS' SHAREHOLDING

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
Ar. Lim Tong Hock	-	-	-	-
Dato' Seri Chia Kok Teong	294,766,934	30.4%	-	-
Tan Chuek Hooi	583,333	0.1%	-	-
David Hah Wei Onn	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Tay Mun Kit	-	-	-	-
Wong Wan Rou	-	-	-	-



## LIST OF 30 LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>UOB KAY HIAN SECURITIES (M) SDN BHD FOR CHIA KOK TEONG</i>	164,250,000	16.9
2	DATO' SERI CHIA KOK TEONG	81,216,934	8.4
3	FAN RUEY YIN	63,255,075	6.5
4	HSBC NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-TEMP)</i>	49,300,000	5.1
5	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)</i>	26,648,000	2.7
6	CHUA SIEW BEE	10,196,000	1.1
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG (MY4493)</i>	9,500,000	1.0
8	TING CHEK HUA	9,350,000	1.0
9	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG</i>	7,000,000	0.7
10	KOH HEOK TEO	4,800,000	0.5
11	WEE SENG HUAT	4,200,000	0.4
12	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR CHONG CHEONG KIM</i>	4,000,000	0.4
13	TAY HOCK SOON	4,000,000	0.4
14	CHAN PUAY GUAN	3,535,800	0.4
15	NEO YU LIAN	3,200,000	0.3
16	SIA TZU LUNG	3,164,000	0.3
17	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG</i>	3,121,600	0.3
18	ONG TEONG YEW	3,074,403	0.3
19	TAN SAY LEONG	3,031,700	0.3
20	CHEE CHAN SAU	3,000,000	0.3
21	TAM SWEE FAH	3,000,000	0.3
22	HOH KHAI MUN	2,710,000	0.3
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR HENG GUE LEE (MY3767)</i>	2,600,000	0.3
24	HOO WEE KHIN	2,513,600	0.3
25	KHOO NEE PING	2,500,000	0.3
26	HENRY CHUA AH JONG	2,397,200	0.2
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHONG KHIAM KUI</i>	2,340,000	0.2
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG YEW BENG (E-SJA)</i>	2,000,000	0.2
29	YUEN CHING ENG	2,000,000	0.2
30	HUANG, LI-CHIU	1,965,000	0.2

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of **VINVEST CAPITAL HOLDINGS BERHAD** ("VinVest" or the "**Company**") which will be held as a fully virtual meeting conducted through live streaming and remote voting using the remote participation and voting facilities at the online meeting platform of Vote2U Online provided by Agmo Digital Solutions Sdn Bhd ("**AGMO**") in Malaysia via its website at <https://web.vote2u.my> on Wednesday, 26 June 2024 at 11:00 a.m, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following ordinary resolution:-

## AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of Directors and Auditors thereon. **Please refer to Explanatory Note (i)**
- To approve the payment of Directors' fees amounting to RM204,000 from 1 January 2023 to 31 December 2023. **Resolution 1**
- To approve the payment of Directors' fees amounting to RM280,000 for the financial year ending 31 December 2024. **Resolution 2**
- To re-elect the Director who retires in accordance with Article 126 of the Company's Constitution as follows :-
  - Dato' Seri Chia Kok Teong **Resolution 3**
  - Ar. Lim Tong Hock **Resolution 4**
  - Choo Seng Choon **Resolution 5**
- To re-elect Wong Wan Rou who retires in accordance with Article 123 of the Company's Constitution. **Resolution 6**
- To re-appoint Messrs. SBY Partners PLT as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 7**
- AS SPECIAL BUSINESS**  
**ORDINARY RESOLUTION** **Resolution 8**

## Authority to issue shares

"THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issue shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

- Ordinary Resolutions** **Resolution 9**  
**Retention of Tay Mun Kit as an Independent Non-Executive Director**  
"THAT authority be and is hereby given to Tay Mun Kit, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company."
- To transact any other business for which due notice shall have been given.

## By Order of the Board

**ANNE KUNG SOO CHING** (MIA 8449) (SSM PC No. 201908002507)

**TAN KAH KOON** (MAICSA 7066666) (SSM PC No. 201908001500)

Company Secretaries

Kuala Lumpur  
30 April 2024

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## Notes:-

### IMPORTANT NOTICE

1. The AGM will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on Vote2U Online website at <https://web.vote2u.my>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. Shareholders of the Company are to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the meeting via the Remote Participation and Voting Facilities ("RPV") provided by Agmo Digital Solutions Sdn Bhd ("AGMO") via its Vote2U Online website at <https://web.vote2u.my>. Please follow the Procedures for RPV provided in the Administrative Details for the meeting and read the notes below in order to participate remotely via RPV.
3. A shareholder of the Company who is entitled to attend, participate, speak and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his/ her stead. Where a shareholder appoints more than one (1) proxy in relation to the meeting, the appointments shall be invalid unless he/ she specifies the proportions of his/ her holding to be represented by each proxy. The proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
4. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. A shareholder of the Company who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting via RPV must request his/ her proxy to register himself/ herself for RPV at Vote2U Online website at <https://web.vote2u.my>. Please follow the Procedures for RPV in the Administrative Details for the meeting.
6. The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:
  - i. By electronic form  
The proxy form can be submitted via fax at 03-2770 8166 or email to [vinvest.meeting@gmail.com](mailto:vinvest.meeting@gmail.com) or by electronically lodged.
  - i. Online via Vote2U Online  
Register via Vote2U Online website at <https://web.vote2u.my> (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgment of proxy form via Vote2U Online.
  - ii. In hard copy form  
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.
7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
8. Last date and time for lodging the Proxy Form is Tuesday, 25 June 2024, 11:00 a.m.
9. Any authority pursuant to which such an appointment is made by a power of attorney or appointment of corporate representative must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For the purpose of determining a shareholder who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 89 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at Tuesday, 18 June 2024. Only a depositor whose name appears therein shall be entitled to participate the said meeting or appoint a proxy to attend, participate, speak and/ or vote on his/ her stead.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## **PERSONAL DATA PRIVACY:-**

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

## **Explanatory notes**

### **(i) Item 1 of the Agenda - Audited Financial Statement for the financial year ended 31 December 2023**

The item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

### **(ii) Ordinary Resolution 8 - Proposed Authority to issue shares**

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 21st AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the 20th AGM of the Company held on 27 June 2023 (hereinafter referred to as the "Previous Mandate").

The General Mandate will enable the Directors of the Company to issue shares any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and / or acquisitions.

### **(iii) Ordinary Resolutions 9 - Retention of Mr. Tay Mun Kit as an Independent Non-Executive Directors**

The proposed Resolution 9 is for the purpose of retaining Mr. Tay Mun Kit as an Independent Non-Executive Director of the Company when he reaches his cumulative term of nine (9) years on 18 December 2021. As at the date of the Notice of the AGM of the Company, Mr. Tay Mun Kit has served the Company for almost nine (9) years as an Independent Non-Executive Director of the Company. He has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements. The Board, therefore, considers him to be independent and recommends that he should be retained as an Independent Non-Executive Director of the Company.

# STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad :-

**1. Details of individuals who are standing for election as Directors**

The profile of the Directors standing for re-election is stated on Page 8 to 10 of this Annual Report.

**2. Statement relating to the general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

Detail of the General Mandate for the Authority to issue shares pursuant to Section 75 of the Companies Act 2016 are set out in Explanatory Notes (ii) of the Notice of AGM.

# ADMINISTRATIVE GUIDE

FOR SHAREHOLDERS

General Meeting	: Annual General Meeting
Day, Date, and Time of Meeting	: Wednesday, 26 June 2024 at 11:00 a.m.
Remote Participation and Voting Facilities	: <a href="https://web.vote2u.my">https://web.vote2u.my</a>
Meeting Venue	: Online Meeting Platform of Vote2U at <a href="https://web.vote2u.my">https://web.vote2u.my</a>
Domain Registration Numbers with MYNIC	: D6A471702

The AGM will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on Vote2U Online website at <https://web.vote2u.my>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

## Entitlement to Participate and Vote Remotely

Shareholders whose names appear on the Record of Depositors ("ROD") as at Tuesday, 18 June 2024 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

## PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:

### BEFORE MEETING DAY

A: REGISTRATION		
	Description	Procedure
i.	Shareholders to Register with Vote2U  - Individual Shareholders	<ol style="list-style-type: none"> <li>Access website at <a href="https://web.vote2u.my">https://web.vote2u.my</a></li> <li>Select "<b>Sign Up</b>" to sign up as user.</li> <li>Read and indicate your acceptance of the 'Privacy Policy' and 'Terms &amp; Conditions' by clicking on a small box. Then select "<b>Next</b>".</li> <li>Fill-in your details - (i) ensure your email address is valid &amp; (ii) create your own password. Then select "<b>Continue</b>".</li> <li>Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo).</li> <li>Registration as user completed.</li> <li>An email notification will be sent to you.</li> </ol> <p><i>Note:</i> If you have already signed up/registered as a user with Vote2U previously, you are not required to register again..</p>

B: REGISTRATION OF PROXY		
i.	Submit Proxy Form (hard copy) <ul style="list-style-type: none"> <li>- Individual Shareholders</li> <li>- Corporate Shareholders</li> <li>- Authorised Nominee</li> <li>- Exempt Authorised Nominee</li> </ul>	a. Fill-in the details on the hard copy Proxy Form by providing the following information: <ul style="list-style-type: none"> <li>o Proxy(ies) &amp; Corporate Representative               <ul style="list-style-type: none"> <li>- Name</li> <li>- Number of MyKAD for Malaysian or passport for non-Malaysian</li> <li>- Address and email address - ensure email address is valid</li> </ul> </li> </ul> b. Corporate Representative only - deposit the hard copy of Proxy Form together with the following document to the address as stated on the Proxy Form: <ul style="list-style-type: none"> <li>- A copy of Certificate of Appointment as corporate representative</li> </ul> c. Individual shareholders, authorised nominee and exempt authorised nominee - deposit the hard copy Proxy Form to the address as stated on the Proxy Form.           d. Submitted Proxy Form will be verified.           e. After verification, proxy(ies) and corporate representative will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.

## REVOCATION OF PROXY

Description	Procedure
i. Revoke a Proxy <ul style="list-style-type: none"> <li>- Individual Shareholders</li> <li>- Corporate Shareholders</li> <li>- Authorised Nominee</li> <li>- Exempt Authorised Nominee</li> </ul>	a. Email to [Share Registrars] at [share registrar email address] to revoke the appointment of your proxy(ies). <p><i>Note:</i> Applicable to individual shareholders/ corporate shareholders/ authorised nominee/ exempt authorised nominee who have appointed proxy(ies)/ corporate representative using hard copy Proxy Form.</p>

## ON GENERAL MEETING DAY

1.	Log in to <a href="https://web.vote2u.my">https://web.vote2u.my</a> with your registered email address and password. <p>For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.</p>
2.	Vote2U will be opened for log in one (1) hour before the commencement of the general meeting you are attending.
3.	When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:
Description	Procedures
i. Live Streaming	a. Select " <b>Watch Live</b> " button to view the live streaming.
ii. Ask Question (real-time)	a. Select " <b>Ask Question</b> " button to pose a question. b. Type in your question and select " <b>Submit</b> " <p><i>Note:</i> The Chairman of the general meeting/ Board of Directors will endeavour to respond to questions submitted by remote shareholders and proxies and corporate representatives during the meeting.</p>
iii. Remote Voting	a. On the main page, scroll down and select " <b>Confirm Details &amp; Start Voting</b> ". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select " <b>Next</b> " to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with you voting choices. Select " <b>Confirm</b> " to submit your vote <p><i>Note:</i> Once you have confirmed and submitted your votes, you are not able to change your voting choices.</p>

# ADMINISTRATIVE GUIDE (CONT'D)

FOR SHAREHOLDERS

## PROCEDURES TO PARTICIPATE IN RPV FACILITIES (CONTINUED)

### ON GENERAL MEETING DAY (CONTINUED)

Description		Procedures
iv.	View Voting Results	a. On the main page, scroll down and select " <b>View Voting Results</b> ".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U

## ADDITIONAL INFORMATION

### Voting Procedure

Pursuant to paragraph 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at a general meeting will be conducted by poll. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the poll administrator to conduct the polling process and Aegis Communication Sdn. Bhd. as the independent scrutineers to verify the results of the poll.

### No e-Voucher, Gift, and Food Voucher

There will be no e-Voucher, gift, and food voucher for shareholders, proxies and corporate representatives who participate in the meeting.

### Enquiry

- a. For enquiries relating to the general meeting, please contact our Share Registrar during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone No. : 03-7729 5529  
Email : [insurban@gmail.com](mailto:insurban@gmail.com)

- b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone No. : 03-7664 8520 / 03-7664 8521  
Email : [vote2u@agmostudio.com](mailto:vote2u@agmostudio.com)





**VINVEST CAPITAL HOLDINGS BERHAD**  
 (Registration No. 200201028636 (596299-D))  
 (Incorporated in Malaysia)

# FORM OF PROXY

CDS Account No.:	
No. of Shares Held:	

I/ We ..... \*NRIC/ Company no. ....  
 (FULL NAME IN BLOCK CAPITAL)  
 of .....  
 (FULL ADDRESS)  
 telephone no. .... email address ..... being a member/members  
 of **VINVEST CAPITAL HOLDINGS BERHAD**

Name of proxy & NRIC No.	No. of shares	%
1.		
2.		

or failing him/her

Name of proxy & NRIC No.	No. of shares	%
1.		
2.		

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting ("21<sup>st</sup> AGM") of the Company to be held on Wednesday, 26 June 2024 at 11:00 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions :

RESOLUTIONS	FOR	AGAINST
1. To approve the payment of Directors' fees amounting to RM204,000 from 1 January 2023 to 31 December 2023.		
2. To approve the payment of Directors' fees amounting to RM280,000 for the financial year ending 31 December 2024.		
3. To re-elect the Director, Dato' Seri Chia Kok Teong, who retires in accordance with Article 126 of the Company's Constitution.		
4. To re-elect the Director, Ar. Lim Tong Hock, who retires in accordance with Article 126 of the Company's Constitution.		
5. To re-elect the Director, Choo Seng Choon, who retires in accordance with Article 126 of the Company's Constitution.		
6. To re-elect the Director, Wong Wan Rou, who retires in accordance with Article 123 of the Company's Constitution.		
7. To re-appoint Messrs. SBY Partners PLT as auditors of the Company and to authorize the Directors to fix their remuneration.		
<b>AS SPECIAL BUSINESS</b>		
8. Authority to issue shares		
9. Retention of Tay Mun Kit as an Independent Non-Executive Director		

Please mark with " X " in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolutions or abstain from voting as the proxy thinks fit.

\* *Strike out whichever is not desired*

Signed this ..... day of ..... 2024

Signature(s) of Member(s)

Affix Company's Seal (if applicable)

**Notes:-**

**IMPORTANT NOTICE**

- The AGM will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on Vote2U Online website at <https://web.vote2u.my>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
- Shareholders of the Company are to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the meeting via the Remote Participation and Voting Facilities ("RPV") provided by Agmo Digital Solutions Sdn Bhd ("AGMO") via its Vote2U Online website at <https://web.vote2u.my>. Please follow the Procedures for RPV provided in the Administrative Details for the meeting and read the notes below in order to participate remotely via RPV.
- A shareholder of the Company who is entitled to attend, participate, speak and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his/ her stead. Where a shareholder appoints more than one (1) proxy in relation to the meeting, the appointments shall be invalid unless he/ she specifies the proportions of his/ her holding to be represented by each proxy. The proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
- Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- A shareholder of the Company who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this meeting via RPV must request his/ her proxy to register himself/ herself for RPV at Vote2U Online website at <https://web.vote2u.my>. Please follow the Procedures for RPV in the Administrative Details for the meeting.
- The appointment of a proxy may be made by electronic means or in a hard copy form in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:
  - By electronic form**  
The proxy form can be submitted via fax at 03-2770 8166 or email to [vinvest.meeting@gmail.com](mailto:vinvest.meeting@gmail.com) or by electronically lodged.
  - Online via Vote2U Online**  
Register via Vote2U Online website at <https://web.vote2u.my> (applicable to individual shareholders only). Kindly refer to the Administrative Details on the procedures for electronic lodgment of proxy form via Vote2U Online.



iii. In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
8. Last date and time for lodging the Proxy Form is Tuesday, 25 June 2024, 11:00 a.m.
9. Any authority pursuant to which such an appointment is made by a power of attorney or appointment of corporate representative must be deposited with the Registered Office of the Company at 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For the purpose of determining a shareholder who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 89 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors

as at Tuesday, 18 June 2024. Only a depositor whose name appears therein shall be be entitled to participate the said meeting or appoint a proxy to attend, participate, speak and/ or vote on his/ her stead.

**PERSONAL DATA PRIVACY:-**

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

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AFFIX  
STAMP

THE COMPANY SECRETARIES

**VINVEST CAPITAL HOLDINGS BERHAD**

[Registration No. 200201028636 (596299-D)]

29-2, Level 29, Oval Damansara,  
685, Jalan Damansara,  
Taman Tun Dr. Ismail,  
60000 Kuala Lumpur

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**VINVEST  
CAPITAL  
HOLDINGS  
BERHAD**

200201028636 (596299-D)

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**VinVest Capital Holdings Berhad**

[Registration No. 200201028636 (596299-D)]

**No.4, Jalan Seri Utara 1,  
off Jalan Ipoh,  
68100 Kuala Lumpur.**

**T 603 6257 3333  
F 603 6250 1255  
W [www.vinvest.com.my](http://www.vinvest.com.my)**