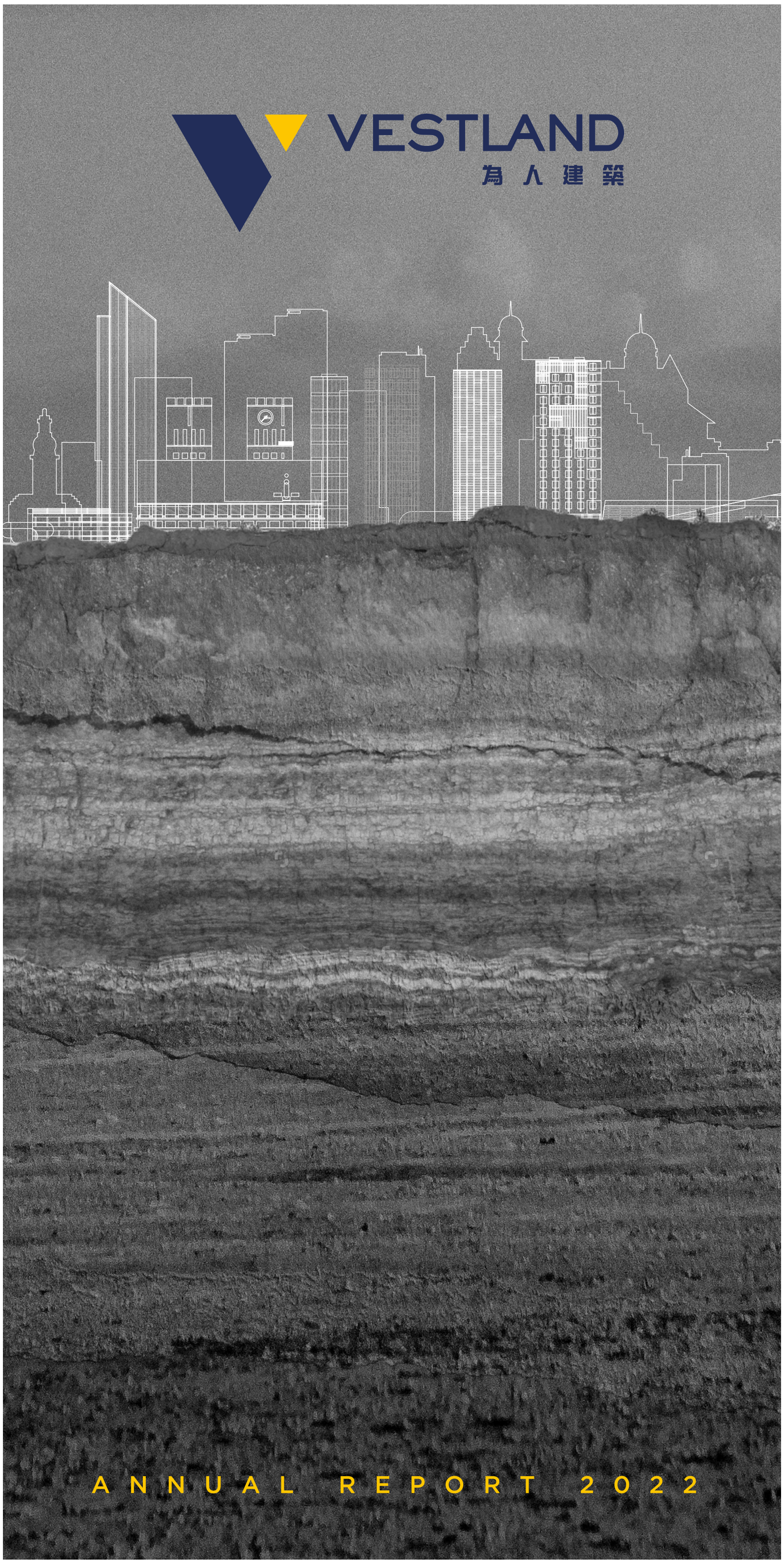


BIGGER, BRIGHTER
& BOLDER

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Mathialakan Chelliah
Independent Non-Executive Chairman

Datuk Liew Foo Heen
Group Managing Director

Wong Sai Kit
Executive Director

Dato' Yong Lei Choo
Independent Non-Executive Director

Ong Wei Liam @ Jeremy Ong
Independent Non-Executive Director

Wee Chuen Lii
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Wee Chuen Lii

Member
Ong Wei Liam @ Jeremy Ong
Dato' Yong Lei Choo

REMUNERATION COMMITTEE

Chairman
Ong Wei Liam @ Jeremy Ong

Member
Dato' Yong Lei Choo
Wee Chuen Lii

NOMINATION COMMITTEE

Chairman
Dato' Yong Lei Choo

Member
Ong Wei Liam @ Jeremy Ong
Wee Chuen Lii

COMPANY SECRETARY

Tan Hsiao Yuen
(MAICSA 7056952)
(SSM PC No. 201908002342)

Wong Wai Foong
(MAICSA 7001358)
(SSM PC No. 202008001472)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03 2783 9191
Fax : 03 2783 9111

HEAD OFFICE

Level 20, Subplace Boulevard
Pusat Komersil Vestland
No.6, Jalan Juruanalisis U1/35
Seksyen U1
40150 Shah Alam
Selangor
Tel : 03 5035 1718
Fax : 03 5035 1719
Email : info@vestland.com.my
Website : www.vestland.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03 2783 9299
Fax : 03 2783 9222

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03 2692 4022
Fax : 03 2732 5119

PRINCIPAL BANKERS

Alliance Islamic Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
Malayan Banking Berhad
Public Bank Berhad

SPONSOR

AmInvestment Bank Berhad
Level 21, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 2036 2633
Fax : 03 2032 4263

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : VLB
Stock Code : 0273
Category : Construction
Listed on 31 January 2023

CORPORATE STRUCTURE

VESTLAND BERHAD

Investment holding

100%

VESTLAND RESOURCES SDN BHD

Building construction works

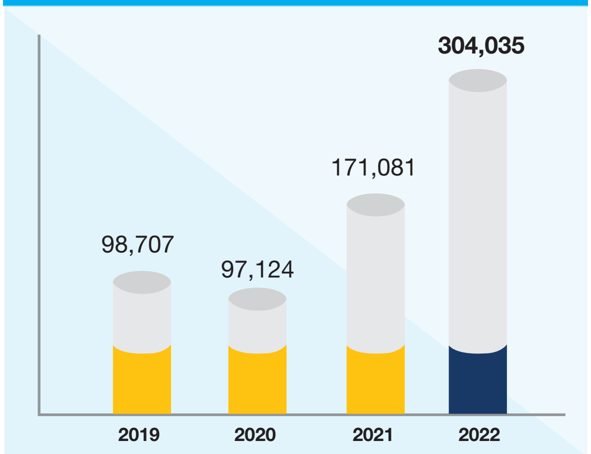
FINANCIAL HIGHLIGHTS

Year Ended 31 December	2022 (RM'000)	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)
Financial Performance				
Revenue	**304,035**	171,081	97,124	98,707
Gross Profit	**44,288**	23,525	14,329	12,509
Earnings Before Interest, Tax, Depreciation and Amortisation	**37,514**	17,894	12,308	11,432
Profit Before Tax	**34,742**	14,593	9,619	9,370
Profit After Tax	**25,110**	10,635	7,009	7,165
Financial Position				
Total Equity	**71,560**	46,450	35,814	28,805
Total Assets	**226,969**	168,752	121,121	111,173
Total Current Assets	**181,961**	128,955	98,303	82,911
Total Liabilities	**155,409**	122,303	85,307	82,368
Total Current Liabilities	**135,514**	102,001	67,102	76,558
Total Borrowings	**46,246**	28,248	33,878	15,426
Total Cash and Cash Equivalents	**41,228**	14,735	14,047	15,939
Financial Ratios				
Gross Profit Margin (%)	**14.6**	13.8	14.8	12.7
Profit After Tax Margin (%)	**8.3**	6.2	7.2	7.3
Return on Equity (%)	**35.1**	22.9	19.6	24.9
Current Ratio (times)	**1.34**	1.26	1.46	1.08
Basic Earnings Per Share * (sen)	**4.62**	1.96	1.29	1.32
Net Assets Per Share * (sen)	**13.18**	8.55	6.59	5.30
Net Gearing Ratio (times)	**0.07**	0.29	0.55	Net Cash

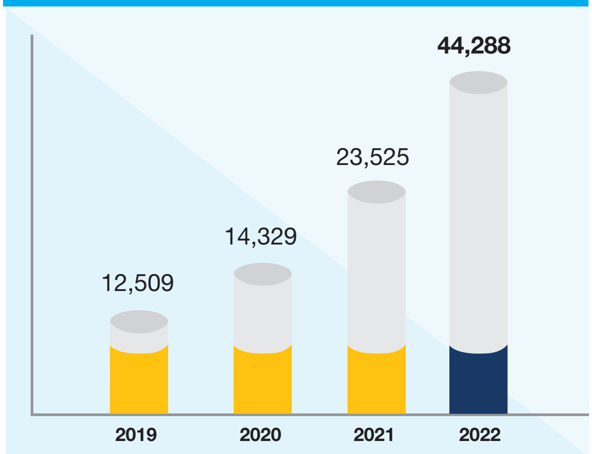
* *Computed based on 543,076,817 shares being the weighted average number of ordinary shares as of 31 December 2022*

FINANCIAL HIGHLIGHTS (CONT'D)

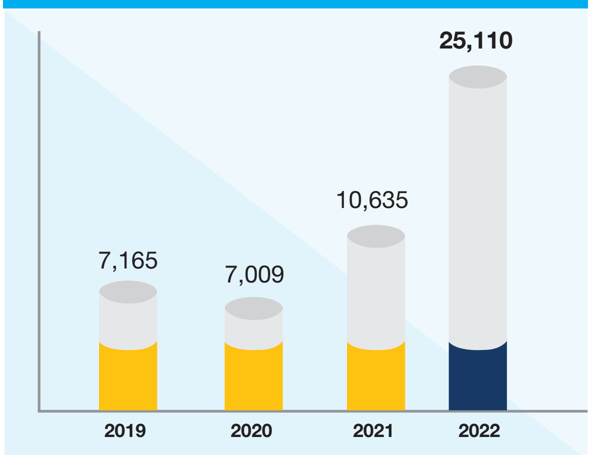
REVENUE
(RM'000)



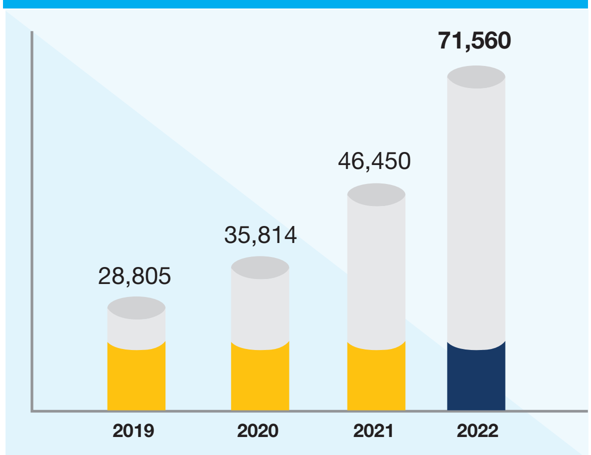
GROSS PROFIT
(RM'000)



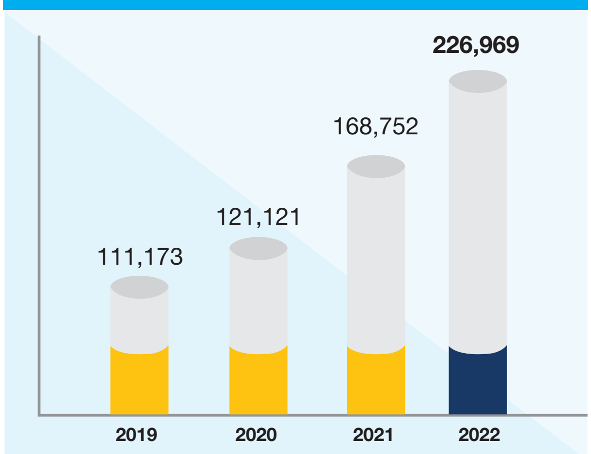
PROFIT AFTER TAX
(RM'000)



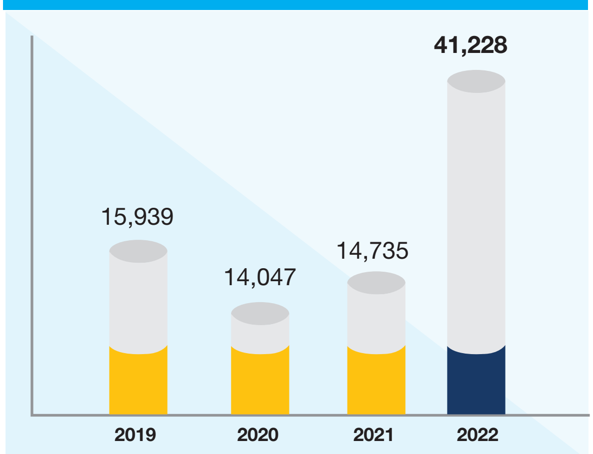
TOTAL EQUITY
(RM'000)



TOTAL ASSETS
(RM'000)



TOTAL CASH AND CASH EQUIVALENTS
(RM'000)



EVENTS HIGHLIGHTS

Sin Chew Jit Poh

Vestland簽包銷協議 月杪發招股書

（吉隆坡9日讯）Vestland公司配合在大马交易所创业板上市，与大马投资银行签署股票包销协议，以包销总计7496万1000股普通股。

Vestland发文告表示，该公司的首次公开售股（IPO）活动涉及2亿4080万股，包括公开发售1亿7000股新股，以及献售7080万股现有股票。

Vestland董事经理拿督刘傅贤通过文告表示，“今天的包销签约代表我们在创业板市场上市的一个重要里程碑，我们的目标是通过利用设计和建造能力，进一步巩固我们在建筑行业的地位。”

“我们计划将IPO所得款项用于补充营运资金需求，以满足业务运营增长。我们的目标是提供整体解决方案，通过单点联系客户，提供更好的质量和执行力。我们的愿景是继续建立前景并加强在市场中的地位，并为所有的利益相关者提供长期价值。”

Vestland公司主要通过独资子公司Vestland资源提供建筑服务。该集团自2011年以来，拥有11年作为建筑承包商的良好业绩纪录，在为私人和公共领域建造各种住宅和非住宅建筑方面拥有丰富的经验和能力。

该集团最初是一家纯建筑承包商，在2020年扩张至成为设计和建造承包商，而有能力获得更高的利润。2021年，集团业务扩展至土木工程。

大马投资银行是Vestland首次公开售股活动的首席顾问、保荐人、配售代理和承销商。

Vestland预计2022年12月杪发布招股书。

刘傅贤（左）与大马投行首席执行员陈慧琼展示股票包销协议。

Star Newspaper

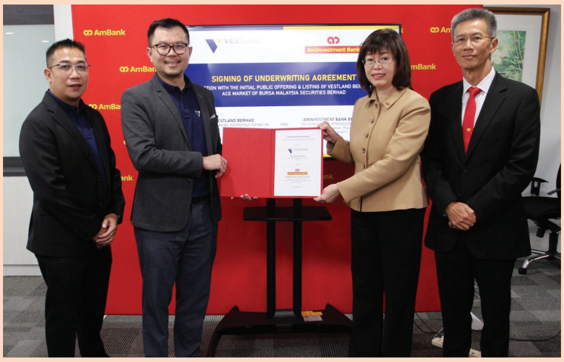
Vestland bullish ahead of IPO on healthy order book

Prospectus Launch

VESTLAND BERHAD I ANNUAL REPORT 2022

EVENTS HIGHLIGHTS (CONT'D)

Signing of Underwriting Agreement



IPO Listing Gong Day

Vestland Berhad's Group Managing Director Datuk Liew Foo Heen (third from left) and Chairman Dato' Mathialakan Chelliah (fourth from left) with delegates at the listing ceremony of the company on the ACE Market of Bursa Malaysia Securities Berhad in Kuala Lumpur on Tuesday 31 January 2023 (Photo by Zahid Izzani Mohd Said/ The Edge)

CHAIRMAN'S STATEMENT

DEAR VALUED ***SHAREHOLDERS,***

On behalf of the Board of Directors of Vestland Berhad ("**Vestland**" or the "**Group**"), it is my sincere pleasure to present Vestland's Annual Report for the financial year ended 31 December 2022 ("**FYE2022**"). On 31 January 2023, Vestland achieved a remarkable milestone by completing its listing on the ACE Market of Bursa Malaysia Securities Berhad to kickstart an exciting year of 2023. The Group has successfully raised RM56.1 million from the investing public and this fund will be utilised to further elevate the Group's operations and business growth in the years to come. This remarkable achievement is the result of our collaborative efforts with all valued stakeholders, coupled with the strategic adoption of Blue Ocean strategy, complementing the design and build construction specialist that Vestland is. The design and build capabilities that Vestland has diligently developed has propelled Vestland to be a leading construction player and the Group is now well positioned to secure more high-quality design and build contracts from its clients.

CHAIRMAN'S STATEMENT (CONT'D)

ECONOMIC OVERVIEW

In 2022, our nation transitioned into an endemic phase after two years of unprecedented challenges arising from the Covid-19 pandemic, enabling stronger economic activities as industries and global borders reopened, and positively impacting the Malaysian economy.

Malaysia's economy expanded by 8.7% in 2022 (2021: 3.1%), while GDP grew by 7.0% in 4Q 2022 (3Q 2022: 14.2%). The growth in 4Q 2022 was mainly driven by domestic demand, and supported by steady household spending, continued investment activity, resilient demand in the electrical and electronics sector and recovery in tourism activities. *(Source: BNM Quarterly Bulletin 4Q 2022, Bank Negara Malaysia)*

The construction sector rebounded with 8.8% growth in 2022, after experiencing two years of declining growth. The growth was driven by all sub-sectors, with double-digit growth recorded in special trade activities (19.6%); and non-residential buildings (18.7%). The construction industry generated a total of RM121.9 billion in work value in 2022. However, this figure was still lower than the pre-pandemic level of RM146.4 billion that was recorded in 2019. *(Source: Quarterly Construction Statistics, Fourth Quarter 2022, Department of Statistics Malaysia)*. This suggests that there is still a potential for the construction industry to recover to pre-pandemic levels as more economic activities pick up in 2023.

The construction industry plays a vital role in the economy as it provides essential infrastructure, buildings and services that support the growth of businesses and communities. The 2023 Budget, re-tabled in Parliament in February by our Prime Minister, reflects the government's commitment to reinforcing the momentum of economic recovery, strengthening economic resilience, and implementing comprehensive reforms for the public's well-being. Being an integral part of the Malaysia economy, the construction sector is expected to grow in tandem with the growth in the domestic economy.

FINANCIAL REVIEW

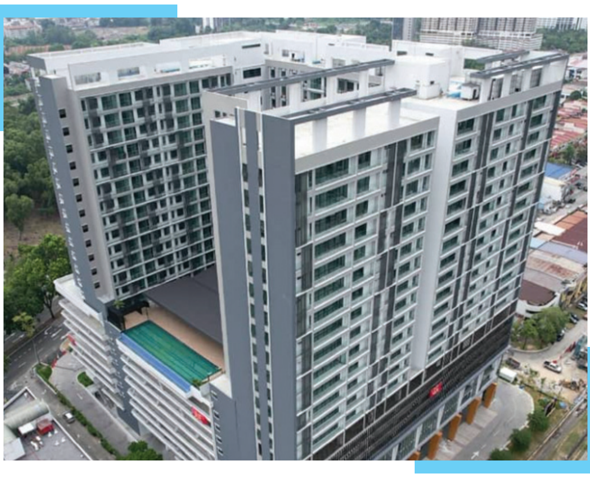
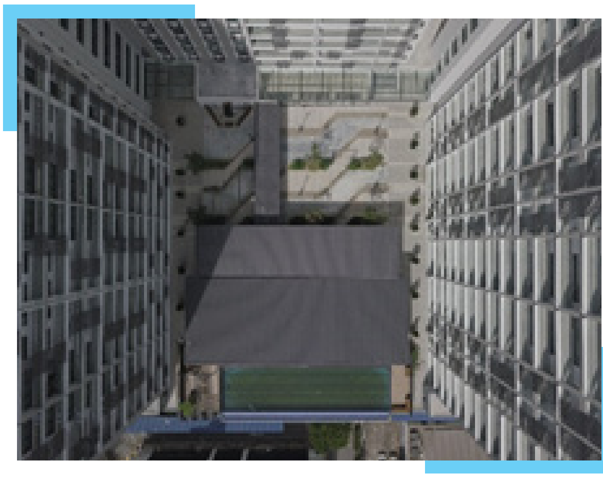
In the financial year under review, FYE2022, Vestland's revenue grew 77.7% to RM304.0 million (FYE2021: RM171.1 million), while gross profit and profit after tax rose 88.5% and 136.8% to RM44.3 million (FYE2021: RM23.5 million) and RM25.1 million (FYE2021: RM10.6 million) respectively, as compared to FYE2021. The strong growth in revenue and profitability was due to the higher percentage of work done for new and existing construction projects during the year. The Group has also accelerated its transition towards becoming a design and build specialist as design and build contracts now accounts for 77% of our total orderbook as at FYE2022.

OPERATIONAL AND BUSINESS HIGHLIGHTS

Vestland has emerged as a competitive player in the construction industry, sharpening its core competence in its design and build capabilities. The Group also takes pride in its track record of zero Liquidated Ascertained Damages ("LAD") across all its completed projects, notwithstanding all the difficulties faced during the Covid-19 pandemic period.

One of Vestland's key focuses has also been in delivering higher value engineering, which has enabled the Group to increase its construction efficiency and deliver exceptional results for its clients. In FYE2022, the Group has successfully completed seven (7) projects, which consist of four (4) projects from the build segment, namely the Glenz Mixed Commercial Development Project in Selangor, PPA1M Houses Project in Kelantan, Themepark Project in Selangor, CPL Aromas Pulau Indah Project in Selangor, and three (3) projects from the civil engineering segment, namely Plot 3, Plot 9B and Plot 9C Projects in Selangor.

CHAIRMAN'S STATEMENT (CONT'D)

Glenz Mixed Commercial Development Project, Shah Alam, Selangor

We are pleased to report that our current outstanding orderbook stands at RM1.2 billion as at FYE2022, with additional projects of RM382.6 million secured in 2023, to date, providing strong earnings visibility for the next four to five years. Some notable projects secured in 2023, to date, are Sulaiman Condominium Project in Kuala Lumpur, Kepong Condominium Project in Kuala Lumpur, Shah Alam Condominium Project in Selangor and Habu Cameron Project in Pahang.


Habu Cameron Illustration, Cameron Highlands, Pahang

Moving forward, the Group is looking to actively build its orderbook to expand its design and build segment, build segment and civil engineering segment. We have accelerated our transition into a design and build specialist which provides us a better competitive edge versus our peers. The Group also aims to widen its clientele portfolio by securing new potential clients, targeting projects from both the private sector as well as the government sector.

CHAIRMAN'S STATEMENT (CONT'D)

STRENGTHENING CORPORATE GOVERNANCE

Vestland's resounding growth and success is built on our reputation for strong transparency, accountability and ethical conduct, fundamental principles that the Group's Corporate Governance is based upon. With the Board of Directors ("Board") consisting mainly of Independent Directors, where four (4) out of six (6) Directors are independent, and the separation of posts of Chairman and Managing Director, Vestland is committed to upholding a high corporate governance standard for all stakeholders.

SUSTAINABLE BUSINESS

With the increasing demand and emphasis on sustainability and environmental responsibility by all dominant players in the industry, Vestland has also adopted various sustainable construction practices and increased its digitalisation efforts to reduce the Group's carbon footprint. The Group's sustainability activities can be found in the Sustainability Statement section of the Annual Report.

PROSPECT

Looking ahead, we are cautiously optimistic about the outlook for our business, despite the continued uncertainty in the global economy. We believe that our strong orderbook position will provide good earnings visibility to our Group in the next three to four years. Our strong design and build capabilities will also increase our chances of securing more high-value contracts and augmenting our orderbook for continued growth in our business.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my heartfelt gratitude and appreciation to the management team and all employees for their dedication, perseverance, and continuous contribution to the Group in the past year. The Board also would like to extend its appreciation to the Group's business partners, bankers, suppliers and loyal clienteles for their unwavering support and trust.

Lastly, I would like to thank all our valued shareholders for the continuous support and confidence in Vestland's unrelenting journey to become a major player in the country's construction industry and beyond. May we all grow BIGGER, BRIGHTER and BOLDER together.

DATO' MATHIALAKAN CHELLIAH
Independent Non-Executive Chairman

PROFILE OF DIRECTORS

DATO' MATHIALAKAN CHELLIAH

Independent Non-Executive Chairman

Aged 69

Date of Appointment:
21 April 2022

Board Committee Membership:
Nil

Number of Board Meeting Attended in FYE2022:
2/2

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

Dato' Mathialakan Chelliah obtained a Bachelor of Economics Degree from University of Malaya.

He began his career with the Malaysian Investment Development Authority ("**MIDA**") under the Ministry of International Trade and Industry, Malaysia ("**MITI**"), as an Economist in 1981. He headed MIDA's overseas offices in Zurich, Berne, Milan and London to promote Malaysia as a potential investment location for European companies. He was also responsible for assisting local companies in their investment decisions. He retired in 2014 as an Executive Director after 33 years of service at MIDA.

In January 2015, he was appointed as an Independent Non-Executive Director of Malaysia Digital Economy Corporation ("**MDEC**"), which is the lead agency in driving and developing the digital economy in Malaysia under the Minister of Communications and Multimedia Malaysia. He was also appointed as a member of audit committee as well as remuneration and nomination committee from January 2015 to October 2018. He was subsequently appointed as Acting Non-Executive Chairman of the Board of Directors of MDEC and chairman of the remuneration and nomination committee from October 2018 to July 2020, where he was involved in overseeing board practices as well as supervising corporate governance and compliance matters of MDEC. He completed his tenure as an Independant Non-Executive Director of MDEC in July 2020.

He founded ACM Advisory Sdn Bhd, a company involved in the business of providing consultancy and advisory services to business and commercial activities in March 2015. As a Director of the company, he is responsible for leading the company in providing business consultancy and advisory services to business organisations in various industries.

He was appointed as an advisor of Ernst & Young Malaysia in October 2018, where he continues till today to be responsible for providing insights and advice on governmental policies and liaising with government authorities and regulators.

DATUK LIEW FOO HEEN

*Group Managing Director/
Key Senior Management*

Aged 45

Date of Appointment:
10 November 2021

Board Committee Membership:
Nil

Number of Board Meeting Attended in FYE2022:
2/2

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

Datuk Liew Foo Heen ("**Datuk Liew**") graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University Of Management And Technology). He has been a Director of The Bountiful Eye Foundation, a non-profit organisation focusing on supporting the underprivileged families in Malaysia since March 2022.

Datuk Liew began his career as a Quantity Surveyor with PG Engineering Sdn Bhd in June 2000. He subsequently left and joined Mitrajaya Holdings Berhad in April 2002. He then joined Lim Hoo Seng Construction Sdn Bhd in April 2003 in similar role, where he was involved in the administration of construction contracts which include managing project budgets and schedules for construction.

In September 2006, he left and joined Maxis Mobile Sdn Bhd as a Senior Executive of the Procurement Department and was subsequently promoted to Assistant Specialist in November 2008, where he was involved in administration of contracts.

Thereafter, he co-founded Visibina Sdn Bhd in 2009 and was appointed as a Director. The company was principally a general contractor. He was responsible for overseeing the business operation, strategic planning and business development of the Company. He subsequently disposed his share in April 2018 and resigned as Director in April 2019 to focus on his business in Vestland Resources Sdn Bhd.

In 2011, Datuk Liew co-founded Vestland Resources Sdn Bhd to venture into the provision of building construction services. He was appointed as a Director initially and then appointed as Managing Director since 16 June 2016. He was responsible from the outset for managing the business development and strategies of the company while overseeing its daily operations.

Datuk Liew was appointed as a Director since the inception of the Company and subsequently re-designated as Group Managing Director on 3 March 2022. He continues to be responsible for setting our Group's overall development which includes setting our Group's direction, formulating corporate development plan and driving our business growth. He is also responsible for overseeing the overall management and operations of our Group.

PROFILE OF DIRECTORS (CONT'D)

WONG SAI KIT

Executive Director/
Key Senior Management

Aged 44

Date of Appointment:
10 November 2021

Board Committee Membership:
Nil

Number of Board Meeting Attended in FYE2022:
2/2

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

Wong Sai Kit graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University Of Management And Technology).

He began his career in Bina Mahasil Sdn Bhd as Site Supervisor in May 2000. He subsequently joined Panflex Sdn Bhd as Contract Executive in July 2001, and moved on to Loh & Loh Construction Sdn Bhd in December 2002, then joined Cross Brick Construction Sdn Bhd in May 2004, where he assumed similar roles for the implementation of construction contracts in various stages, including the preparation of progress report and overseeing material handling for construction activities.

He then left and joined Awangsa Bina Sdn Bhd as a Contract Executive in February 2005 and was promoted to Site Agent in May 2008. He was subsequently promoted to Construction Manager in June 2009 where he was involving in managing construction sites and overall planning, coordination as well as establishing cost control procedures including project cashflow and preparation of the final project account.

In April 2011, he joined Vestland Resources Sdn Bhd as Project Director where he was responsible to oversee the management and implementation of our Group's construction projects. He was then appointed as Executive Director of the company in 2015.

He was appointed as Executive Director of Vestland Berhad since its incorporation. As an Executive Director, he is responsible for the overall implementation of our Group's construction projects. He oversees various departments to monitor the progress and quality as well as site safety and budgeting of our construction projects.

PROFILE OF DIRECTORS (CONT'D)

DATO' YONG LEI CHOO

Independent Non-Executive Director

Aged 62

Date of Appointment:
21 April 2022

Board Committee Membership:

- Nomination Committee (Chairman)
- Remuneration Committee (Member)
- Audit and Risk Management Committee (Member)

Number of Board Meeting Attended in FYE2022:

2/2

Other Directorships of Public Companies and Listed Issuers:

- Independent Non-Executive Director of LBS Bina Group Berhad
- Independent Non-Executive Director of Red Ideas Holdings Berhad
- Independent Non-Executive Director of Fiamma Holdings Berhad

Family Relationship with Any Directors or Major Shareholders of the Company:

Nil

Conflicts of Interests with the Company:

Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):

Nil

Dato' Yong Lei Choo graduated from University of Malaya with a Bachelor of Arts (Honours) in Population Studies and obtained a Master of Science in Human Resources Development from Western Carolina University, United States.

She joined the Royal Malaysia Police ("**RMP**") as a cadet Assistant Superintendent of Police ("**ASP**") in February 1986, where she was responsible for investigations, prosecutions and administration works. Subsequently, she was posted as an ASP in the Research and Analysis unit of the Special Branch of the headquarters of RMP in 1987 and thereafter as a Deputy Superintendent of Police in the External Intelligence Division in 1994.

She returned to RMP as an Administrative Management Officer of the Special Branch of the headquarters of RMP after completion of her postgraduate studies at Western Carolina University in the United States.

Throughout her 35 years of service with the RMP, she has served in various capacities with a focus in Special Branch activities, including Head of Special Branch in the Petaling Jaya District Police, Deputy Head of Special Branch (Operation) in the Selangor Police Contingent, Head of Special Branch in the Penang Police Contingent, Principal Assistant Director (Personnel Records) in the Management Department of the headquarters of RMP and Commandant of the Royal Malaysian Police College Kuala Lumpur (a RMP educational institution located in Kuala Lumpur responsible for training senior officers in the RMP).

She retired in October 2021 as the Deputy Chief Police Officer of Kuala Lumpur, with the rank of Deputy Commissioner of Police where she was involved in managing and overseeing the activities of all departments of the Kuala Lumpur Police Contingent.

PROFILE OF DIRECTORS (CONT'D)

ONG WEI LIAM @ JEREMY ONG

Independent Non-Executive Director

Aged 45

Date of Appointment:
21 April 2022

Board Committee Membership:

- Remuneration Committee (Chairman)
- Nomination Committee (Member)
- Audit and Risk Management Committee (Member)

Number of Board Meeting Attended in FYE2022:
2/2

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

Jeremy Ong graduated with a Bachelor of Commerce from the University of Queensland, Australia.

He began his career in the Financial Management Program (FMP) of the General Electric Company (GE) in 2002, where he served in various business and corporate segments in Malaysia, the USA, and China.

In 2004, he joined GE (China) Co. Ltd as Finance Analysis and Planning/Risk Manager for GE Transportation-Aircraft Engines business segment. He subsequently joined GE's Corporate Finance, Malaysia as a corporate audit staff in 2006, performing governance and corporate audit duties in the USA, Canada, China, Hungary, France, India, Japan, and South East Asia. Later in 2008, Jeremy became Supply Chain Finance Manager in the Asia Pacific region for GE Oil & Gas in Singapore, where he led finance teams in manufacturing sites in Singapore, China, and Indonesia. He was promoted to Finance Manager for GE Global Business Services Asia Pacific in Singapore in 2010 and responsible for leading the overall Asia-Pacific finance function in 13 countries. Throughout the years with GE, he has gained much experience in areas of accounting and finance, governance and compliance.

In 2012, he left GE and joined CCI Asia Pacific in Singapore with manufacturing sites in India, Japan, and Korea as Asia Chief Financial Officer and led the overall finance and governance functions.

Upon his return to Malaysia in 2014, he became the Group Chief Operating Officer of the Hextar Group, where he initiated a restructuring of shared support services while overseeing its business operations, investment management, business development, and diversification initiatives.

From 2015 to 2017, he was appointed as an Independent Non-Executive Director of ATA IMS Berhad, a company listed on the Main Market of Bursa Securities. He was also appointed as a member of the nomination, remuneration, and audit committees.

He founded Trunnion Bridge and Treo Capital in 2016 and 2018, respectively, to venture into corporate consulting services. Continuing his role as the Chief Executive Officer of Treo Capital, Jeremy leads the company in providing management and strategic advisory services to clients in various aspects of finance, risk management, corporate planning and compliance, and corporate governance.

PROFILE OF DIRECTORS (CONT'D)

WEE CHUEN LII

Independent Non-Executive Director

Aged 51

Date of Appointment:
21 April 2022

Board Committee Membership:

- Audit and Risk Management Committee (Chairman)
- Remuneration Committee (Member)
- Nomination Committee (Member)

Number of Board Meeting Attended in FYE2022:
2/2

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

Wee Chuen Lii holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University Of Management And Technology). He obtained the professional qualification of the Association of Chartered Certified Accountants (ACCA). He has been registered as a fellow member of the ACCA and a member of the Malaysian Institute of Accountants (MIA).

He began his career with Pembinaan Tasja Sdn Bhd in 1997 as Accounts Officer and left in 2000 as Assistant Accountant. He then joined EA Consulting (M) Sdn Bhd in 2000 as an Accountant, where he was responsible for managing the accounting, finance and taxation functions of the company.

He then joined Axon Solutions Sdn Bhd in 2006 as an Accountant. Subsequently, he joined DGB Asia Berhad (listed on the ACE Market of Bursa Securities) as a Group Finance Manager in 2009, where he was responsible for overall financial and management reporting and leading the group's financial risk management.

In 2012, he joined Huawei Technologies (M) Sdn Bhd as Business Finance Manager, where he was responsible for overseeing the overall financial performance, preparing project estimations for tender decision making and advising the business group on risks associated in the business projects undertaken.

In 2015, he joined LKL Advance Metaltech Sdn Bhd, a wholly owned subsidiary of LKL International Berhad (listed on the ACE Market of Bursa Securities) as Chief Financial Officer. He was responsible for managing and overseeing the accounting functions, tax planning as well as the overall financial performance of the LKL International Berhad group of companies.

He subsequently joined Eatcosys Sdn Bhd as Chief Financial Officer in 2021, where he was involved in managing and overseeing the financial and taxation matters of the company.

He left the company in 2021 and is currently a freelance financial consultant who provides advisory services on accounting, finance and corporate related matters to companies in various industries.

KEY SENIOR MANAGEMENT

LOW CHOON WEI

Chief Financial Officer

Age 35 | Male | **Date of Appointment:** 1 September 2021

Qualifications

- Bachelor of Accounting with Honours from University of Malaya
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants

Working Experience

- 2012-2017 : PricewaterhouseCoopers Malaysia
  Associates / Senior Associates / Assistant Manager
- 2017-2017 : Malaysian Institute of Accountants
  Manager of Professional Practices and Technical Division
- 2017-2019 : Vestland Resources Sdn Bhd
  Manager, Accounts and Finance
- 2019-2021 : PRG Holdings Berhad Manager, *Accounts and Finance / Senior Manager, Accounts and Finance*
- 2021-present : Vestland Resources Sdn Bhd
  Chief Financial Officer

Other Directorships of Public Companies and Listed Issuers:

Nil

Family Relationship with Any Directors or Major Shareholders of the Company:

Nil

Conflicts of Interests with the Company:

Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):

Nil

LIM TOW UEN

Head of Contracts, Projects and Purchasing Department

Age 48 | Male | **Date of Appointment:** 5 December 2016

Qualifications

- Bachelor of Science (Honours) in Quantity Surveying from University of Greenwich, United Kingdom

Working Experience

- 1998-2005 : M-Factor Industries Sdn Bhd
  Contract Executive / Assistant Contracts Manager / Project Manager
- 2005-2007 : Transkon Engineering Sdn Bhd
  Project Manager
- 2007-2007 : Transkon (Thai) Co. Ltd, Thailand
  Contract Manager
- 2007-2009 : One Up Co. Ltd, Thailand
  Assistant Vice President of Cost and Contract Department
- 2010-2010 : Shimizu Corporation
  Contract Manager
- 2010-2014 : Huawei Technologies (M) Sdn Bhd
  Contract Manager
- 2014-2016 : Alphine Return Sdn Bhd
  Senior Contract Manager
- 2016-present : Vestland Resources Sdn Bhd
  Head of Contracts, Projects and Purchasing Department

Other Directorships of Public Companies and Listed Issuers:

Nil

Family Relationship with Any Directors or Major Shareholders of the Company:

Nil

Conflicts of Interests with the Company:

Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):

Nil

KEY SENIOR MANAGEMENT (CONT'D)

SR OOI YIQING
Contracts Manager

Age 38 | Female | **Date of Appointment:** 1 October 2017

Qualifications
- Bachelor of Science (Honours) in Quantity Surveying from Universiti Tunku Abdul Rahman (now known as Tunku Abdul Rahman University Of Management And Technology)
- A member of the Quantity Surveying Division of Royal Institution of Surveyors Malaysia

Working Experience
- 2008-2012 : YMF Consultants Sdn Bhd
  Project Executive
- 2012-2017 : RL Bersepadu Sdn Bhd
  Quantity Surveyor
- 2017-present : Vestland Resources Sdn Bhd
  Assistant Contracts Manager / Contracts Manager

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

SOH CHEE WAH
Senior Project Manager

Age 48 | Male | **Date of Appointment:** 1 August 2017

Qualifications
- Certificate in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University Of Management And Technology)

Working Experience
- 1996-1997 : Nam Fatt Corporation Berhad
  Site Supervisor
- 1997-1999 : SNC GTMI J.V.
  Site Supervisor
- 1999-2002 : Free Land Construction Sdn Bhd
  Site Supervisor
- 2002-2012 : Cheng Weng Construction Sdn Bhd
  Site Supervisor / Construction Manager
- 2012-present : Vestland Resources Sdn Bhd
  Project Manager / Senior Project Manager

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

KEY SENIOR MANAGEMENT (CONT'D)

CHAN CHOOI MEE
Purchasing Manager

Age 41 | Female | **Date of Appointment:** 1 October 2020

Qualifications
- Diploma in Computer Science from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University Of Management And Technology)

Working Experience
- 2004-2006 : Success Resources Sdn Bhd
  Database Executive
- 2008-2009 : Scope International (M) Sdn Bhd
  Human Resource Administrator
- 2011-2013 : Celmonze Aesthetic Academy
  Business Development Executive
- 2013-present : Vestland Resources Sdn Bhd
  Assistant Purchasing Officer / Senior Purchasing Executive / Assistant Purchasing Manager / Purchasing Manager

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:
Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

CHRISTINA NAIR A/P NARAYANAN
Human Resource Manager

Age 38 | Female | **Date of Appointment:** 13 June 2016

Qualifications
- Executive Diploma in Human Resource Management from University of Malaya

Working Experience
- 2005-2014 : JG Direct (M) Sdn Bhd
  Administrative Clerk / Senior Human Resource and Administrative Executive
- 2014-2016 : Om Technologies Sdn Bhd
  Human Resource cum Account Manager
- 2016-present : Vestland Resources Sdn Bhd
  Human Resource Manager

Other Directorships of Public Companies and Listed Issuers:
Nil

Family Relationship with Any Directors or Major Shareholders of the Company:

Nil

Conflicts of Interests with the Company:
Nil

List of Convictions for Offences within the Past 5 Years and Any Public Sanctions or Penalty Imposed by the Relevant Regulatory Bodies during FYE2022 (Other Than Traffic Offence):
Nil

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF VESTLAND BERHAD

Vestland Berhad ("Vestland" or "the Company") is an investment holding company and is primarily involved in the provision of construction services through its wholly-owned subsidiary, Vestland Resources Sdn Bhd which was incorporated in 2011 (collectively, the "**Group**").

Our Group has an established track record of 12 years since 2011 as a building contractor in the construction industry, with experience and capabilities in the construction of a diverse range of residential and non-residential buildings for private and public sectors. Residential buildings include apartments and landed residential buildings, while non-residential buildings include mixed-use commercial buildings and offices, industrial buildings, service apartments, hostels and hotels.

Started as a pure build contractor, our Group has expanded our capabilities to provide design and build construction services in 2020, which resulted in our Group's ability to garner higher margins. In 2021, our Group expanded its business to include civil engineering works.

VISION

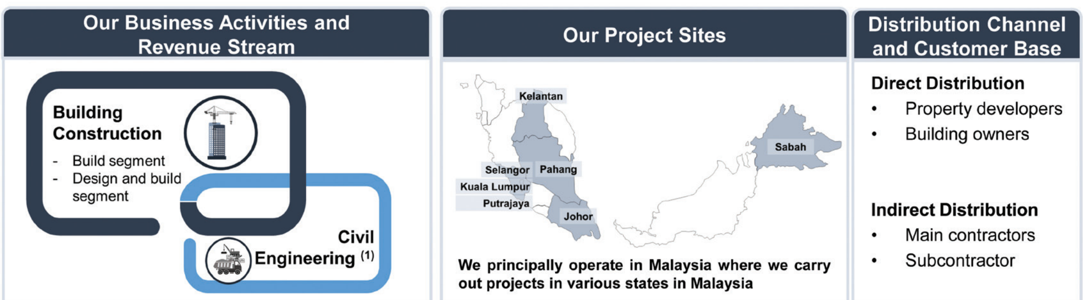
To be a regional top contractor.

MISSION

To build and deliver high quality construction projects on schedule for our clients while providing sustainable value to stakeholders.

BUSINESS OVERVIEW

An overview of our Group's business model is as depicted below:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OVERVIEW (CONT'D)

Our Group's business can be broadly categorised into the following:

(a) Building construction

i. Build segment – As a build contractor, we are responsible for the overall project including project management, project planning, project construction, project completion and project handover based on the designs provided by our customers.

ii. Design and build segment – As a design and build contractor, we are responsible for the overall project as well as planning and coordinating the design aspects of the project covering technical specifications as well as coordination of the relevant submissions to the authorities.

(b) Civil engineering works – Our works include earthworks which includes site clearance, excavation and backfilling as well as levelling and rock hacking works, and slope stabilisation works which enhances the strength of the slope to prevent slope failures.

FINANCIAL OVERVIEW

Vestland Group delivered exemplary results for the financial year ended 31 December 2022 ("FYE 2022"). In fact, our Group recorded the highest ever revenue and net profit for FYE 2022, with at least double-digit growth compared to the preceding year.

A snapshot of our Group's financial highlights for FYE 2022 is depicted as follows:

Revenue

Our Group's revenue increased by 77.7%, improving from RM171.1 million for FYE 2021 to RM304.0 million for FYE 2022.

The strong growth in revenue is mainly attributable to the increase in revenue from design and build projects, which was driven by higher percentage of work done for new and existing projects.

The design and build projects contributed revenue of RM204.8 million during FYE 2022, representing 67% of the total revenue of the Group.

REVENUE

RM304.0 million

78%

(2021: RM171.1 million)

GROSS PROFIT

RM44.3 million

89%

(2021: RM23.5 million)

Gross Profit

The Group recorded a gross profit of RM44.3 million for FYE2022, representing an increase of 88.5% compared to RM23.5 million recorded for FYE2021.

The increase in gross profit is in line with the increase in revenue as well as higher contribution from design and build projects to the Group's total revenue which provides better margins.

FINANCIAL OVERVIEW (CONT'D)

Profit Before Tax and Net Profit

The Group recorded a profit before tax of RM34.7 million and net profit of RM25.1 million for FYE 2022. This represents an increase of 137.7% and 136.8% respectively, which was mainly contributed by the increase in gross profit from our construction business.

PROFIT BEFORE TAX

RM34.7 million

138%

(2021: RM14.6 million)

NET PROFIT

RM25.1 million

137%

(2021: RM10.6 million)

TOTAL EQUITY

RM71.6 million

54%

(2021: RM46.4 million)

Total Equity

The Group's total equity increased to RM71.6 million as at FYE 2022 from RM46.4 million as at FYE 2021. The increase in the total equity is due to the Group's continued profitability during FYE 2022.

Net Gearing Ratio

The Group's net gearing ratio improved from 0.29 times as at FYE 2021 to 0.07 times as at FYE 2022, which was mainly driven by the increase in retained earnings of the Group arising from the net profit generated during FYE 2022 as well as the increase in cash and cash equivalents during FYE 2022 arising from net cash generated from operating activities and investing activities.

NET GEARING RATIO

0.07 times

76%

(2021: 0.29 times)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL OVERVIEW (CONT'D)

Others

The total assets of the Group increased by RM58.2 million to RM227.0 million as at FYE2022. This was mainly due to the increase in trade receivables and cash and cash equivalents arising from the higher revenue recorded for FYE2022.

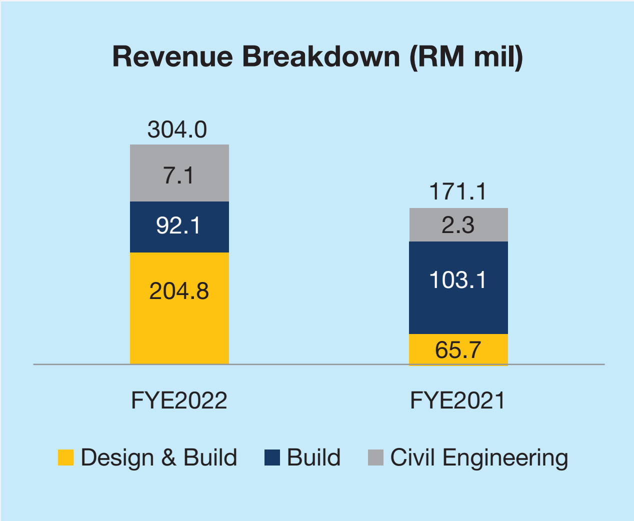
The Group generated net cash of RM6.7 million from operating activities, representing an increase of 10% compared to the previous year.

The Group also generated net cash of RM10.8 million from investing activities. This was mainly the proceeds from disposal of assets as well as repayment from affiliated companies and third parties during FYE2022.

SEGMENTAL OVERVIEW

Our Group's revenue is mainly derived from building construction for build projects and design and build projects. There is also a small proportion of our revenue contributed by our civil engineering works.

The revenue breakdown of our Group for FYE2022 is as shown below:



Design and Build Segment

The design and build segment is the largest contributor to the Group's revenue for FYE2022, contributing around 67% compared to around 38% for FYE2021. Revenue for the design and build segment increased approximately 212% year-on-year to RM204.8 million for FYE2022 (FYE2021: RM65.7 million).

The strong revenue growth is attributed to the Group's ongoing design and build projects in FYE2022. These includes Beluran Police Camp Project, Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project, Residensi Armani Bukit Lanjan Project and KKIP Warehouse Project.

SEGMENTAL OVERVIEW (CONT'D)

Build Segment

Revenue from the build segment decreased around 11% year-on-year to RM92.1 million for FYE2022 (FYE2021: RM103.1 million). The decline is mainly due to the completion of a few build projects during FYE2022 as well as our Group's increasing focus towards securing more design and build projects which carries higher margin and profitability to the Group.

The build segment revenue for FYE2022 is mainly contributed by D'vine Residences Project, KKB Academic Building and Student Accommodation Project and Permas City Project.

During the FYE2022, the Group completed and delivered 4 build projects to the customers without delay, including:

- Glenz Mixed Commercial Development Project, Shah Alam, Selangor
- PPA1M Houses Project, Pasir Mas, Kelantan
- Themepark Project, Petaling Jaya, Selangor
- CPL Aromas Pulau Indah Project, Klang, Selangor

Glenz Mixed Commercial Development Project

CPL Aromas Pulau Indah Project

Civil Engineering Segment

Our Group expanded into standalone civil engineering works projects in 2021. The civil engineering works were mainly relating to earthworks and rock hacking works. Civil engineering works accounted for RM2.3 million (around 1%) of our total revenue for FYE2021 and further increased to RM7.1 million (around 2%) for FYE2022.

The increase in revenue of civil engineering works is mainly attributable to the completion of a few projects during FYE2022, including:

- Plot 3, Sungai Buloh, Selangor
- Plot 9B, Sungai Buloh, Selangor
- Plot 9C, Sungai Buloh, Selangor

BUSINESS OUTLOOK AND STRATEGIES

Accelerating Our Transition as a Design and Build Specialist

Our Group's design and build capabilities include the ability to provide a unified design and build team, which consists of architects, engineers, surveyors, subcontractors and suppliers, to streamline our processes and provide a total solution with a single point of contact to our customers. Such total design and build solution incorporating value engineering enables us to maximise data efficiency of a project's specifications, as well as provide us with better control of cost, time and quality of the projects. As a result, our strong design and build capabilities provide us with a higher success rate on contract wins and higher margins.

Since the Group's first venture into design and build projects in 2020, our Group has successfully accelerated its transition towards becoming a design and build specialist. For FYE2022, around 67% of the revenue contribution came from design and build projects. In terms of outstanding orderbook as at FYE 2022, design and build projects account for around 77% of the Group's total orderbook value.

With our design and build capabilities, the Group will continue to focus its efforts to explore opportunities in design and build projects for both residential and non-residential buildings.

Expand on Our Orderbook and Tender Book Value

As at FYE 2022, the Group's total outstanding orderbook value is approximately RM1.2 billion. During the first quarter of 2023, the Group secured total new job wins of approximately RM382.6 million. This orderbook value will provide the Group a strong earnings visibility for the next 4 to 5 years.

Our Group is actively expanding our orderbook and tender book value by:

- Growing with existing customers by continuing our solid execution and delivery of existing projects and actively tapping into their strong projects pipeline.
- Widening our clientele portfolio by leveraging on our total solution design and build capabilities to tender and secure new construction projects from new customers.
- Focusing on larger ticket size projects where we can gain better economies of scale by utilising similar resources to focus on larger and quality projects which improve operating leverage.
- Strategically target government social projects such as public government offices, schools, hospitals, police and army facilities.
- Providing more value to our clients by proposing appropriate value engineering to increase construction efficiency and shorten delivery timeline.

Execute and Deliver On-going Projects Timely with Strong Quality

With the Group's total outstanding orderbook value on hand of approximately RM1.2 billion as at FYE2022, the Group is working diligently to deploy its resources effectively and efficiently to manage all these on-going projects. By leveraging the Group's digitalised project management capabilities and end-to-end project oversight, the Group is confident of delivering all these projects successfully on time without delay.

Operational Facility Expansion

In line with our business expansion, our Group had entered into sales and purchase agreements to acquire a new head office at the Subplace Boulevard, Pusat Komersil Vestland located at No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor.

The new head office comprises 12 office suites with an aggregate built-up area of 10,803 sq. ft. compared to our previous rented premises with an aggregated built-up area of 7,834 sq. ft. The new head office is designed to accommodate a larger number of workstations for our expanded workforce as well as additional meeting rooms.

The Group commenced the renovation and furnishing works of the new head office in December 2022. Upon the completion of the renovation and furnishing works, the Group relocated and commenced operations at the new head office in March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

The Group strives to develop innovative buildings and constructions while integrating sustainability into our core businesses by incorporating the factors Economic, Environmental, Social and Governance into our Group's journey. Our ESG highlights include achieving one million safe manhours worked without lost time injury as we practice sustainable construction and promote a safe working environment.

The Group's performance in sustainability management and its progress toward a sustainable future can be found under the Sustainability Statement.

APPRECIATION

I would like to take this opportunity to extend my deepest appreciation to our dedicated team at Vestland Group for their immeasurable contribution, continuous effort and commitment in making Vestland's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 31 January 2023.

I would also like to sincerely thanks all our investors and various stakeholders including bankers, customers, suppliers and business associates for their continuous support, and I look forward to delivering value to our shareholders in the years to come.

I am confident in the Group's growth prospects and future potential and remain optimistic about a positive performance in the year ahead.

DATUK LIEW FOO HEEN
Group Managing Director

SUSTAINABILITY STATEMENT

Vestland strives to develop innovative buildings and constructions while integrating sustainability into our core businesses by incorporating the factors Economic, Environmental, Social and Governance into our Group's journey. The Sustainability Statement ("Statement") outlines the Group's performance in sustainability management and its progress toward a sustainable future.

STATEMENT OVERVIEW

Reporting Period and Cycle

This Statement covers the financial year period from 1 January 2022 to 31 December 2022 ("**FYE2022**"), and is reported on an annual basis. FYE2022 is chosen as the base year as 2022 is our first year of sustainability reporting.

Reporting Scope

This Statement encompasses all business operations of Vestland and its subsidiary within the geographic scope of Malaysia, covering the design and build, build and civil engineering segment.

Reporting Framework

This Statement has been prepared in accordance with the ACE Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), and is further guided by the Global Reporting Initiative ("**GRI**") Standards and the United Nations Sustainable Development Goals ("**SDGs**").

OUR SUSTAINABILITY APPROACH

Sustainability Governance

To embed sustainability into the Group, Vestland is in the midst of establishing a Sustainability Working Group ("**SWG**") to lead to Group's sustainability matters in Economics, Environmental, Social and Governance aspects. The SWG will be supported by members of the Board of Directors and senior management of the Group and will play an important role in the development of sustainability approach and goals in our ESG journey.

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

UN SDGs	Sustainability Goals
8 DECENT WORK AND ECONOMIC GROWTH SDG 8 Decent Work and Economic Growth	• Support young employment • Support women representation • Provide proper training and education • Achieve sustainable economic growth • Equal opportunities • Prohibit modern slavery, trafficking and child labour • Protect labour and human rights • Promote safe workplace
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE SDG 9 Industry, Innovation and Infrastructure	• Develop sustainable infrastructures • Promote inclusive industrialisation • Innovation through research and development • Support domestic technological development
12 RESPONSIBLE CONSUMPTION AND PRODUCTION SDG 12 Responsible Consumption and Production	• Sustainable management and use of natural resources • Reduce waste along the supply chain • Sustainable procurement practices • Promote local culture and products • Reduce carbon footprint

STAKEHOLDER ENGAGEMENT

Stakeholders are the key success of our Group and we believe consistent communication with all stakeholders is important to improve our Group's decision-making, accountability, reputation, and long-term sustainability. Vestland actively engages with all stakeholder groups through various methods in differing frequencies, including both formal and informal discussions and meetings that cover shareholder meetings, investor conferences, direct engagement programmes, surveys, audits, and more.

The table below summaries our key stakeholders, methods and frequency of engagement and the material topics of concern.

Stakeholder Group	Frequency and Type of Engagement	Related Material Topics	How We Manage Issues
Customers	Frequency: Ongoing Type: Customer survey	Economic performance Customer satisfaction Timely completion of projects and quality of construction works	• Customer survey • Address customer concerns
Media	Frequency: Ongoing Type: Newspaper, social media, press release	Economic performance Community engagement	• Direct engagement • Press statements/ briefings • To highlight effort through engagement and communication channel
Employees	Frequency: Regular, ongoing Type: Knowledge sharing session, internal customer engagement programme, internal customer satisfaction survey programme, innovation accelerator programme	Employee welfare Occupational safety and health	• Staff engagement programmes • Implementation of environment, safety and health programmes involving employees • Job-related training and workshops • Annual appraisal
Suppliers	Frequency: Occasional Type: Meetings, discussions	Supply chain management	• Constant and regular communications • Process improvement • Engage and share concerns with relevant parties • Supplier performance evaluation

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Group	Frequency and Type of Engagement	Related Material Topics	How We Manage Issues
Investors and financiers	Frequency: Annual, quarterly, ongoing Type: Annual general meeting, announcements, press releases, briefings, meetings, site visits	Economic performance Corporate governance and ethics	• Regular audits • Constant engagement and sharing of strategy
Business partners	Frequency: Ad hoc Type: Meetings, discussions	Economic performance Corporate governance and ethics	• Communication • Engage and share concerns with relevant parties
General public	Frequency: Ad hoc Type: Dialogue, engagement	Material and waste management Community engagement	• Communication via reporting on environmental conservation activities • Corporate social responsibility activities
Governments and regulators	Frequency: Regular, ongoing Type: Meetings, pre-consult submission, periodical reporting	Industrialised building system Material and waste management Corporate governance and ethics	• Responsible reporting and communications • Monitoring of compliance

MATERIAL TOPICS

In FYE2022, we have conducted a materiality assessment with our stakeholders ranging from senior managements and employees to customers and suppliers. Through the materiality assessment and discussions with our stakeholders, we have identified ten (10) material matters illustrated in the materiality matrix below, plotted against the x-axis, which shows the importance of each matter to the business, and against the y-axis, which shows the importance of each matter to our stakeholders.

Materiality Matrix

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMICS

MATERIAL TOPIC: ECONOMIC PERFORMANCE

Definition of Material Topic

Economic performance addresses the value generated from our Company's operations and how we manage these impacts.

Why Is This Topic Material to Us?

The value generated from our operations are crucial to maximise shareholder value and maintaining investors' confidence in us.

Risk/Challenges	Opportunities
1. Macroeconomic factors resulting in global headwinds, affecting the construction industry as a whole. 2. Low economic performance propels negative sentiment and causes reasonable distortions among the investing public	1. A well-preserved economic performance mitigates business risk and nurtures consistency to our Company's goal of providing sustainable value to all stakeholders. 2. Ensuring a strong economic performance complements our Company's core competences, establishing a perpetual growth stance for our Company.

Management Approach

Economic performance is closely tied to our social and environmental performance, and we strive to create long-term value for all our stakeholders, including shareholders, employees, customers, suppliers and communities.

Our financial performance are as below:

Direct Economic Value Generated and Retained	FYE2022 (RM mil)
Revenue	304.0
Profit before tax	34.7
Profit attributable to Owners of the Company	25.1

For the current financial year 2022, Vestland has delivered a total of RM304.0 million in revenue, and a profit before tax of RM34.7 million. Through our business model, the Group's economic value is distributed through operating cost, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments, of which RM9.6 million are payment to the government through income tax. Please refer to our financial statements for more information on our financial performance.

Vestland is devoted to grow our economic value by leveraging on our strong alliances with our various stakeholders to ensure exponential growth of Vestland.

ECONOMICS (CONT'D)

MATERIAL TOPIC: TIMELY COMPLETION OF PROJECTS AND QUALITY OF CONSTRUCTION WORKS

Definition of Material Topic

Completing our contractual projects on time and ensuring our work meets the highest standards of quality.

Why Is This Topic Material to Us?

In order to maintain our position in the competitive arena, producing high quality work allows us to retain our customers' faith and confidence in our deliverables.

Risk/Challenges	Opportunities
1. Advancement in technology stipulates increasing demand for technically feasible individuals, generating additional costs required for training our employees. 2. Unsettling conditions in the labour market resulting in difficulties to acquire additional manpower.	1. Ensuring our work is completed within the agreed timeframe ensures no unnecessary lead time wasted for each project. 2. High quality work portrays a positive reputational stance on our Group.

Management Approach

At Vestland, we take pride in the quality of our projects and ensure the highest quality in all our past and ongoing projects. We experienced no delay in our historical projects that had led to any Liquidated Ascertained Damages ("LAD"), and delivered 10 projects since 2020 with Certificate of Practical Completion ("CPC") without delay during the Covid-19 pandemic period.

Product quality is ensured through conformance to ISO quality standards as well as regulatory compliance. Vestland is accredited with ISO 9001:2008 for the provision of General Building Construction and Civil Engineering Works and ISO 9001:2015 for the provision of Civil Building Construction and Civil Engineering Works as a testimony for to quality deliverables.

The following are recent key awards and recognitions achieved by our Group:

2019

2021

2022

ECONOMICS (CONT'D)

MATERIAL TOPIC: TIMELY COMPLETION OF PROJECTS AND QUALITY OF CONSTRUCTION WORKS (CONT'D)

Management Approach (Cont'd)

Year	Certification/License
2019	• Certificate of appreciation awarded by CIDB for being awarded the contract to construct a commercial centre and hotel for Sg. Besi Construction Sdn Bhd
2020	• Achieved 77% QLASSIC (1) score for the Three33 Residence Project for TSI Domain Sdn Bhd • Certificate of appreciation awarded by TSI Domain Sdn Bhd in recognition of the contribution to one million safe manhours worked without lost time injury for the Three33 Residence Project. • Certificate of appreciation awarded by Perbadanan Perwira Harta Malaysia in recognition of the contribution to over one million safe manhours worked without lost time injury for the TUDM Army Camp Package 2 Project.
2021	• Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 3-star rating (2). The certificate is valid until 22 July 2023. • Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 4-star rating (3). The certificate is valid until 30 November 2023. • Certificate of appreciation awarded by Pujaan Harmoni Sdn Bhd in recognition of excellent construction performance.
2022	• Obtained a "BEST PERFORMANCE AWARD" in recognition for the contribution to good and safe work performance for the PPA1M Project located in Pasir Mas, Kelantan by Cherane Lalie Sdn Bhd

We have also taken additional measures in our construction work such as spraying anti-termite substances on the site before commencing the necessary construction works. We are committed to continuing leveraging our core competencies to ensure all the projects partaken by us are delivered time and on high quality.

Spraying of anti-termite substance on project sites

ECONOMICS (CONT'D)

MATERIAL TOPIC: CUSTOMER SATISFACTION

Definition of Material Topic

Customer satisfaction displays our Company's customer relationship management and steps taken to address the importance of maintaining a healthy relationship with our customers.

Why Is This Topic Material to Us?

Customers drive revenue to our Company and maintaining a cohesive relationship with them ensures sustainable growth and prolonging growth for our Company.

Risk/Challenges	Opportunities
1. Unsatisfied customers result in loss of customers to competitors, thus reducing the profitability of our Company. 2. Increase in our Company's customer base pushes for more demand in our goods and services, resulting in additional capacity for the machinery involved in our operations.	1. Well-established customer relationship management procedures in place will contribute to high customer retention rates, maintenance of profitability from recurring customers and our Company's market share.

Management Approach

Our Group is committed to providing our customers with high-quality construction services that not only meet but exceed their expectations. Our dedication to sustainability is an integral part of our commitment to customer satisfaction.

We prioritise communication with our clients and ensure that they are informed and involved throughout the entire construction process. Our team of experienced professionals work diligently to deliver projects that are tailored to meet the specific needs and preferences of each client by leveraging on our design and build capabilities, which has improved the efficiency of design, materials usage and cost.

Our high customer satisfaction rate is evident through our awarded certification of appreciation and contractual projects obtained from recurring customers. Since inception, we have worked with a few major clients who have worked with us on a few projects and have contributed greatly to our success today.

Vestland albeit having a strong customer relationship management in place, we are consistently working resiliently to expand our clientele base, to mitigate risks of high dependency on a handful of customers without neglecting our current valued clienteles.

We believe that the key to customer satisfaction is delivering on our promises and creating a positive experience for every client we work with. By prioritising sustainability and customer satisfaction, we aim to build long-term relationships with our clients and contribute to a more sustainable future for all.

ECONOMICS (CONT'D)

MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT

Definition of Material Topic

Supply chain management illustrates how our Company ensures a smooth flow across our supply chain.

Why Is This Topic Material to Us?

Effective procurement management demonstrates our Company's commitment to providing quality goods and services to all stakeholders.

Risk/Challenges	Opportunities
1. Ineffective supply chain management such as weak risk management procedures in place causes disruption to our operations, causing difficulties to complete our projects on time. 2. Unforeseeable and unsound risks such as issues occurring in logistics causes materials to not reach the desired premises on time.	1. Effective supply chain management increases our responsiveness by allowing our Company to attend to customers' needs at a swift rate. 2. Streamlining our supply chain enables our Company to maintain our competitiveness, thus enhancing stakeholders' assurance in our Company.

Management Approach

Our resounding success has been a result of an established collaboration and strategic partnerships with all our stakeholders, especially those involved in our supply chain. Ranging from our external subcontractors to our engineers and in-house design and build team, we have worked closely with all our counterparts to promote a sustainable supply chain ecosystem.

Vestland's procurement of construction materials and rental of machinery and equipment are based on purchase order basis and the selection of suppliers are based on their price quotation, timeliness of delivery, reputation, reliability and quality in order to ensure a seamless flow across our supply chain. It is also our policy to make timely payments to our suppliers and subcontractors in order to encourage the elevation of their social practices.

We have implemented policies to review all external service providers through our performance evaluation conducted by our contracts department based on criteria such as:

- Quality of work
- Experience
- Past record on timely completion of work
- Responsiveness to instruction
- Resources including manpower, plant and materials, financial performance
- Quality, Safety and Health (QSH) compliance

Based on the above-mentioned criteria, our Contract Department regularly performs updates on external subcontractors from data collected from the subcontractors to assure our customers that our externally engaged subcontractors are not overlooked, risking any potential undetected flaws in our works and projects where any risks would lead to detrimental consequences not only to Vestland but the public.

Effectively managing our supply chain adds-on to upscaling of our core competencies. Inspections being conducted on a timely basis at our project sites to provide oversight over our supply chain management mitigates operational risks which can harm our profit generating capabilities.

ENVIRONMENT

MATERIAL TOPIC: SUSTAINABLE CONSTRUCTION

Definition of Material Topic

Sustainable construction depicts how our Company constructs buildings and civil engineering works using sustainable methods.

Why Is This Topic Material to Us?

Construction using sustainable methods minimises the negative impact of building activities while conserving scarce resources through efficient use of resources, which can result in long-term cost savings.

Risk/Challenges	Opportunities
1. Poor construction systems will restrict Vestland's profit margins due to unnecessary material wastage hence amplifying material costs. 2. Negative environmental impacts will stream in due to inefficiencies that lie in the building practices such as soil erosion.	1. Strong policies in place regarding Vestland's sustainable building practices will amplify the Company's track record of delivering projects on time. 2. Sustainable and environmentally friendly actions practiced by Vestland as seen in the public's eyes which improve the Company's sustainable stance.

Management Approach

The construction industry is responsible for a significant amount of environmental degradation. Sustainable construction aims to minimise the negative impact of building activities on the environment by using eco-friendly materials, reducing waste and pollution, and implementing energy-efficient systems.

Utilisation of Formwork System

Vestland orchestrates sustainable building practices by using formwork system for construction. This formwork system relates utilisation of precast works for the production of building components such as columns, beams, slabs, walls and roof trusses which require little additional site work once installed.

Such formworks increase construction efficiency which reduces construction lead time wastages. Moreover, the system formworks require strategic planning prior to the works which also reduces material wastages and can be recyclable for other projects.

In the long run, Vestland can minimise its environmental impacts through its industrialised building system which is proven sustainable, and with the lead time wastages, as well as material wastages minimised, Vestland can exponentiate its earnings through costs savings and seek to secure additional jobs with time saved.

ENVIRONMENT (CONT'D)

MATERIAL TOPIC: MATERIALS AND WASTE MANAGEMENT

Definition of Material Topic

Materials and waste management depict how our Company deal with waste produced as a result of our operations.

Why Is This Topic Material to Us?

Proper waste management is essential for our Company in minimising the environmental impact of our operations. It demonstrates our commitment to preserving the beauty of the nature around us.

Risk/Challenges	Opportunities
1. Poor waste management can lead to health issues from the spread of bacteria, which may impact the productivity of our people. 2. Improper waste disposal may cause pollution and bring harm to all humans, plants, and animals. 3. Neglecting proper material and waste management handling procedures would affect our Company's reputational image and lead to potential fines and penalties for breaches of environmental legislation.	1. Effective and efficient waste handling procedures mitigate our operations' environmental impact concerns by reducing waste that can potentially harm our surrounding environment. 2. Reduces unnecessary/additional monetary costs in waste handling and materials costs.

Management Approach

Responsible materials and waste management are essential to minimise the environmental impact of our operations and contribute to a sustainable future. Our Group practices the 3R approach: Reduce, Reuse and Recycle in our daily operations and construction practices to minimise waste, conserve resources, and protect the environment.

Proprietary Design and Build Method

Vestland's core competence lies in its design and build segment where 67% of its revenue in FYE2022 is generated from the design and build segment. In this segment, Vestland leverages on its value engineering capabilities to coordinate and manage the undertaken projects efficiently from the initial conceptual design, project implementation, up to the project completion and handover, which increases construction efficiency and shorten the delivery timeline.

Together with Vestland's strong pool of data and experienced team of engineers and quantity surveyors, the proprietary design and build methodology successfully saved up to 30% of material usage by analysing building design, systems and material selections with the goal to optimise the cost and quality of a project while maintaining or improving its functionality, reliability, and safety.

Digitalisation

Vestland leverages on technology, artificial intelligence and big data to transform our business into sustainable construction. The Group has adopted a Digital Construction application which is a resources and material planning control with cloud-based construction software which has transformed our traditional construction practices by implementing a system that facilitates automated accounting reports, digitalise all procurement processes and documents, AI-based analytics and built-in risk alerts on cost control.

ENVIRONMENT (CONT'D)

MATERIAL TOPIC: MATERIALS AND WASTE MANAGEMENT (CONT'D)

Digitalisation (Cont'd)

This implementation has greatly allowed us to improve our construction productivity and minimise environmental concerns as a result of our operations. Wastages are greatly reduced due to efficient planning via the system, and no unnecessary purchases of materials lead to additional exploitation of natural resources.

Benefits of digitalisation:

- 100% paperless work saving 13,000 pieces of paper annually
- Reduce manpower and free up real time 1,500 hours per month
- Reduce procurement process from 1-3 days to 5-15 minutes

SOCIAL

MATERIAL TOPIC: EMPLOYEE WELFARE

Definition of Material Topic

Employee welfare addresses the benefits and well-being assured by our Company in a view to providing a socially healthy haven.

Why Is This Topic Material to Us?

Providing welfare to assure employees' well-being promotes career stability amongst our Company's talents and embarks motivation which in turn cultivates productivity.

Risk/Challenges	Opportunities
1. Poor management of employee welfare may result in high employee turnover, which may be costly in terms of time and resources needed to recruit new employees. 2. Poor employee management can lead to low morale among employees and reduce productivity. 3. A company with poor employee welfare may struggle to attract talent and may damage the company's reputation.	1. Good employee welfare leads to lower turnover and greater innovation and creativity. 2. A company with a good reputation for employee welfare is more likely to attract top talent and improve its reputation among stakeholders.

SOCIAL (CONT'D)

MATERIAL TOPIC: EMPLOYEE WELFARE (CONT'D)

Management Approach

Diversity and Inclusion

At Vestland, we believe our employees are the pillar of a Group's success. We are committed to build a workforce that reflects the diverse communities in which we operate and to fostering a culture of inclusivity.

We strive to provide equal opportunities and support to all of our employees, regardless of their race, ethnicity, religion, gender, age, disability, or any other characteristic. We believe that a diverse and inclusive workforce enables us to better serve our customers and stakeholders, and to innovate and compete in today's global marketplace.

As at end of FYE2022, Vestland has 219 staffs, consisting of 133 office staffs and 86 construction workers under direct hire with Vestland, with around 30% of female workforce.

Compensation and Benefit

Vestland recognises and values our employees' contributions to our Group's success by providing fair and competitive compensation and benefits to attract and retain the best talents.

The Group practices fair and equal opportunities and ensure all employees are fairly remunerated for their contributions to our organisation without discrimination, while adhering to local regulations as well as the national minimum wage order of RM1,500.

We are committed to providing our employees with a comprehensive and competitive benefits package that supports their physical, mental, and financial well-being.

Moreover, Vestland also practices prompt payments to our workers via salary payment twice a month to ease their cash flows. Workers are also incentivised when they introduce work colleagues to work with the Group.

Human and Labour Rights

Every individual has the right to work in a safe and healthy environment, and we strive to ensure that our workers are treated with respect, dignity, and fairness. Vestland is committed to upholding the highest standards of human and labor rights in all of our operations and complying with all laws and regulations on the protection of human and labor rights.

Worker's Accommodation in compliance with JTK requirements

Child labour and forced labour are prohibited in Vestland, and we did not identify any operations or suppliers with a significant risk of child and forced labour. The Group also provides accommodations to our workers while meeting the minimum standards of Housing, Accommodations and Amenities Regulation. The Group has obtained certification for the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) from Jabatan Tenaga Kerja ("JTK").

Employees are encouraged to address any grievances to our human resource department, superior or management. In FYE2022, we recorded zero incidents regarding human and labour rights.

SOCIAL (CONT'D)

MATERIAL TOPIC: OCCUPATIONAL SAFETY AND HEALTH

Definition of Material Topic

Occupational Safety and Health evaluate our Company's actions taken to establish a safe working environment for all employees.

Why Is This Topic Material to Us?

Safety is our number one priority for all under our Company's umbrella. The provision of a safe working environment ensures smooth operation and eliminates hazards.

Risk/Challenges	Opportunities
1. Our Company has numerous employees where monitoring every employee on a real time basis for safety reasons is near impossible.	1. Safety in the workplace assures employees that their health and physical being are supervised with high alert by our Company.
2. High costs and investments are required to capture every corner to guarantee a safe work environment for all our employees.	2. Enhances employees' confidence in our Company and improves employee retention rates.

Management Approach

Safety and Supervision

Our services include construction works of residential and non-residential buildings in which such works involve higher risks and if safety and supervision of all employees at the site are neglected, the consequences are detrimental. Hence, Vestland takes such measures seriously, ensuring all employees at construction sites, regardless of status are wearing proper gear, such as helmets, and various safety apparel and equipment.

Moreover, cameras are installed at sites to monitor employees' well-being, ensuring the actions of all employees are monitored safely, to prevent accidents from happening. Vestland has taken employees' safety as an utmost priority, and Vestland is proud of achieving a remarkable status of one million work hours without lost time injury.

CCTV at project sites

SOCIAL (CONT'D)

MATERIAL TOPIC: OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Providing Covid-19 tests to workers

Covid-19 Impacts

As our beloved nation transitions into the endemic phase, and the easing of Covid-19 related restrictions, Vestland maintains its hygiene policies, ensuring all employees at all of Vestland's sites and premises observe and practice high standards of hygiene which includes, regular sanitisation of workers' accommodation units.

During the financial year under review, Vestland also provides Covid-19 self-tests and imposes strict policies of self-isolation on workers affected by Covid-19. This is to ensure that the disease does not spread and affect the workers as workers remain Vestland's most valued asset.

MATERIAL TOPIC: COMMUNITY ENGAGEMENT

Definition of Material Topic

Community engagement displays Vestland's initiatives taken towards the community in the environment.

Why Is This Topic Material to Us?

Engaging in activities with the community show our commitment to sharing our benefits with the local parties within the vicinity of our Company's reach.

Risk/Challenges	Opportunities
1. Identification of the right group of community to provide aid to. 2. Involvement of all employees of our Company in community engaging exercises due to the high demand expected from our Company's operations.	1. Involvement of our Company in community engagement activities helps build support for the company within the local community, which in turn can benefit our future business endeavors. 2. Active engagement with the community fosters our Company's credibility and builds trust with our local communities, in line with our corporate responsibility.

Management Approach

In our part of giving back to the community, we have been always supportive of our community within the vicinity of our surrounding environment. We strive to create a positive and lasting impact on the communities where we live and work, while also fostering a culture of social and environmental responsibility within our company.

Vestland has been very supportive of local hiring and talent development of our local communities. We also encourage the culture of volunteerism among our employees by participating in Corporate Social Responsibility ("**CSR**") activities, to promote the act of giving back.

We recognise that community engagement is a continuous process, and we are committed to listening to the needs of the communities where we operate. Going forward, we will continue to work closely with local organisations to identify areas where we can make the most impact and play our part to help build a stronger and more resilient community.

GOVERNANCE

MATERIAL TOPIC: CORPORATE GOVERNANCE AND ETHICS

Definition of Material Topic

Corporate governance and ethics entails the policies implemented by Vestland which cultivate the culture of the working environment in the organisation as a whole.

Why Is This Topic Material to Us?

Corporate governance and ethics ensures the importance of all stakeholders are protected and provides assurance that all working individual within the organisation are behaving ethically.

Risk/Challenges	Opportunities
1. Policies implemented are encouraged to be reviewed regularly to ensure it fits the dynamic environment. 2. Terms and guidance within the said policies do not provide absolute coverage.	1. High Corporate Governance provides reasonable assurance that the stakeholders' interest is aligned with the Company's, thus increasing investors' confidence in management's direction of steering the Company ahead.

Management Approach

Corporate governance practicing play a critical role in ensuring the long-term sustainability of our business. We are committed to maintaining the highest standards of ethical conduct and integrity in all our operations, while in compliance with regulatory requirements.

In FYE2022, the Group did not record any incidents of non-compliance with laws and regulations.

The Group has implemented the following policies and committees to strengthen our corporate governance:

Board Charter – To outline the manner in which the constitutional powers and responsibilities of the Board will be exercised and discharged in regard to principles of good corporate governance and relevant legislations.

Audit and Risk Management Committee Terms of Reference – To assist the Board in fulfilling its fiduciary responsibilities on the oversight of the Group's integrity in the accounting and financial reporting and the establishment and implementation of risk identification, assessment and management procedures.

Nomination Committee Terms of Reference – To support and advise the Board in fulfilling their responsibilities in overseeing the selection and assessment of the performance of the Directors and senior management on a timely basis.

Remuneration Committee Terms of Reference - To provide sound assistance to the Board in reviewing the remuneration framework, policies and procedures for the Directors and senior management and concurrently recommend suitable remuneration packages to the Board as a whole.

Code of Business Conduct and Ethics – To assert implications that the actions and standards of behavior of all employees under our Company, regardless of status and rank shall adhere to the highest standard of professional conduct and ethics at all times.

Anti-Fraud and Whistleblowing Policy – To set a clear set of policies that clarifies the definition of the illicit behaviors of fraudulent activities and the expected responsibilities of each employee within the umbrella of the Group to handle and report fraudulent activities whenever necessary, and in the meanwhile protect whistleblowers to ensure fairness within the working environment.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (CONT'D)

MATERIAL TOPIC: CORPORATE GOVERNANCE AND ETHICS (CONT'D)

Anti-Bribery and Corruption Policy – To define the policies and procedures of our Company and its subsidiary in compliance with the guidelines and requirements as set out by the Malaysian Anti-Corruption Commission, which extends to all employees and individuals representing or performing work and services on behalf of our Company and its subsidiary.

Continuing Disclosure Obligations – To set out the systems in place and the guidelines for monitoring the developments within the Group's business which pursues abidance and compliance to the continuing disclosure obligations under the Rules Governing the Listing of Securities on Bursa Securities Malaysia Berhad and the disclosure of inside information of the Securities Commission Act.

Shareholders Communication Policy – To set out the provisions with the objective of ensuring that all the Company's shareholders and the investment community at large are provided with ready, equal and timely access to balanced and understandable information about the Company.

Remuneration Policy and Procedures – To act as the guiding document for the Board and the Remuneration Committee of the Group to determine the remuneration of the Directors and senior management, taking into account the demands, complexities and performance of the Group as well as skills and experience required.

Risk Management Policy – To act as the guiding document which provides the Board holistic and systematic approach to understanding the risks faced by the Group as well as the handling and mitigation procedures on risks penetrated from all fronts.

Management Approach

External Auditors Policy – To assert clear guidelines to the Audit and Risk Management Committee on making recommendations to the Board regarding the appointment, re-appointment and removal of independent external auditors, and to review and assess their suitability, performance and independence.

Director's Fit and Proper Policy – To indicate the terms for the appointment and re-election of the Directors of the Group, ensuring high quality assessment procedures are taken into account when assessing their fit and proper criteria.

Our Company reviews all implemented policies on a timely basis to ensure the policies are suitable and feasible for our working environment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("**the Board**") of Vestland Berhad ("**Vestland**" or "**the Company**") is pleased to present the Corporate Governance Overview Statement ("**CGOS**") for the financial year ended 31 December 2022 ("**FYE2022**"), which has been prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). It should be noted that Vestland was listed on the ACE Market of Bursa Securities on 31 January 2023, subsequent to FYE2022.

The Board is committed to implement and maintain high standards of corporate governance practices in the Company and its subsidiary ("**the Group**") in accordance with the best practices, principles of good corporate governance and step-ups as set out in the Malaysian Code on Corporate Governance ("**MCCG**") to ensure the long-term sustainability of the business and ultimately enhance the shareholders' value.

The CGOS outlines the key focus areas on how the corporate governance practices applied and implemented by the Group in accordance with the MCCG that are governed by the following main principles for FYE2022:

- **Principle A**: Board Leadership and Effectiveness;
- **Principle B**: Effective Audit and Risk Management; and
- **Principle C**: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CGOS should be read in conjunction with the Corporate Governance Report 2022 which provides specific disclosures on the application of the corporate governance practices as set out in MCCG. The Corporate Governance Report is available on the Company's website at www.vestland.com.my.

Compliance with MCCG

The Company has complied with the practices while applying the main principles of the MCCG for FYE2022, except:

- Practice 4.1 (The Board together with management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets);
- Practice 4.2 (The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders);
- Practice 4.4 (Performance evaluations of the Board and senior management include a review of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities);
- Practice 5.9 (The Board comprises at least 30% women Directors);
- Practice 5.10 (The Board discloses in its annual report the Company's policy on gender diversity for the board and senior management);
- Practice 6.1 (The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual Director); and
- Practice 10.3 (The Board establishes a Risk Management Committee, which comprises a majority of Independent Directors, to oversee the Company's risk management framework and policies).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Roles and Responsibilities

The Board has the overall responsibility for the long-term success of the Group and the delivery of sustainable value to its stakeholders. The Board is responsible to oversee the overall management of the Group by providing an effective oversight of the conduct of the Group's businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy and effectiveness.

In discharging its fiduciary duties and responsibilities, the Board assumed the corporate governance guideline as set out in the MCCG.

Board Charter

The Board has adopted a Board Charter on 5 May 2022 that clearly outlines the roles and responsibilities of the Board, including processes and procedures for Board meetings, annual evaluation and remuneration of the Board and matters reserved for the Board's deliberation. The Board Charter also set out the appropriate segregated duties and responsibilities between the Board, the Committees, the Chairman, the Group Managing Director ("**GMD**"), the Independent Directors and the Individual Director (both Executive and Non-Executive).

The Board Charter is available on the Company's website at www.vestland.com.my. The Board Charter is subject to review by the Board periodically to ensure it complies with applicable laws and regulations and remains consistent with the policies and procedures of the Board.

Board Committees

For the Board to discharge its roles and responsibilities effectively, the Board has established and delegated specific duties to three (3) Board Committees, namely Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**"). The Board Committees are formed to consider specific matters and make recommendations to the Board. Each of the Board Committees reports to the Board on matters deliberated and their recommendations thereon for Board review and approval.

Each of the Board Committees is governed by its respective Terms of Reference ("**TOR**") approved by the Board and the respective TOR is subject to review periodically by the Board. The TOR is available on the Company's website at www.vestland.com.my.

Board Committees meetings are conducted separately and chaired by the respective Chairman. All deliberations and decisions taken by the Board Committees are documented and approved by the Chairman of the Committees, before reporting and recommending to the Board for deliberations and approval.

Chairman of the Board

Our Chairman of the Board, namely Dato' Mathialakan Chelliah ("**Dato' Mathi**") is an Independent Non-Executive Chairman. He is responsible for leading the Board in oversight of management to ensure the Board's integrity and effectiveness with focus on strategy, governance and compliance. Chairman will act independently in the best interest of the Group and lead the Board and represents the Board to the shareholders and other stakeholders.

Our Chairman is not a member of any of the Board Committees which is in line with Practice 1.4 of the MCCG. Thus, there is a clear and distinct division of responsibilities between the Chairman of the Board and the Committees to ensure there is an appropriate balance of power, division of roles, responsibility and accountability as well as objective review by the Board while deliberating on the observations and recommendations tabled by the Board Committees.

Separation of Positions of the Chairman and the GMD

The positions of the Chairman of the Board and the GMD are held by different persons. Dato' Mathi is the Independent Non-Executive Chairman whilst the GMD is Datuk Liew Foo Heen.

The Board Charter has clearly established the respective roles and responsibilities of the Chairman and the GMD to ensure a balance of control, power and authority within the Group so that no one individual has unfettered powers of decision-making. Chairman is responsible for leading the Board in discharging the Board role in all aspects effectively. GMD is responsible for managing the daily business operations of the Group and ensuring the effective implementation of the strategic plan and policies approved by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries. Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016.

The Board has unrestricted access to the advice and services of the Company Secretaries on overall secretarial matters relating to the Group, to enable them to discharge its functions and duties effectively. The Board is also regularly updated and advised by the Company Secretaries on the overall compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Securities and the latest enhancements in corporate governance, changes in the regulatory framework, new statutory requirements and best practices.

The Company Secretary organises and attends all Board and Board Committees meetings and ensures meetings are properly convened and minutes and resolutions are accurate and proper recorded and properly kept. Company Secretaries also ensure that deliberations at Board and Board Committee Meetings are well documented, and follow up on matters arising from the previous meetings which require appropriate actions. The roles and responsibilities of the Company Secretaries are also stated in the Board Charter of the Company.

Board Meetings and Access to Information

The Board is required to meet on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require the Board's consideration.

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs in discharging their duties effectively. The Board also has independent access to the advice and support services of the external professional advisors including the Company Secretaries, External Auditors and Internal Auditors, if deemed necessary. The Board may also seek independent professional advice at the Group's expenses to enable the Board to discharge its duties with adequate knowledge of the matters being deliberated.

The notice of the Board meeting and relevant board papers are circulated to the Board at least five (5) business days prior to the Board meeting so that the Board has reasonable time to peruse the board papers. Where necessary, senior management may be invited to attend the Board meeting to brief the Board on the requisite information and clarify any questions raised by the Board in relation to the matters being discussed.

The Board met two (2) times during FYE2022. The dates of the Board meetings are as follows:

- 5 May 2022; and
- 30 November 2022.

The details of Directors' attendance at the Board meetings held during FYE2022 are as follows:

Director	Attendance
Dato' Mathialakan Chelliah (Chairman)	2/2
Datuk Liew Foo Heen	2/2
Wong Sai Kit	2/2
Dato' Yong Lei Choo	2/2
Ong Wei Liam @ Jeremy Ong	2/2
Wee Chuen Lii	2/2

Minutes of the Board meetings including the matters discussed, conclusion and decision made as well as required actions to be taken were recorded by the Company Secretaries and the minutes were circulated to the Board for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. Company Secretaries also keep the Board updated on the follow-up actions arising from the Board's requests or decisions at subsequent meetings.

Number of Directorships in other Companies

All Directors are expected to notify the Board of their acceptance of any new directorship in other listed issuers.

Directors of the Company do not hold more than five (5) directorships in public listed companies and there is no restriction on number of directorships in non-public listed companies, as stipulated in the Listing Requirements.

The listing of directorships held by Directors is disclosed by the respective Directors to the Board to ensure compliance with the Listing Requirements.

Code of Business Conduct and Ethics

The Group had adopted a Code of Business Conduct and Ethics ("**Code**") on 5 May 2022 for all employees including Directors in discharging their duties and responsibilities. The Code promotes an ethical culture and practices to employees in their business dealings with various stakeholders. The Code is available on the Company's website at www.vestland.com.my.

Anti-Fraud and Whistleblowing Policy

The Group had adopted an Anti-Fraud and Whistleblowing Policy ("**AFW Policy**") on 5 May 2022 which serves as the guidelines for managing improper conduct within the Group. The AFW Policy provides a channel for whistle-blower to raise genuine concerns of any improper conduct and provides protection to the whistle-blower who report such allegations. The AFW Policy is available on the Company's website at www.vestland.com.my.

Anti-Bribery and Corruption Policy

The Group had adopted an Anti-Bribery and Corruption Policy ("**ABC Policy**") on 5 May 2022 as the Group is committed to conducting its business with high standards of integrity and ethical. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities. The ABC Policy is available on the Company's website at www.vestland.com.my.

Sustainability

The Board recognises the economic, environmental, social and governance aspects of sustainability as key elements in formulation of the Group's objectives and strategies as well as part of its responsibility to its stakeholders and the communities in which it operates. The Group's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

2. BOARD COMPOSITION

Composition of the Board

The Board currently has six (6) members with different areas of expertise, comprising one (1) Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. None of the members of the Board is a former key audit partner of the External Auditors. A brief profile of each Director is set out in the Profile of Directors in this Annual Report in pages 12 to 17.

The Board with members of different background and diverse experience is able to provide an appropriate balance of skills, knowledge and expertise for effective stewardship and management of the Group. The Board, via the NC, will review the size and composition of the Board regularly to ensure that it is optimum and well balanced.

Independence of the Board and Tenure of Independent Directors

The Board currently has four (4) Independent Directors and two (2) Non-Independent Directors. Thus, the Board's composition has complied with Rule 15.02 of the Listing Requirements for Independent Non-Executive Directors to make up at least one third (1/3) of the Board membership. With this existing composition, the Board has further fulfilled MCCG Practice 5.2; whereby at least half of the Board's composition comprises Independent Directors.

The Independent Directors are independent of management and able to provide greater check and balance during boardroom deliberations and decision making.

The role of the Independent Non-Executive Chairman and the GMD of the Company are distinct and separate with individual responsibilities. Each of them has clear defined duties and authority thus ensures balance of power and greater capacity for independent decision-making.

None of the Independent Directors has served on the Board for more than nine (9) consecutive years as the Company was only listed on 31 January 2023 on ACE Market of Bursa Securities.

Re-election of Directors

In accordance with the Company's Constitution, all Directors shall retire from the office and shall be eligible for re-election at the first Annual General Meeting ("**1st AGM**") of the Company. Subsequently, one-third (1/3) of the Directors shall retire from the office and shall be eligible for re-election at every AGM of the Company provided that all Directors shall retire from the office at least once in each three (3) years.

The re-election of Directors at the AGM was assessed by the NC pursuant to the fit and proper policy adopted by the Group on 5 May 2022. For the forthcoming 1st AGM, all Directors will be retiring by rotation in accordance with Clause 76(2) of the Company's Constitution, and being eligible, have offered themselves for re-election.

Board Gender Diversity, Targets and the Measures

For an effective Board appointment, the Board, via the NC, will consider candidates on merit against objective criteria such as skills, knowledge, expertise and experience and with due regard for the benefits of diversity on the Board, where gender shall not be a prerequisite criterion for the Board appointment.

There is currently only one (1) female Director representing 17% on the Board. In line with the recommendation of MCCG that at least 30% female representation on Board, the Board takes note of the needs to establish a policy formalising its approach to boardroom diversity, including gender diversity and to set target and measures for the adoption of Practice 5.9 of the MCCG. Therefore, as disclosed in the Prospectus, the Board has set a target to achieve 30% women directors within twenty-four (24) months from the date of listing i.e. by 30 January 2025.

The Board will evaluate and match the criteria of the potential candidates as well as considering the appointment of female Director onto the Board in future to bring about a more diverse perspective.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme ("**MAP**") prescribed by Bursa Securities before the listing. The Board is committed to keep abreast with the latest developments in the business environment as well as changes to statutory requirements and regulatory guidelines via continuous training and education.

The Directors, with NC's recommendation, will evaluate their own training needs and attend relevant trainings to equip themselves for discharging their duties as Directors effectively on a continuous basis.

Details of training programmes attended by the Directors during the financial year ended 31 December 2022 are set out below:

Directors	Training/Seminar/ Conference Attended	Date
Dato' Mathialakan Chelliah	MAP National Tax Conference	23 to 25 August 2022 2 to 3 August 2022
Datuk Liew Foo Heen	MAP	23 to 25 August 2022
Wong Sai Kit	MAP	23 to 25 August 2022
Dato' Yong Lei Choo	Cybersecurity Approach & Risk Mitigation	10 November 2022
	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers Confirmation	16 August 2022
	Sustainability Management and Reporting	9 August 2022
	MAP	12 to 14 April 2022

Apart from the above, Mr Wee Chuen Lii and Mr Ong Wei Liam @ Jeremy Ong attended their MAP in 2010 and 2015 respectively.

As the Company was listed on 31 January 2023 on ACE Market of Bursa Securities, all Directors will attend relevant trainings for the financial year ending 31 December 2023.

Nomination Committee ("NC")

The NC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The members of the NC during the financial year under review and up to the date of this report are as follows:

Name	Membership status
Dato' Yong Lei Choo	Chairperson
Ong Wei Liam @ Jeremy Ong	Member
Wee Chuen Lii	Member

The NC is responsible for the nomination of new Directors, annually review of the required mixed of skills, experience and other requisite qualities of Directors, annually assessment of the independence of Independent Non-Executive Directors, review training programme of Directors as well as the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Directors.

The TOR of the NC is available on the Company's website at www.vestland.com.my.

There was no meeting convened by the NC for FYE2022 as the Company was only listed on 31 January 2023 on ACE Market of Bursa Securities subsequent to the financial year end.

Remuneration Committee ("RC")

The RC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The members of the RC during the financial year under review and up to the date of this report are as follows:

Name	Membership status
Ong Wei Liam @ Jeremy Ong	Chairperson
Dato' Yong Lei Choo	Member
Wee Chuen Lii	Member

The RC is responsible for reviewing and recommending a remuneration package and framework for Directors and key senior management to the Board. The remuneration package and framework shall be competitive and in line with current market statistic and consistent with the Group's objectives and strategies in order to attract, retain and reward the right talent in the Board and key senior management.

The TOR of the RC is available on the Company's website at www.vestland.com.my.

There was no meeting convened by the RC for FYE2022 as the Company was only listed on 31 January 2023 on ACE Market of Bursa Securities subsequent to the financial year end.

3. REMUNERATION

Directors' Remuneration

The details of the remuneration of the Directors on a named basis for FYE2022 in the Group are as follows:

Directors	Directors' Fees (RM)	Salaries (RM)	Bonuses (RM)	Allowances (RM)	Others (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors							
Datuk Liew Foo Heen	–	540,000	100,000	36,000	87,371	17,400	780,771
Wong Sai Kit	–	500,000	100,000	36,000	82,802	17,400	736,202
Non-Executive Directors							
Dato' Mathialakan Chelliah	*37,500	–	–	*2,000	–	–	*39,500
Dato' Yong Lei Choo	*33,334	–	–	*2,000	–	–	*35,334
Ong Wei Liam @ Jeremy Ong	*33,333	–	–	*2,000	–	–	*35,333
Wee Chuen Lii	*33,333	–	–	*2,000	–	–	*35,333
Total	137,500	1,040,000	200,000	80,000	170,173	34,800	1,662,473

* *Remuneration received and receivable from the Company*

Key Senior Management's Remuneration

The remuneration of the top five key senior management comprising salary, bonus, allowance, benefits-in-kind and other emoluments in bands of RM50,000 are as follows:

Name of Key Senior Management	Total Annual Remuneration (RM)
Low Choon Wei	250,001 – 300,000
Lim Tow Uen	250,001 – 300,000
Soh Chee Wah	200,001 – 250,000
Ooi Yiqing	200,001 – 250,000
Chan Chooi Mee	150,001 – 200,000

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The Board had established ARMC on 21 April 2022 and comprises three (3) Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

The ARMC is responsible for assisting and supporting the Board in areas of financial reporting, risk management and internal control, external and internal audit, related party transactions and governance.

The ARMC is responsible for assessing the suitability and independence of the External Auditors annually to ensure that the audit services rendered have met the quality expected by the ARMC and in compliance with the independence criteria set out by the International Ethics Standards Board for Accounts and the Malaysian Institute of Accountants. The ARMC also reviewed the type of non-audit services rendered by the External Auditors to ensure that no conflict of interests arising from such services.

The detailed disclosure of the ARMC's composition and role is set out in the ARMC Report in this Annual Report. There was no meeting convened by the ARMC for FYE2022 as the Company was only listed on 31 January 2023 on ACE Market of Bursa Securities subsequent to the financial year end.

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognises the importance of effective risk management and internal controls in the overall management of the Group. The Board, via the ARMC, is responsible for maintaining a sound risk management and internal control system, reviewing its adequacy, relevance and effectiveness regularly and putting in place adequate measures to safeguard the Group's assets and the shareholders' interests.

The ARMC is responsible for assessing the potential risks of the Group from all aspects, ranging non-exhaustively from compliance, operational, financial and technological on a continuous basis. The ARMC reports to the Board regularly on the major risks identified, its potential impact to the Group, changes of risk profile and management action plans to mitigate and manage those identified risks.

The detailed disclosure of the state of risk management and Internal controls of the Group is set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

1. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of transparency and accountability in its communication with the Group's shareholders and maintains effective and timely communication with shareholders and other stakeholders to keep them informed on the Group's latest business developments and financial performance. Hence, the Company had formalised the Shareholders Communication Policy on 5 May 2022 to facilitate the communication with its stakeholders.

To this end, the Group communicates appropriately information of the Group through various channels, including interim quarterly financial results and announcements made to Bursa Securities, Annual Report, press releases and the Company's corporate website at www.vestland.com.my. The Group also has investor relations activities to facilitate effective communication with stakeholders including fund managers and analyst through dialogues, discussions and briefings.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information of the Group, including announcements, financial information, share price information and corporate governance. Contact details including telephone number, fax number and email address are also available on the Company's corporate website where stakeholders may direct their queries or concerns to the Company.

2. CONDUCT OF GENERAL MEETINGS

Notice of General Meeting

The Annual General Meeting ("**AGM**") is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

The Notice and agenda of the AGM is made available to the shareholders of the Company at least twenty-eight (28) days prior to the date of the AGM to enable shareholders have sufficient time to go through the Annual Report and papers supporting the resolutions proposed. The Notice of the AGM is also published in a national newspaper.

The Board encourages shareholders' participation at the AGM by providing opportunities for shareholders to raise any questions on the Group. The Board, alongside with the Chief Financial Controller, Company Secretaries and the External Auditors will attend the AGM to respond to shareholders' queries.

Voting

In line with the Listing Requirements, all resolutions tabled at general meetings will be voted by way of poll. An independent scrutineer and poll administrator will be appointed to validate the votes cast. The outcome of general meetings including results of poll voting are to be announced to Bursa Securities on the same day after the meeting is concluded.

The forthcoming AGM will be the first AGM of the Company. To facilitate greater shareholders' participation, the first AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur on Tuesday, 13 June 2023 at 10.00 a.m.

COMPLIANCE STATEMENT

Save as disclosed above, the Board is of the view that the Company, though listed on 31 January 2023 on ACE Market of Bursa Securities, has substantially complied with the principles and recommendations of the MCCG.

The Board is committed to achieve high standards of corporate governance throughout the Group and will continue to strengthen its application of best practices in the Group's corporate governance.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors ("**the Board**") of Vestland Berhad ("**Vestland**" or "**the Company**") is responsible for the preparation of the financial statements in accordance with the 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 the Company at the end of the financial year and of the financial performance and cash flows for the financial year then ended.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2022, the Board has:

a. applied appropriate accounting policies consistently in accordance with applicable approved accounting standards in Malaysia;

b. made judgements and estimates that are reasonable and prudent; and

c. ensured that the financial statements were prepared on a going concern basis.

The Board is also responsible for ensuring that the Group and the Company keep proper and adequate accounting records which disclose the financial position of the Group and the Company with reasonable accuracy at any time.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") of Vestland Berhad ("**Vestland**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") which outlines the nature and scope of risk management and internal control of Vestland and its subsidiary ("**the Group**") for the financial year ended 31 December 2022 ("**FYE2022**").

This Statement is made pursuant to paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and taking into consideration the relevant principles and practices of the Malaysian Code on Corporate Governance ("**MCCG**").

BOARD'S RESPONSIBILITIES

The Board recognises the importance of a sound risk management framework and internal control system to ensure the assets of the Group and interest of various stakeholders are safeguarded. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system and reviewing its effectiveness, adequacy and integrity on a continuous basis in a dynamic business environment.

The Board has delegated the oversight of the risk management and internal control of the Group to the Audit and Risk Management Committee ("**ARMC**") which comprises solely of Independent Non-Executive Directors. The Board, via the ARMC, ensures that an appropriate risk management framework and internal control system is established to manage, rather than to eliminate, the risks that may impede the achievement of the business objectives of the Group. Accordingly, it can only provide reasonable assurance and not absolute assurance against material misstatement, losses or fraud.

RISK MANAGEMENT FRAMEWORK

Risk management is an integral part of the Group's business strategy and shall be embedded into the business processes and operations to ensure sustainable business growth and profitability. Proactive management of the business risks remains the responsibility and accountability of the entire Group in the dynamic business environment.

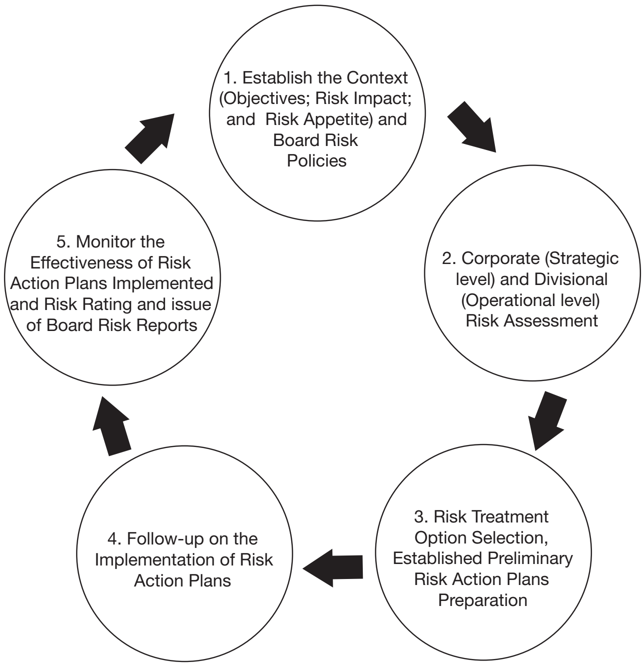
The Group has established an overall risk management framework in the Risk Management Policy which serves as a methodical approach for identifying, evaluating, managing, monitoring and documenting key business risks of the Group. It sets out the principle, structure, roles and responsibilities, approach and processes to enhance the effectiveness of risk management and cultivate a risk awareness culture of the Group.

The Board is supported by the ARMC in discharging its fiduciary responsibilities in relation to risk management of the Group. The key roles and responsibilities of the ARMC in relation to the risk management as set out in the Terms of Reference are as follows:

i. To review all areas of significant risk and the arrangements in place to contain those risks to acceptance levels;
ii. To oversee on the establishment and implementation of a risk management framework and policies, which include identifying, managing, monitoring, treating and mitigating significant risks relating to the Group;
iii. To review the Group's risk profiles and evaluate the measures taken to mitigate the business risks of the Group;
iv. To evaluate the effectiveness of the risk management structure and support system to identify, assess, monitor and manage the Group's key risks and to ensure it is continuously improved as the business environment changes;
v. To review the Statement on Risk Management and Internal Control for inclusion in the annual report of the Company, recommend for approval by the Board; and
vi. To ensure that the key risks relating to the Group are effectively managed in accordance with the Group's risk management policies and strategies.

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

In February 2023, the Group has appointed an independent professional firm, GRC Consulting Services Sdn Bhd ("**GRCCS**") to assist in establishing and implementing the Enterprise Risk Management ("**ERM**") framework. The ERM framework to be formalised by the Group comprises the following risk management processes as depicted in the diagram below:



INTERNAL AUDIT FUNCTION

The Board shall ensure and maintain the independence of the internal control function in compliance with Rule 15.27(1) of ACE Market Listing Requirements of Bursa Securities.

The Group has outsourced its internal audit function to an independent professional firm, GRCCS which assists both the Board and ARMC by conducting independent internal audit review on the adequacy, efficiency and effectiveness of the Group's internal control system. To ensure independence from management, the Internal Auditors report directly to the ARMC and carry out internal audit work based on a risk-based annual internal audit plan reviewed and approved by the ARMC.

The internal auditors use the Committee of Sponsoring Organisation of the Treadway Commission - Internal Control Integrated Framework as a basis for evaluating the effectiveness of the internal control system. The internal auditors also refer to the International Professional Practices Framework during the audit reviews. The internal auditors shall highlight any key area of weakness in the risks and internal control management system of the Group to the ARMC and make recommendation on the remedial action to be taken to address the areas of weaknesses. The internal audit findings which include audit recommendations shall be highlighted for the reviews and recommendations of the ARMC for implementation. In addition, the internal auditors shall perform follow-up review on previously reported internal audit findings and provide an update to the ARMC on the status of implementation.

As the Company was only listed on the ACE Market of Bursa Securities on 31 January 2023, GRCCS has yet to commence the internal audit work for the FYE 2022. GRCCS has adopted a risk-based approach and prepared an internal audit plan based on risk profile of the Group for the financial year ending 31 December 2023. The internal audit plan has been reviewed and approved by the ARMC on 6 April 2023.

In preparation for the listing on the ACE Market of Bursa Malaysia Securities Berhad, the Group had engaged an independent professional firm, BDO Governance Advisory Sdn Bhd to assess the adequacy and sufficiency of the internal control system of the Group. Based on the assessment, the internal control environment for the Group is considered adequate where the controls and compliance are generally in place.

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

INTERNAL CONTROL SYSTEM

Internal control is embedded into various business processes and operations of the Group to provide effective governance and oversight of internal control across the Group's business.

Key elements of the internal control system of the Group include:

i. An organisation structure with clearly defined lines of responsibility, accountability, delegated authority and reporting;
ii. Establishment of several board committees, namely the ARMC, Nomination Committee and Remuneration Committee to support the Board with terms of references clearly outlining their duties and responsibilities;
iii. Formalisation and documentation of Standard Operating Procedures on key business processes in compliance with International Organisation for Standardisation 9001:2015 to support the daily operations of the Group;
iv. Formalisation of policies including Code of Business Conduct and Ethics, Anti-Fraud and Whistleblowing Policy and Anti-Bribery and Corruption Policy to set the tone from the top on integrity and ethical value of the Group;
v. Active involvement of Group Managing Director and Executive Director in running the daily business operations and regular meetings with the key senior management to review and discuss on key matters of the Group's business;
vi. Monthly management accounts are prepared and reviewed to facilitate effective monitoring and decision making; and
vii. Periodic meetings by the Board and board committees to review on a regular basis the performance of the Group, from financial and operational perspective.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement in accordance with Rule 15.23 of ACE Market Listing Requirements of Bursa Securities and Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the FYE 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the Annual Report of the Group, in all material respects:

i. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
ii. has not complied with Practice 10.1 and Practice 10.2 of the MCCG; or
iii. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement 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. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems and not required to perform any procedures by way of audit, review or verification of the underlying records or other sources from which the Statement was extracted.

CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is of view that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, to safeguard the Group's interests and assets. There were no significant weaknesses in the risk management and internal control system that have resulted in material losses or contingencies that would require separate disclosure in this Annual Report.

The Board has also received reasonable assurance from the Group Managing Director and Chief Financial Officer that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects.

The Board remains committed to maintain a sound risk management and internal control system to achieve a balance between the Group's business objectives and its operational efficiency and will continue to review and monitor the adequacy and effectiveness of the risk management and internal control system and to strengthen it, as and when necessary.

This Statement was approved by the Board on 6 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("**the Board**") of Vestland Berhad ("**Vestland**" or "**the Company**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 31 December 2022.

The ARMC was established on 21 April 2022 to assist the Board in fulfilling its oversight responsibilities, specifically in the areas of corporate governance, risk management, internal control and financial reporting of Vestland and its subsidiary ("**the Group**").

COMPOSITION OF THE ARMC

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, who comply with the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The members of the ARMC during the financial year under review and up to the date of this report are as follows:

Name	Membership status
Wee Chuen Lii	Chairman
Dato' Yong Lei Choo	Member
Ong Wei Liam @ Jeremy Ong	Member

The Chairman of the ARMC, Mr Wee Chuen Lii, is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Hence, the composition of the ARMC complies with the requirements of Rule 15.09(1)(c)(i) of the ACE Market Listing Requirements of Bursa Securities.

All members of the ARMC are financially literate with diverse backgrounds, experience and knowledge and able to discharge their roles and responsibilities effectively. None of the members of the ARMC were former key audit partners of the Company's External Auditors.

TERMS OF REFERENCE

The roles and responsibilities of the ARMC are set out in the Terms of Reference ("**TOR**"), a copy of which is made available on the Company's website at www.vestland.com.my.

MEETING ATTENDANCE

No ARMC meeting was held during the financial year ended 31 December 2022 as the Company was listed on 31 January 2023. However, ARMC met three (3) times as at 28 April 2023 and their attendance is as follows:

Name	Membership status	Attendance of meeting (FYE2023)
Wee Chuen Lii	Chairman	3/3
Dato' Yong Lei Choo	Member	3/3
Ong Wei Liam @ Jeremy Ong	Member	3/3

SUMMARY OF ACTIVITIES

The ARMC held its meetings on 19 January 2023, 27 February 2023 and 6 April 2023 to perform the following activities:

(a) Reviewed the unaudited quarterly financial results of the Group for the financial periods ended 30 September 2022 and 31 December 2022, where the Chief Financial Officer was invited to present and respond to questions raised by the ARMC in relation to the financial performance for the relevant financial periods and applicable approved accounting standards and other regulatory requirements, prior to recommendation of the same to the Board for approval.

(b) Reviewed the audit status of the Group's and of the Company's financial statements for the financial year ended 31 December 2022 ("**AFS 2022**") presented by the External Auditors and discussed the key audit matters and compliance with applicable laws and regulations with the External Auditors.

(c) Had a private session with the External Auditors on 27 February 2023 without the presence of the Executive Directors and management to discuss further any issues of concern arising from the audit.

(d) Reviewed the related party transactions ("**RPTs**") entered by the Group on a quarterly basis to ensure that the RPTs were conducted at arm's length basis and on normal commercial terms, and not detrimental to the interests of the minority shareholders.

(e) Reviewed the suitability and approved the appointment of GRC Consulting Services Sdn Bhd as the Internal Auditors of the Group.

(f) Reviewed the AFS 2022 of the Company and of the Group before recommending to the Board for its approval.

(g) Reviewed the performance and assessed the suitability, objectivity, and independence of the External Auditors before recommending to the Board the re-appointment of the External Auditors and their audit fees.

(h) Reviewed the ARMC Report for inclusion in the Company's Annual Report 2022.

(i) Reviewed the scope and audit plan of the Internal Auditors for the financial year ending 31 December 2023.

INTERNAL AUDIT FUNCTION

In preparation for the listing of the Company on the ACE Market of Bursa Securities, the Group had engaged an independent professional firm, BDO Governance Advisory Sdn Bhd as the Internal Control Review Consultant to review the adequacy and sufficiency of the systems, procedures, and controls of the Group.

Subsequent to the listing, the Group has outsourced the internal audit function to an independent professional firm, GRC Consulting Services Sdn Bhd ("**GRCCS**"), which is independent of the activities and operations of the Group. GRCCS reports directly to the ARMC and assists the ARMC in reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

No internal audit work was performed for the financial year ended 31 December 2022 as GRCCS was only appointed after the listing of the Company, i.e. 31 January 2023. Subsequent to the appointment of GRCCS, a risk-based internal audit plan for the financial year ending 31 December 2023 that covers key functional areas and business activities of the Group presented by GRCCS was reviewed and approved by the ARMC.

No internal audit costs were incurred for the outsourcing of the internal audit functions for the financial year ended 31 December 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

Vestland was listed on the ACE Market of Bursa Malaysia Securities Berhad on 31 January 2023. In conjunction with the listing, Vestland undertook a public issue of 170,000,000 new ordinary shares at an issue price of RM0.33 per ordinary share, raising total proceeds of RM56.10 million.

The gross proceeds of RM56.10 million raised is intended to be utilised in the following manner:

Details of utilisation	Proposed utilisation (RM'000)	Percentage (%)	Estimated timeframe for utilisation upon listing
Acquisition of the new head office/refinancing of borrowings for acquisition of the new head office	7,502	13.37	Within 3 months
Performance bond and/or cash deposits for construction projects	10,800	19.25	Within 15 months
Working capital	33,498	59.71	Within 12 months
Estimated listing expenses	4,300	7.67	Within 3 months
Total	**56,100**	**100.00**	

There is no utilisation of proceeds as at 31 December 2022 as Vestland was only listed on 31 January 2023.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors by the Group and the Company for the financial year ended 31 December 2022 are as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	108	8
Non-audit fees	675	427
Total	**783**	**435**

The non-audit fees comprise of professional fees as Reporting Accountant for the listing exercise, fees for special audit relating to the listing exercise, tax fee, as well as review of other information.

3. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")

The RRPTs of the Group have been entered into in the normal course of business. The Company will be seeking its first shareholder's mandate for the RRPTs, following its listing on 31 January 2023, at its forthcoming first Annual General Meeting ("**AGM**") to be convened on Tuesday, 13 June 2023. The details of the proposed new shareholders' mandate for the RRPTs to be entered by the Group with the related parties are disclosed in the Circular to Shareholders dated 28 April 2023, which to be issued together with this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Group involving the interests of Directors and major shareholders which were still subsisting as at the end of the financial year ended 31 December 2022:

(a) On 20 April 2022, Vestland had completed the acquisition of the entire equity interest in Vestland Resources Sdn Bhd of RM1.75 million comprising 1,750,000 ordinary shares from its existing shareholders, namely Datuk Liew Foo Heen and Wong Sai Kit, for a purchase consideration of RM46.46 million which was wholly satisfied via the allotment and issuance of 774,308,600 new ordinary shares of Vestland at an issue price of RM0.06 per share.

5. EMPLOYEE SHARE SCHEME

Vestland did not establish any employee share scheme and does not have any subsisting employee share scheme during the financial year ended 31 December 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding. The principal activities of its subsidiary is disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	25,110,360	(2,613,703)

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

DIRECTORS

The name of the Directors of the Company and its subsidiary in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Datuk Liew Foo Heen*	(Group Managing Director)
Wong Sai Kit*	(Executive Director)
Dato' Mathialakan Chelliah	(Independent Non-Executive Chairman) (Appointed on 21 April 2022)
Wee Chuen Lii	(Independent Non-Executive Director) (Appointed on 21 April 2022)
Ong Wei Liam @ Jeremy Ong	(Independent Non-Executive Director) (Appointed on 21 April 2022)
Dato' Yong Lei Choo	(Independent Non-Executive Director) (Appointed on 21 April 2022)

* Directors of Company and its subsidiary

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in ordinary shares of the Company and its related corporations of those who were Directors at the financial year end (including interest of spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares			
	At 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
Interests in the Company:-				
Datuk Liew Foo Heen	85	658,162,315	–	658,162,400
Wong Sai Kit	15	116,146,285	–	116,146,300

By virtue of their interest in the ordinary shares of the Company, Datuk Liew Foo Heen and Wong Sai Kit are also deemed to have interest in the shares of the subsidiary during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than disclosed above, none of other Directors in office at the end of the financial year had any direct interest in the shares of the Company or its related corporation during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the remuneration and other benefits received and receivable by the Directors of the Group and of the Company are as follows:-

	Incurred by the Company RM	**Incurred by the subsidiary RM**	**Total RM**
Directors' fees	137,500	–	137,500
Salaries, bonus and allowances	8,000	1,312,000	1,320,000
Defined contribution plan	–	168,400	168,400
Social security contribution	–	1,773	1,773
	145,500	1,482,173	1,627,673

The benefits-in-kind provided to Directors of the Group amounted to RM34,800.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed above and in Note 25 to the financial statements) by reason of a contract made by the Group or the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company of which the Director has a substantial financial interest.

ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company issued 774,308,600 new ordinary shares at an issue price of RM0.06 per ordinary share, in total of RM46,458,516 pursuant to acquisition of a subsidiary, Vestland Resources Sdn Bhd.

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

There was no issuance of debentures during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company has been written down to an amount which they might be expected so to realise.

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

(a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; 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) 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; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

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

In the opinion of the Directors:-

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

(b) the results of 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; and

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

DIRECTORS' REPORT
(CONT'D)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There is no indemnity coverage or insurance premium paid for the Directors and Officers of the Group and of the Company during the financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant event during the financial year and subsequent to the reporting period is disclosed in Note 29 to the financial statements.

AUDITORS

The amount of audit and other fees paid or payable to the external auditor and its member firms by the Group and the Company for the financial year ended 31 December 2022 amounted to RM783,220 and RM434,950 respectively. Further details are disclosed in Note 21 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

The Auditors, Grant Thornton Malaysia 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 on 6 April 2023.

DATUK LIEW FOO HEEN
DIRECTOR

WONG SAI KIT
DIRECTOR

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 74 to 129 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 2022 and of their financial performance and cash flows for the financial year then ended.

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

DATUK LIEW FOO HEEN

WONG SAI KIT

STATUTORY DECLARATION

I, Low Choon Wei, being the Officer primarily responsible for the financial management of Vestland Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 74 to 129 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
6 April 2023)

LOW CHOON WEI

Before me:

Ramathilagam A/P T Ramasamy
(No: W671)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF VESTLAND BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Vestland Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 129.

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 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Allowance for expected credit losses of trade receivables

The risk

Refer to Notes 10 and 26 to the financial statements. We focused on this area because the Group has material amount of trade receivables that are past due but not impaired amounting to RM19,663,193. The key associate risk was the recoverability of billed trade receivables as management judgement is required in determining the completeness of the allowance for expected credit losses of trade receivables and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response

We have obtained an understanding of the Group's controls relating to credit control and approval process, how the Group identifies and assesses the allowance for expected credit losses of trade receivables and how the Group makes the accounting estimates for the allowance. We have also reviewed the ageing analysis of the trade receivables and tested the reliability thereof and assessed the recoverability of the overdue trade receivables through examination of cash receipts subsequent to the financial year end.

Key Audit Matters (cont'd)

Revenue recognition for construction contracts

The risk

There are significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policies to construction contracts entered into by the Group. The nature of these judgements resulted in them being susceptible to management override.

Contract revenue should include the amount agreed in the initial contract, plus revenue from alterations in the original contract work, plus claims and incentive payments that are expected to be collected and that can be measured reliably.

Refer to Note 20 to the financial statements, total revenue from construction contracts was RM302,843,852 which represents 99.6% of the Group's revenue in this financial year.

Our response

We performed a range of audit procedures which included obtaining samples of contracts or letter of awards, reviewing for change orders or variation orders, reviewing estimated profit and costs to complete and enquiring of key personnel regarding adjustments for job costing and potential contract losses.

We assessed whether the revenue and cost recognition policies are appropriate in accordance with MFRS 15 Revenue from Contracts with Customers.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

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. As at the date of our report, except for the Directors' Report, the remaining other information has not been made available to us for our reading and accordingly we are unable to report in this regard.

However, if after reading the other information when available and we conclude there is a material misstatement therein, we will communicate the same to the Directors of the Company.

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

We communicated 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 identified during our audit.

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year 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 Matter

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.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
(NO: 03334/11/2023(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
6 April 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	11,428,467	8,994,496	–	–
Right-of-use assets	5	906,556	2,080,219	–	–
Investment properties	6	12,100,000	15,950,048	–	–
Investment in a subsidiary	7	–	–	46,458,516	–
Cash and cash equivalents	8	19,903,694	10,846,449	–	–
Deferred tax assets	9	–	97,000	–	–
Total non-current assets		44,338,717	37,968,212	46,458,516	–
Current assets					
Trade receivables	10	117,828,552	79,252,207	–	–
Other receivables	11	24,662,708	28,731,476	470,939	530
Contract assets	12	18,145,933	17,082,723	–	–
Cash and cash equivalents	8	21,324,143	3,889,014	100	100
Total current assets		181,961,336	128,955,420	471,039	630
Assets classified as held-for-sale	13	669,334	1,828,445	–	–
TOTAL ASSETS		226,969,387	168,752,077	46,929,555	630
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company					
Share capital	14.1	46,458,616	100	46,458,616	100
Invested equity	14.2	-	1,750,000	–	–
Merger deficit	15	(44,708,516)	–	–	–
Retained earnings/ (Accumulated losses)		69,809,802	44,699,442	(2,622,775)	(9,072)
Total equity		71,559,902	46,449,542	43,835,841	(8,972)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONT'D)

		Group		Company	
	Note	**2022 RM**	**2021 RM**	**2022 RM**	**2021 RM**
LIABILITIES					
Non-current liabilities					
Borrowings	16	19,250,442	19,192,397	–	–
Lease liabilities	17	602,629	1,108,959	–	–
Deferred tax liabilities	9	42,000	–	–	–
Total non-current liabilities		19,895,071	20,301,356	–	–
Current liabilities					
Trade payables	18	87,339,878	68,272,337	–	–
Other payables	19	15,522,942	20,684,792	3,093,714	9,602
Contract liabilities	12	1,814,608	2,823,905	–	–
Borrowings	16	26,201,947	6,914,165	–	–
Lease liabilities	17	190,645	1,031,980	–	–
Tax payable		4,444,394	2,274,000	–	–
Total current liabilities		135,514,414	102,001,179	3,093,714	9,602
Total liabilities		155,409,485	122,302,535	3,093,714	9,602
TOTAL EQUITY AND LIABILITIES		226,969,387	168,752,077	46,929,555	630

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 2022

		Group		Company	
	Note	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	10.11.2021 to 31.12.2021 RM
Revenue	20	304,035,094	171,081,040	–	–
Cost of sales		(259,747,415)	(147,556,023)	–	–
Gross profit		44,287,679	23,525,017	–	–
Other income		1,612,335	369,960	–	–
Finance income		362,732	153,919	–	–
Administrative and operating expenses		(9,654,855)	(7,723,060)	(2,613,703)	(9,072)
Finance costs		(1,865,531)	(1,732,464)	–	–
Profit/(Loss) before tax	21	34,742,360	14,593,372	(2,613,703)	(9,072)
Tax expense	22	(9,632,000)	(3,958,000)	–	–
Profit/(Loss)/Total comprehensive income/(loss) for the financial year/period		25,110,360	10,635,372	(2,613,703)	(9,072)
Earnings per share:					
Basic and diluted (sen)	23	4.62	10,635,372		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	← Non-distributable →		Distributable	
	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
Group				
At 1 January 2021	1,750,000	–	34,064,070	35,814,070
Transactions with owners:-				
Issuance of ordinary shares	100	–	–	100
Total comprehensive income for the financial year	–	–	10,635,372	10,635,372
At 31 December 2021	1,750,100	–	44,699,442	46,449,542
Transactions with owners:-				
Acquisition of a subsidiary	(1,750,000)	1,750,000	–	–
Issuance of ordinary shares pursuant to acqusition of a subsidiary	46,458,516	(46,458,516)	–	–
Total transactions with owners	44,708,516	(44,708,516)	–	–
Total comprehensive income for the financial year	–	–	25,110,360	25,110,360
At 31 December 2022	46,458,616	(44,708,516)	69,809,802	71,559,902

	Non-distributable Share capital RM	Accumulated losses RM	Total RM
Company			
At date of incorporation	100	–	100
Total comprehensive loss for the financial period	–	(9,072)	(9,072)
At 31 December 2021	100	(9,072)	(8,972)
Transaction with owners:-			
Issuance of ordinary shares pursuant to acquisition of a subsidiary	46,458,516	–	46,458,516
Total comprehensive loss for the financial year	–	(2,613,703)	(2,613,703)
At 31 December 2022	46,458,616	(2,622,775)	43,835,841

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	10.11.2021 to 31.12.2021 RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		34,742,360	14,593,372	(2,613,703)	(9,072)
Adjustments for:					
Amortisation of investment properties		7,027	84,326	–	–
Depreciation of property, plant and equipment		695,866	730,754	–	–
Depreciation of right-of-use assets		565,976	906,755	–	–
Finance costs		1,891,098	1,817,349	–	–
Finance income		(362,732)	(153,919)	–	–
Gain on disposal of assets held-for-sale, net of Real Property Gain Tax		(91,555)	(30,167)	–	–
Gain on disposal of investment properties		(435,313)	–	–	–
Loss on disposal of property, plant and equipment		69,526	–	–	–
Property, plant and equipment written off		2,310	20,323	–	–
Gain on early termination of right-of-use assets		–	(4,750)	–	–
Operating profit/(loss) before working capital changes		37,084,563	17,964,043	(2,613,703)	(9,072)
Changes in working capital:					
Receivables		(39,995,673)	(34,837,402)	(470,409)	(530)
Payables		19,056,611	38,881,723	1,035,825	9,602
Contract assets		(1,088,777)	(11,160,592)	–	–
Contract liabilities		(1,009,297)	(655,009)	–	–
Cash generated from/(used in) operations		14,047,427	10,192,763	(2,048,287)	–
Tax paid		(7,322,606)	(4,098,064)	–	–
Net cash from/(used in) operating activities		6,724,821	6,094,699	(2,048,287)	–

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(CONT'D)

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**10.11.2021 to 31.12.2021 RM**
INVESTING ACTIVITIES					
Interest received		362,732	153,919	–	–
Purchase of property, plant and equipment	A	(529,106)	(1,047,878)	–	–
Proceeds from disposal of assets held-for-sale		1,920,000	2,233,500	–	–
Proceeds from disposal of investment properties		3,609,000	–	–	–
Proceeds from disposal of property, plant and equipment		5,000	–	–	–
Purchase of right-of-use assets	B	(104,000)	(104,585)	–	–
Repayment from companies in which certain Directors have interest		4,188,096	79,502	–	–
Repayment from third parties		1,300,000	5,023,136	–	–
Net cash from investing activities		10,751,722	6,337,594	–	–
FINANCING ACTIVITIES					
Repayment to Directors		–	(51,903)	–	–
Placement of fixed deposits pledged		(6,822,276)	(3,028,919)	–	–
Movement of bank balance pledged		(2,234,969)	(7,817,530)	–	–
Drawdown of term loans		10,380,465	4,779,826	–	–
Interest paid		(1,865,531)	(1,701,464)	–	–
Repayment of term loans		(16,979,818)	(2,883,137)	–	–
Drawdown of revolving credit		19,068,380	5,542,872	–	–
Repayment of lease liabilities		(1,587,665)	(1,215,753)	–	–
Repayment to third parties		–	(1,905,000)	–	–
Advances from a subsidiary		–	–	2,048,287	–
Proceeds from issuance of shares		–	100	–	100
Net cash (used in)/from financing activities		(41,414)	(8,280,908)	2,048,287	100
CASH AND CASH EQUIVALENTS					
Net changes		17,435,129	4,151,385	–	100
Brought forward		3,889,014	(262,371)	100	–
Carried forward	C	21,324,143	3,889,014	100	100

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total purchase of property, plant and equipment	2,254,986	8,698,528	–	–
Less: Other payables	(1,725,880)	(7,650,650)	–	–
Cash payment	529,106	1,047,878	–	–

B. PURCHASE OF RIGHT-OF-USE ASSETS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total purchase of right-of-use assets	344,000	1,499,685	–	–
Acquired under lease arrangements	(240,000)	(1,395,100)	–	–
Cash payment	104,000	104,585	–	–

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	31,376,642	11,706,544	100	100
Fixed deposits with a licensed bank	9,851,195	3,028,919	–	–
	41,227,837	14,735,463	100	100
Less:				
Bank balance pledged with a licensed bank	(10,052,499)	(7,817,530)	–	–
Fixed deposits pledged with a licensed bank	(9,851,195)	(3,028,919)	–	–
	21,324,143	3,889,014	100	100

The bank balance and fixed deposits with a licensed bank of the Group amounted to RM10,052,499 and RM9,851,195 (2021: RM7,817,530 and RM3,028,919) respectively have been pledged as security for banking facility granted to the Group and hence, are not available for general use.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The principal place of business of the Company is located Level 20, Subplace Boulevard, Pusat Komersil Vestland, No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor.

The Company is principally engaged as an investment holding. The principal activities of its subsidiary is disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 April 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in compliance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 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 market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of measurement (cont'd)

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 their fair value measurement as a whole:-

Level 1	-	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

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

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all value are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards and amendments to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial period, the Group and the Company adopted new standards and amendments to MFRSs which are mandatory for the current financial year.

The initial application of the new standards and amendments to the standards did not have any material impact on the financial statements.

2.4.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards issued but not yet effective (cont'd)

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023:-

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts: Initial application of MFRS 17 and MFRS 9 - comparative information
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 MFRSs effective for annual periods beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants

Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128*	Consolidated financial statements and investments in associate and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture

* Not applicable to the Group's and the Company's operation.

The initial application of the above standards and amendments are not expected to have any material financial impact to the financial statements upon their first adoption.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty

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

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment, right-of-use assets and investment properties to be 3 to 81 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and developments, which may result in an adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment, right-of-use assets and investment properties at the reporting date is disclosed in Notes 4, 5 and 6 to the financial statements.

The management expects that the expected useful lives of the property, plant and equipment, right-of-use assets and investment properties would not have material difference from the management's estimation hence it would not result in material variance in Group's profit for the financial years.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. At every reporting date, 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.

Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. 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.

Deferred tax assets

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

Assumptions about generation of future taxable profits depend on the management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and and unrecognised temporary differences.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Revenue from contracts with customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgement is required in determining progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total constriction and installation costs. The total estimated costs are based on approval budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists. A change in estimates will directly affect the revenue to be recognised.

2.5.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements unless otherwise stated.

3.1 Business combination

3.1.1 Subsidiaries

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Business combination (cont'd)

3.1.1 Subsidiaries (cont'd)

Investment in subsidiary is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments included transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to its recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in the profit or loss.

3.1.2 Basis of business combination

Merger method

A business combination involving entity under common control is a business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Vestland Resources Sdn Bhd resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

3.1.3 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.4 Elimination on combination

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Non-current assets held-for-sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment, right-of-use assets and investment properties once classified as held-for-sale are not amortised or depreciated.

3.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairments losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are charged to profit or loss in the period in which they incurred.

Properties under construction consist of buildings under construction for intended use as Group's office and staff's hostel.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful lives. The annual rate of depreciation based on the estimated useful lives of the various classes of depreciable assets are as follows:-

Buildings	2%
Office equipment	20% - 33%
Furniture and fittings	20%
Electrical installation	20%
Machinery and equipment	20%
Motor vehicles	20%
Renovation	33%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Property under construction is not depreciated as it is not ready to use.

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial years in which the asset is derecognised.

3.4 Investment properties

Investment properties which are held to earn rentals or for capital appreciation or both, are measured initially at its cost. Transaction costs are included in the initial measurement.

After initial recognition as investment properties, investment properties are carried at cost value less accumulated amortisation and any accumulated impairment losses.

The principal annual recognised rate used is as follows:-

Buildings	2%
Shoplots	2%

Properties under construction consist of buildings under construction for intended use as for rental.

Depreciation of an investment property begins when it is ready for its intended use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition, determined as the difference between any net disposal proceeds and the carrying amounts of the investment property, and is recognised in statements of profit or loss.

3.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.5.1 As a lessee

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As a lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Long leasehold land	81 years
Motor vehicles	20%
Machinery and equipment	20%
Store	50%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 3.7 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As a lessee (cont'd)

COVID-19 - related rent concessions

The amendments to MFRS 16 provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether the COVID-19 - related rent concessions from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from COVID-19 - related rent concessions the same way it would account for the change under MFRS 16, if the change were not a lease modification.

During the financial year, the Group elects to account for a COVID-19 - related rent concessions that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group accounts for such COVID-19 - related rent concessions in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within other income.

Short-term leases and leases of low-value assets

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

3.5.2 As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVTPL.

The Group and the Company only have financial assets at amortised costs on the statements of financial position.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and most of other receivables, cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred their right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.1 Financial assets (cont'd)

Impairment (cont'd)

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

3.6.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss; or
- financial liabilities at amortised cost.

The Group and the Company only have financial liabilities at amortised cost on the statements of financial position.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss. The Group's and the Company's financial liabilities include trade and most of other payables and borrowings.

Derecognition

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

3.6.3 Offsetting of financial instruments

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

3.7 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits with a licensed bank which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits and Escrow account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings include all current and prior periods' profits.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognsied as a liability.

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

3.10 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Contingencies

3.11.1 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.11.2 Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Borrowing costs

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

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.13 Employee benefits

3.13.1 Short-term employee benefit

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13.2 Defined contribution plan

Defined contribution plan is post-employment benefit plans under which the Group and the Company pay fixed contribution into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the profit or loss as incurred. As required by law, the Group makes such contribution to the Employees Provident Fund.

3.14 Revenue and other income

3.14.1 Revenue recognition

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. "control" of services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) goods or service (or a bundle of goods or service) that is distinct; or
(b) a series of distinct goods or service that are substantially the same and that have the same pattern of transfer to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and other income (cont'd)

3.14.1 Revenue recognition (cont'd)

Revenue from contracts with customers is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised service to the customers, excluding amounts collected on behalf of third parties such as sales tax or service tax. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or service promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or service may be transferred over time or at a point in time. 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 control over the goods or service is transferred over time and revenue is recognised over time if:

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

3.14.2 Construction contracts

Contract costs comprise costs 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 customers under the terms of the contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the end of the reporting period. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and other income (cont'd)

3.14.2 Construction contracts (cont'd)

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

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

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

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as contract assets under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities under current liabilities.

Contract costs

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

Contract assets

A contract asset is the right to consideration in exchange for goods or service transferred to the customer. If the Group performs by transferring goods or service to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or service to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Group transfers goods or service to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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31 DECEMBER 2022
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and other income (cont'd)

3.14.3 Other income

Interest income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

3.15 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods are recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.15.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available to offset against the unutilised tax incentive credit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Earnings per ordinary share

The Group presents basic and diluted earnings per share for its ordinary shares ("EPS").

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.

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, for the effects of all dilutive potential ordinary shares.

3.17 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:-

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the holding company or the Group.

(b) An entity is related to the Group if any of the following conditions apply:-

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the Group.
- (iii) Both the Group and the entity are joint ventures of the same third party.
- (iv) The Group is a joint venture of a third entity and the entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the holding Company or the entity.
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3.18 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. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Group									
Cost									
At 1.1.2021	263,272	692,132	967,461	79,368	2,604,283	617,019	465,903	12,100,000	17,789,438
Additions	–	125,763	4,110	–	804,401	49,000	64,604	7,650,650	8,698,528
Transfer to assets held-for-sale	(263,272)	–	–	–	–	–	–	–	(263,272)
Transfer to investment properties	–	–	–	–	–	–	–	(12,100,000)	(12,100,000)
Transfer from right-of-use assets	–	–	–	–	–	101,560	–	–	101,560
Written off	–	(122,904)	(112,995)	(79,368)	(95,050)	(8,000)	–	–	(418,317)
At 31.12.2021	–	694,991	858,576	–	3,313,634	759,579	530,507	7,650,650	13,807,937
Additions	–	38,224	60,005	–	245,565	185,312	–	1,725,880	2,254,986
Transfer from right-of-use assets	–	–	–	–	1,265,000	2,261,942	–	–	3,526,942
Disposals	–	(13,940)	–	–	(81,000)	–	(170,585)	–	(265,525)
Written off	–	–	–	–	(13,530)	–	–	–	(13,530)
Reclassification	9,376,530	–	–	–	–	–	–	(9,376,530)	–
At 31.12.2022	9,376,530	719,275	918,581	–	4,729,669	3,206,833	359,922	–	19,310,810

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

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

	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Group									
Accumulated depreciation									
At 1.1.2021	42,124	611,872	857,406	70,202	1,781,866	597,139	465,902	–	4,426,511
Charge for the financial year	5,266	72,952	91,338	9,166	526,596	23,658	1,778	–	730,754
Transfer to asset held-for-sale	(47,390)	–	–	–	–	–	–	–	(47,390)
Transfer from right-of-use assets	–	–	–	–	–	101,560	–	–	101,560
Written off	–	(121,850)	(94,754)	(79,368)	(94,022)	(8,000)	–	–	(397,994)
At 31.12.2021	–	562,974	853,990	–	2,214,440	714,357	467,680	–	4,813,441
Charge for the financial year	–	48,035	3,821	–	508,647	133,587	1,776	–	695,866
Transfer from right-of-use assets	–	–	–	–	885,500	1,689,755	–	–	2,575,255
Disposals	–	(465)	–	–	(81,000)	–	(109,534)	–	(190,999)
Written off	–	–	–	–	(11,220)	–	–	–	(11,220)
At 31.12.2022	–	610,544	857,811	–	3,516,367	2,537,699	359,922	–	7,882,343
Net carrying amount									
At 31.12.2021	–	132,017	4,586	–	1,099,194	45,222	62,827	7,650,650	8,994,496
At 31.12.2022	9,376,530	108,731	60,770	–	1,213,302	669,134	–	–	11,428,467

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

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

The net carrying amount of property, plant and equipment pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements are as follows:-

	Group	
	2022 RM	**2021 RM**
Buildings	9,376,530	–

A motor vehicle with cost and net carrying amount of RM5,210 and Nil (2021: RM5,210 and Nil) respectively of the Group was registered and held-in-trust by a Director of the Company.

5. RIGHT-OF-USE ASSETS

As a lessee

The Group has leases for long leasehold land, motor vehicles, machinery and equipment and store that run between 2 to 81 years.

The Group also has leases of premises and office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Group	**Long leasehold land RM**	**Motor vehicles RM**	**Machinery and equipment RM**	**Store RM**	**Total RM**
At 1.1.2021	114,126	333,833	885,500	332,991	1,666,450
Transfer to assets held-for-sale	(112,563)	–	–	–	(112,563)
Additions	–	1,499,685	–	–	1,499,685
Depreciation charge for the financial year	(1,563)	(385,799)	(253,000)	(266,393)	(906,755)
Early termination	–	–	–	(66,598)	(66,598)
At 31.12.2021	–	1,447,719	632,500	–	2,080,219
Transfer to property, plant and equipment	–	(572,187)	(379,500)	–	(951,687)
Additions	–	344,000	–	–	344,000
Depreciation charge for the financial year	–	(312,976)	(253,000)	–	(565,976)
At 31.12.2022	–	906,556	–	–	906,556

The above motor vehicles, machinery and equipment are under lease arrangement and pledged as security for the related finance lease.

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(CONT'D)

6. INVESTMENT PROPERTIES

	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Group				
Cost				
At 1.1.2021	3,416,251	800,000	–	4,216,251
Transfer from property, plant and equipment	–	–	12,100,000	12,100,000
At 31.12.2021	3,416,251	800,000	12,100,000	16,316,251
Disposal	(3,416,251)	–	–	(3,416,251)
Transfer to assets held-for-sale	–	(800,000)	–	(800,000)
Reclassification	12,100,000	–	(12,100,000)	–
At 31.12.2022	12,100,000	–	–	12,100,000
Accumulated amortisation				
At 1.1.2021	168,544	113,333	–	281,877
Charge during the financial year	68,326	16,000	–	84,326
At 31.12.2021	236,870	129,333	–	366,203
Charge during the financial year	5,694	1,333	–	7,027
Disposal	(242,564)	–	–	(242,564)
Transfer to assets held-for-sale	–	(130,666)	–	(130,666)
At 31.12.2022	–	–	–	–
Net carrying amount				
At 31.12.2021	3,179,381	670,667	12,100,000	15,950,048
At 31.12.2022	12,100,000	–	–	12,100,000
Fair value of investment properties				
At 31.12.2021	4,244,630	938,821	–	5,183,451
At 31.12.2022	16,771,684	–	–	16,771,684

In the previous financial year, the strata title of the buildings with the net carrying amount RM519,466 was yet to issue by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS
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6. INVESTMENT PROPERTIES (CONT'D)

Expenses recognised in profit or loss:-

	Group	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**
Revenue generated from investment properties	38,590	107,931
Direct operating expenses for investment properties:		
- revenue generating properties	18,830	63,389
- non-revenue generating properties	18,866	22,955

All the investment properties of the Group are pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements.

Fair value of investment properties is estimated by Directors by reference to the published selling price for properties in vicinity locations. The buildings and shoplots are classified as Level 3 in the fair value hierarchy.

In previous financial year, the Directors have determined that the fair value of properties under construction are not reliably determinable without undue cost or effort but expects its fair value to be reliably determinable when construction is complete.

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2022 RM	**2021 RM**
Unquoted shares, at cost	46,458,516	–

Details of subsidiary is as follows:-

Name of subsidiary	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest 2022 %	Effective ownership interest 2021 %
Vestland Resources Sdn Bhd	Malaysia	Builders and contractor for construction work	100	–

Acquisition of new subsidiary

On 20 April 2022, the Company acquired the entire issued share capital of Vestland Resources Sdn Bhd comprising 1,750,000 ordinary shares for a purchase consideration of RM46,458,516 which was wholly satisfied via issuance of 774,308,600 new Company ordinary shares at an issue price of RM0.06 per share.

The consolidated financial statements have been prepared using the merger method to account for the acquisition of Vestland Resources Sdn Bhd. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital of the subsidiary and recognised in statements of financial position.

8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Bank balance	10,052,499	7,817,530	–	–
Fixed deposits placed with a licensed bank	9,851,195	3,028,919	–	–
	19,903,694	10,846,449	–	–
Current				
Cash and bank balance	21,324,143	3,889,014	100	100
	41,227,837	14,735,463	100	100

The bank balance of RM10,052,499 (2021: RM7,817,530) which were held under Escrow account is pledged as securities for banking facilities granted to the subsidiary as shown in Note 16 to the financial statements.

The fixed deposits placed with a licensed bank of RM9,851,195 (2021: RM3,028,919) are pledged as securities for banking facilities granted to the subsidiary as shown in Note 16 to the financial statements.

The effective interest rate for the fixed deposits is 1.85% (2021: 1.65%) per annum with maturing period of 1 month (2021: 1 month).

9. DEFERRED TAX (LIABILITIES)/ASSETS

	Group	
	2022 RM	2021 RM
Brought forward	97,000	151,000
Recognised in profit or loss	(139,000)	(54,000)
Carried forward	(42,000)	97,000

The components of recognised deferred tax (liabilities)/assets are made up of temporary differences arising from:-

	Group	
	2022 RM	2021 RM
Property, plant and equipment	(38,000)	101,000
Right-of-use assets	(4,000)	(4,000)
	(42,000)	97,000

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10. TRADE RECEIVABLES

	Group	
	2022 RM	2021 RM
Trade receivables	80,892,738	57,619,941
Retention sum	36,935,814	21,632,266
	117,828,552	79,252,207

The credit terms granted to customers ranging from cash term to 120 days (2021: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM12,869,371 and RM95,516 (2021: RM9,702,610 and RM672,250) due from a company in which a Director has interest and a company in which a person connected to certain Directors have interest respectively. The amounts are unsecured, interest free and subject to normal trade term of 30 days.

Retention sum are due from the expiry of the defect liability period stated in the respective construction contracts. The defect liability period is ranging from 18 months to 27 months and expected to be collected within 2 years after the end of the defect period.

11. OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-trade receivables	150,131	8,659,613	–	–
Deposits	1,224,295	1,062,533	500	530
Performance bond	21,210,124	18,724,444	–	–
Prepayments	2,078,158	284,886	470,439	–
	24,662,708	28,731,476	470,939	530

Group

In previous financial year, included in non-trade receivables was an amount RM2,041,201 and RM2,146,895 due from companies in which certain Directors have interest and due from companies in which a person connected to a Director has interest respectively. The said amounts were unsecured, interest free and repayable upon demand.

In previous financial year, included in the non-trade receivables was an amount RM1,300,000 representing loans provided to third parties. The said amount was unsecured, interest free and repayable upon demand.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 RM
Contract assets - Construction contracts	18,145,933	17,082,723
Contract liabilities - Construction contracts	1,814,608	2,823,905

The contract assets and contract liabilities as at 1 January 2021 were amounted to RM6,007,016 and RM3,478,914 respectively.

Contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

Contract liabilities consist of advance billing in excess of revenue recognised, typically resulting from the timing difference in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

During the financial year, there were no significant changes in contract assets and contract liabilities. In previous financial year, significant increase in contract assets were resulted of the increase in on-going construction progress as at end of financial year. There were no significant changes in contract liabilities in previous financial year.

Revenue recognised in relation to contract liabilities is as follows:-

	Group	
	2022 RM	2021 RM
Contract liabilities at the beginning of the financial year recognised as revenue	2,823,905	3,478,914

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM649,289,293 (2021: RM669,550,905). The Group expects to recognise this revenue over the next 12 to 29 months (2021: 12 to 24 months).

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13. ASSETS CLASSFIED AS HELD-FOR-SALE

The net carrying amounts of the said assets are as follows:-

Group	Long leasehold land RM	Buildings RM	Investment in an associate RM	Total RM
At 1.1.2021	676,620	2,526,713	500,000	3,703,333
Transfer from property, plant and equipment	–	215,882	–	215,882
Transfer from right-of-use assets	112,563	–	–	112,563
Disposal	–	(1,703,333)	(500,000)	(2,203,333)
At 31.12.2021	789,183	1,039,262	–	1,828,445
Transfer from investment properties	–	669,334	–	669,334
Disposal	(789,183)	(1,039,262)	–	(1,828,445)
At 31.12.2022	–	669,334	–	669,334

2022

On 21 April 2022, a subsidiary entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM950,000. The transaction is yet to be completed as at signing date.

2021

On 6 December 2021, a subsidiary entered into a Sales and Purchase Agreement with a purchaser to dispose of a leasehold land and building for a total consideration of RM420,000. The transaction was completed on 25 April 2022.

On 7 December 2020, the management has agreed to find property agent to assist in looking potential buyer to dispose a leasehold land and building. Subsequently, the subsidiary entered into the Sales and Purchase Agreement on 9 July 2021 with a purchaser for a total consideration of RM1,500,000. The transaction was completed on 21 February 2022.

14. SHARE CAPITAL

14.1 Share capital

	Group and Company			
	Number of shares		Amount	
	2022 Unit	2021 Unit	2022 RM	2021 RM
Issued and fully paid with no par value:-				
Brought forward	100	–	100	–
Issued during the financial year	–	100	–	100
Issuance of ordinary shares pursuant to acquisition of a subsidiary	774,308,600	–	46,458,516	–
Carried forward	774,308,700	100	46,458,616	100

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14.2 Invested equity

	Group	
	2022 RM	2021 RM
Issued and fully paid with no par value:-		
Brought forward	1,750,000	1,750,000
Reversed against the purchase consideration for the acquisition of Vestland Resources Sdn Bhd	(1,750,000)	–
Carried forward	–	1,750,000

The invested equity constitutes the share capital of Vestland Resources Sdn. Bhd..

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15. MERGER DEFICIT

The merger deficit arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in Vestland Resources Sdn Bhd.

The recognised merger deficit at the acquisition date is derived as follows:-

	Group 2022 RM
Total consideration	46,458,516
Less: Nominal value of subsidiary's share capital	(1,750,000)
Merger deficit	44,708,516

Impact of the acquisition on the statements of profit or loss and other comprehensive income

In the financial year when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial year, regardless of the effective date of merger.

16. BORROWINGS

	Group	
	2022 RM	**2021 RM**
Non-current		
Secured:-		
Term loans	19,250,442	19,192,397
Current		
Secured:-		
Term loans	1,590,695	1,371,293
Revolving credit	24,611,252	5,542,872
	26,201,947	6,914,165
Total borrowings	45,452,389	26,106,562
Repayable:		
- within 1 year	26,201,947	6,914,165
- more than 1 year but less than 5 years	6,352,245	6,027,358
- above 5 years	12,898,197	13,165,039
	19,250,442	19,192,397
	45,452,389	26,106,562

16. BORROWINGS (CONT'D)

The term loans of the Group are secured by way of:-

(a) First legal charge over the Group's buildings as stated in Notes 4 and 6 to the financial statements;
(b) Joint and several guarantee given by certain Directors of the Company and a person connected to a Director;
(c) A pledge of fixed deposits of the subsidiary; and
(d) Corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad.

The revolving credit is secured by way of:-

(a) First legal party change over the investment properties as stated in Note 6 to the financial statements;
(b) Charge over an Escrow account with upfront deposit;
(c) Joint and several guarantee by certain Directors of the Company; and
(d) Deed of assignment of contract proceeds.

In previous financial year, the interest rates for the bank overdraft was 6.35% per annum.

The interest rates for the term loans are ranging from 3.27% to 6.95% (2021: 3.50% to 6.22%) per annum.

The interest rate for the revolving credit is ranging from 4.35% to 4.85% (2021: 4.35% to 4.85%) per annum.

17. LEASE LIABILITIES

	Group	
	2022 **RM**	**2021** **RM**
Current	190,645	1,031,980
Non-current	602,629	1,108,959
	793,274	2,140,939

The Group has leased for the motor vehicles, machinery and equipment and store. Future minimum lease payments as at year end are as follows:-

	Group	
	2022 **RM**	**2021** **RM**
Within 1 year	222,025	1,112,418
More than 1 year but not later than 5 years	639,253	1,181,158
More than 5 years	9,928	20,824
Total undiscounted lease liabilities	871,206	2,314,400

17. LEASE LIABILITIES (CONT'D)

The expenses relating to payments not included in the measurement of lease liabilities is as follows:-

	Group	
	2022	**2021**
	RM	**RM**
Short-term leases	17,665,406	6,307,618

The total cash outflows for leases amounted to RM19,324,674 (2021: RM7,655,846).

The effective interest rates for the lease liabilities are ranging from 3.95% to 7.08% (2021: 3.95% to 13.96%) per annum.

Certain lease liabilities are secured by personal guarantee from certain Directors of the Company.

18. TRADE PAYABLES

	Group	
	2022	**2021**
	RM	**RM**
Trade payables	71,274,613	54,392,450
Retention sum	16,065,265	13,879,887
	87,339,878	68,272,337

The normal credit terms granted by the suppliers are cash term to 180 days (2021: cash term to 180 days). However, terms vary according to negotiation with the trade payables. Retention sum is repayable upon the expiry of the defect liability period stated in the respective construction contracts.

Included in the trade payables is an amount of RM2,777,851 (2021: RM739,249) due to companies in which a person connected to Directors have interest. The said amount is unsecured, interest free and subject to normal trade terms.

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19. OTHER PAYABLES

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-trade payables	452,648	8,656,545	2,399,072	6,802
Accruals	4,503,144	1,355,658	694,642	2,800
Deposit received	10,567,150	10,672,589	–	–
	15,522,942	20,684,792	3,093,714	9,602

Group

In previous financial year, included in the non-trade payables was an amount of RM8,306,921 due to the developer for purchase of properties.

During the financial year, the amount of RM6,878,800 (2021: RM756,250) were repaid by way of term loan drawdowns.

Included in the deposits received is an amount of RM10,000,000 (2021: RM10,000,000) representing advance payment received from a customer for the project awarded.

Company

Included in non-trade payables is an amount of RM2,048,287 (2021: Nil) due to a subsidiary. The said amount is unsecured, interest free and repayable upon demand.

20. REVENUE

	Group 1.1.2022 to 31.12.2022 RM	Group 1.1.2021 to 31.12.2021 RM
Major product and service line		
Contract revenue	302,843,852	170,114,485
Non-contract revenue	1,191,242	966,555
	304,035,094	171,081,040
Timing and recognition		
At a point of time	1,191,242	966,555
Overtime	302,843,852	170,114,485
	304,035,094	171,081,040

NOTES TO THE FINANCIAL STATEMENTS
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21. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	10.11.2021 to 31.12.2021 RM
Auditors' remuneration:				
- Statutory audit	108,000	100,800	8,000	2,800
- Assurance - related services	573,340	–	426,000	–
- Other services	101,880	13,950	950	950
Directors' fee	137,500	–	137,500	–
Finance costs:				
- Bank overdraft interest	–	467,684	–	–
- Revolving credit interest	786,692	408,664	–	–
- Lease interest	46,036	47,590	–	–
- Term loans interest	1,032,803	808,526	–	–
Cost of sales:				
- Lease interest	25,567	84,885	–	–
Rental income	(93,590)	(115,131)	–	–
Interest income:				
- Fixed deposits	(92,862)	(32,179)	–	–
- Bank	(269,870)	(121,740)	–	–

22. TAX EXPENSE

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	10.11.2021 to 31.12.2021 RM
Tax expense:				
- Current financial year/period	9,272,722	3,904,000	–	–
- Under provision in prior financial year	220,278	–	–	–
	9,493,000	3,904,000	–	–
Deferred tax:				
- Current financial year/period	82,000	58,000	–	–
- Over/(Under) recognised in prior financial year	57,000	(4,000)	–	–
	139,000	54,000	–	–
	9,632,000	3,958,000	–	–

22. TAX EXPENSE (CONT'D)

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**10.11.2021 to 31.12.2021 RM**
Profit/(Loss) before tax	34,742,360	14,593,372	(2,613,703)	(9,072)
Tax at Malaysian statutory rate of 24%	8,338,166	3,502,409	(627,289)	(2,177)
Tax effect in respect of:-				
Expenses not deductible for tax purpose	1,143,004	592,812	627,289	2,177
Income not subject to tax	(126,448)	(133,221)	–	–
Over/(Under) recognised of deferred tax assets in prior financial year	57,000	(4,000)	–	–
Under provision of tax expense in prior financial year	220,278	–	–	–
Total tax expense	9,632,000	3,958,000	–	–

23. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**
Profit attributable to the ordinary equity holders of the Company	25,110,360	10,635,372
Weighted average number of ordinary shares (unit)	543,076,817	100
Basic earnings per share (sen)	4.62	10,635,372

Diluted earnings per ordinary share

Diluted earnings per ordinary share is not computed as these were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

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24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**	**1.1.2022 to 31.12.2022 RM**	**10.11.2021 to 31.12.2021 RM**
Staff costs:				
- Salaries, bonus and allowances	11,195,857	5,340,945	–	–
- Defined contribution plan	1,003,340	582,734	–	–
- Social security contribution	131,402	57,278	–	–
	12,330,599	5,980,957	–	–
Directors' remuneration:				
- Salaries, bonus and allowances	1,320,000	1,059,900	8,000	–
- Defined contribution plan	168,400	184,300	–	–
- Social security contribution	1,773	1,462	–	–
	1,490,173	1,245,662	8,000	–
	13,820,772	7,226,619	8,000	–

The benefits-in-kind received by Directors of the Group is RM34,800 (2021: RM17,400).

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

The significant related party transactions, other than those disclosed elsewhere in the financial statements, are as follows:-

	Group	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**
Sales to companies in which certain Directors have interest	3,166,761	6,860,337
Management fees charged to companies in which certain Directors have interest	–	68
Payment on behalf for companies in which certain Directors have interest	–	2,255
Advances to companies in which a person connected to a Director has interest	–	634,110
Sales to a company in which a person connected to certain Directors have interest	738,070	1,172,250
Back charges to companies in which a person connected to certain Directors have interest	–	43,050
Management fee charged to companies in which a person connected to certain Directors have interest	–	1,291
Purchases from companies in which a person connected to a Director has interest	337,023	603,811
Machineries services and repair expenses charged by a company in which a person connected to a Director has interest	78,863	33,372
Rental of crane charged by a company in which a person connected to a director has interest	2,178,632	1,087,587
Rental of equipment charged by companies in which a person connected to a Director has interest	3,040,981	1,363,626
Rental of excavator charged by a company in which a person connected to a Director has interest	4,650,732	985,791
Purchase of machinery equipment from a company in which a person connected to a Director has interest	–	4,300

(b) The outstanding related party balances of the Group arising from related party transactions as at the reporting date were disclosed in Notes 10, 11, 18 and 19 to the financial statements.

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25. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of key management personnel other than the Board of Directors as disclosed in Notes 21 and 24 to the financial statements are as follows:-

	Group	
	1.1.2022 to 31.12.2022 RM	**1.1.2021 to 31.12.2021 RM**
Salaries, bonus and allowances	1,125,200	942,200
Defined contribution plan	133,584	109,680
Social security contribution	6,011	5,617
	1,264,795	1,057,497

The benefits-in-kind received by key management personnel of the Group is RM23,000 (2021: RM23,000).

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments measured at amortised cost.

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial assets				
Trade receivables	117,828,552	79,252,207	–	–
Other receivables	22,584,550	28,446,590	500	530
Cash and cash equivalents	41,227,837	14,735,463	100	100
	181,640,939	122,434,260	600	630
Financial liabilities				
Trade payables	87,339,878	68,272,337	–	–
Other payables	15,522,942	20,684,792	3,093,714	9,602
Borrowings	45,452,389	26,106,562	–	–
	148,315,209	115,063,691	3,093,714	9,602

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows:-

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the management.

The Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

<u>Cash and cash equivalents</u>

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high credit rating.

<u>Receivables</u>

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Receivables (cont'd)

An impairment analysis performed at each reporting date using a provision of matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Trade receivables ageing analysis

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision of matrix:-

	Gross RM	Expected credit losses RM	Net RM
Group			
2022			
Within credit term	98,165,359	–	98,165,359
Past due 1 – 30 days	7,321,056	–	7,321,056
Past due 31 – 60 days	4,737,027	–	4,737,027
Past due 61 – 90 days	1,872,417	–	1,872,417
Past due more than 90 days	5,732,693	–	5,732,693
	117,828,552	–	117,828,552
2021			
Within credit term	77,414,789	–	77,414,789
Past due 1 – 30 days	88,420	–	88,420
Past due 31 – 60 days	997,953	–	997,953
Past due 61 – 90 days	179,437	–	179,437
Past due more than 90 days	571,608	–	571,608
	79,252,207	–	79,252,207

As at financial year end, trade receivables of RM19,663,193 (2021: RM1,837,418) were past due but not impaired. These relate to a number of customers whom has no recent history of default. These receivables are not secured by any collateral or credit enhancements.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Credit risk concentration

In respect of trade receivables, the Group has significant exposure to several customers and as such a concentration of credit risks who are of high credit worthiness.

	2022		2021	
	RM	%	RM	%
Top 6 (2021: 4) customers	96,920,799	82	69,786,983	88

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

Financial guarantees

The Group provides unsecured financial guarantees in respect of banking facilities to a customer. The maximum exposure to credit risk was amounted to RM10,000,000 (2021: RM10,000,000) representing the bank guarantees in favour of a third party. The Group monitors on an ongoing basis the results of the customer and repayments made by a customer.

As at the end of the reporting year, there was no indication that the customer would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

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26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due as a result of shortage of funds.

In managing their exposures to liquidity risk which arises principally from their various payables, lease liabilities and borrowings. The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
Group					
2022					
Unsecured:-					
Trade payables	87,339,878	87,339,878	87,339,878	–	–
Other payables	15,522,942	15,522,942	15,522,942	–	–
Secured:-					
Lease liabilities	793,274	871,206	222,025	639,253	9,928
Borrowings	45,452,389	54,230,961	27,325,063	9,712,057	17,193,841
Total undiscounted cash flows	149,108,483	157,964,987	130,409,908	10,351,310	17,203,769
Financial guarantee *	–	10,000,000	10,000,000	–	–
	149,108,483	167,964,987	140,409,908	10,351,310	17,203,769

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) **Liquidity risk (cont'd)**

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
Group (cont'd)					
2021					
Unsecured:-					
Trade payables	68,272,337	68,272,337	68,272,337	–	–
Other payables	20,684,792	20,684,792	20,684,792	–	–
Secured:-					
Lease liabilities	2,140,939	2,314,400	1,112,418	1,181,158	20,824
Borrowings	26,106,562	34,739,910	7,846,569	8,978,509	17,914,832
Total undiscounted cash flows	117,204,630	126,011,439	97,916,116	10,159,667	17,935,656
Financial guarantee *	–	10,000,000	10,000,000	–	–
	117,204,630	136,011,439	107,916,116	10,159,667	17,935,656
Company					
2022					
Other payables	3,093,714	3,093,714	3,093,714	–	–
2021					
Other payables	9,602	9,602	9,602	–	–

* This exposure is included in liquidity risk for illustration purpose only as the related financial guarantee have not crystalised.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) **Interest rate risk**

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

The Group's fixed rate borrowings are not exposed to a risk of change in its fair value due to no changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed debt based on assessment of its existing exposure and desired interest rate profile.

	Group	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial asset		
Fixed deposits with a licensed bank	9,851,195	3,028,919
Financial liabilities		
Borrowings	649,621	845,229
Lease liabilities	793,274	2,140,939
	1,442,895	2,986,168
	8,408,300	42,751
Floating rate instruments		
Financial liability		
Borrowings	44,802,768	25,261,333

The Group does not account for any fixed rate financial assets and financial liabilities through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) **Interest rate risk (cont'd)**

The following table illustrates the sensitivity of profit and equity to a reasonable possible change in interest rates of +/- 25 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit/Equity for the financial year	
	+25bp	**-25bp**
Group	**RM**	**RM**
2022	(112,007)	112,007
2021	(63,153)	63,153

26.3 Fair value on financial instruments

The carrying amounts of financial assets and financial liabilities, as reported in the financial statements, approximate their respective fair value.

26.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022
(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Reconciliation of liabilities arising from financing activities

Group	1 January 2022 RM	Cash flows RM	New lease RM	Other payables RM	31 December 2022 RM
Term loans	20,563,690	(6,599,353)	–	6,876,800	20,841,137
Revolving credit	5,542,872	19,068,380	–	–	24,611,252
Lease liabilities	2,140,939	(1,587,665)	240,000	–	793,274
	28,247,501	10,881,362	240,000	6,876,800	46,245,663

Group	1 January 2021 RM	Cash flows RM	New lease RM	Other payables RM	Interest RM	Early termination RM	31 December 2021 RM
Amount due to Directors	51,903	(51,903)	–	–	–	–	–
Term loans	17,879,751	1,896,689	–	756,250	31,000	–	20,563,690
Revolving credit	–	5,542,872	–	–	–	–	5,542,872
Lease liabilities	2,032,940	(1,215,753)	1,395,100	–	–	(71,348)	2,140,939
Amount due to third parties	1,905,000	(1,905,000)	–	–	–	–	–
	21,869,594	4,266,905	1,395,100	756,250	31,000	(71,348)	28,247,501

Company	1 January 2022 RM	Cash flows RM	31 December 2022 RM
Amount due to a subsidiary	–	2,048,287	2,048,287

27. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or processes during current financial year.

28. OPERATING SEGMENT

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely building construction works.

Geographical information

The Group's operation is predominantly carried out in Malaysia.

Information about major customers

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

	1.1.2022 to 31.12.2022 RM	%	1.1.2021 to 31.12.2021 RM	%
Customer A	92,602,382	30	72,632,799	42
Customer B	91,592,941	30	52,418,055	31
Customer C	37,376,774	12	–	–

29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

Listing on ACE Market

On 14 October 2022, Bursa Malaysia Securities Berhad has approved the admission of the Company to the official list and the listing of and quotation for its entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listing on the ACE Market of Bursa Malaysia Securities Berhad on 31 January 2023.

LIST OF PROPERTIES
HELD AS AT 31 DECEMBER 2022

No.	Location	Description	Current Use	Tenure	Age of Building	Approximate Land Area / Built-up Area (sq. ft.)	Net Book Value (RM'000)	Date of Acquisition
1.	**N-20-1, N20-2, N-20-3, N-20-3B, N-20-5, N-20-6, N-20-7, N-20-8, N-20-9, N-20-10, N-20-11, N-20-12,** Subplace Boulevard, Pusat Komersil Vestland, No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor	12 office units together with 32 car park bays	New head office	Freehold	Less than 1 year	- / 10,803	9,377	**N-20-3, N-20-3B, N-20-5, N-20-6, N-20-7, N-20-8, N-20-9, N-20-10, N-20-11, N-20-12** 23/09/2021 **N-20-1, N-20-2** 19/01/2022
2.	**G-1, 01-1, 02-1, 03-1, G-2, 01-2, 02-2, 03-2,** Subplace Boulevard, Pusat Komersil Vestland, No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor	8 shop units together with 16 car park bays	Vacant	Freehold	Less than 1 year	- / 12,561	12,100	31/05/2019

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Issued and Paid-up Capital	:	RM102,558,616 comprising 944,308,700 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 – 99	2	0.052	100	0.000
100 – 1,000	439	11.522	240,300	0.025
1,001 – 10,000	1,545	40.551	9,757,100	1.033
10,001 – 100,000	1,522	39.947	53,541,600	5.669
100,001 – 47,215,434*	300	7.874	177,260,900	18.771
47,215,435 and above**	2	0.052	703,508,700	74.499
TOTAL	**3,810**	**100.000**	**944,308,700**	**100.000**

* *Less than 5% of Issued Shares*
** *5% and above of Issued Shares*

LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
1.	Datuk Liew Foo Heen	597,982,400	63.324	–	–
2.	Wong Sai Kit	105,526,300	11.174	–	–

DIRECTORS' SHAREHOLDINGS

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. of Shares	%	No. of Shares	%
1.	Datuk Liew Foo Heen	597,982,400	63.324	–	–
2.	Wong Sai Kit	105,526,300	11.174	–	–
3.	Dato' Mathialakan Chelliah	300,000	0.031	–	–
4.	Ong Wei Liam @ Jeremy Ong	300,000	0.031	–	–
5.	Wee Chuen Lii	300,000	0.031	–	–
6.	Dato' Yong Lei Choo	–	–	–	–

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of shares	% of Holdings
1.	DATUK LIEW FOO HEEN	597,982,400	63.324
2.	WONG SAI KIT	105,526,300	11.174
3.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	13,614,700	1.441
4.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERENCE WONG & HUANG THAR-REARN	12,000,000	1.270
5.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	8,376,000	0.886
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ANDREW LIM ENG GUAN	7,420,300	0.785
7.	RHB NOMINEES (TEMPATAN) SDN BHD TAN AH LOY @ TAN MAY LING	7,000,000	0.741
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR WONG SZE CHIEN	6,114,000	0.647
9.	RHB NOMINEES (TEMPATAN) SDN BHD CAROLYN WONG TARNN YOONG	6,000,000	0.635
10.	CHEN GAOLAN	3,550,000	0.375
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HUAT ENG	3,223,100	0.341
12.	LAW XIN YEE	3,050,000	0.322
13.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD	3,004,000	0.318
14.	CINDY NG CHOW LI	2,510,700	0.265
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMAD FAEEZ BIN MOHD SOFFI	2,400,000	0.254
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF)	2,287,800	0.242
17.	WONG SZE MING	2,223,900	0.235
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MAJMUK)	2,149,000	0.277
19.	SAW LEE LENG	2,016,100	0.213
20.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TICK YAW	2,000,000	0.211

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Names	No. of shares	% of Holdings
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MEGAT AFIF FARABI BIN MEGAT MUHAIYADIN	2,000,000	0.211
22.	RHB NOMINEES (TEMPATAN) SDN BHD CHAN SHOOK FUN	2,000,000	0.211
23.	TAN KEAN HOCK	2,000,000	0.211
24.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SOH CHEE WAH	1,756,700	0.186
25.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,576,400	0.166
26.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	1,515,200	0.160
27.	LEE KAR HING	1,260,000	0.133
28.	YIM PEI PEI	1,200,000	0.127
29.	YANG CHOON SANG @ YANG CHOON SIANG	1,100,000	0.116
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH MENG BOON (E-SPI)	1,070,000	0.113

NOTICE OF THE FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting ("**1st AGM**") of the Company will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur ("**Broadcast Venue**") on Tuesday, 13 June 2023 at 10:00 a.m., to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1 on Ordinary Business]***

2. To approve the payment of Directors' fees of up to RM198,000 for the period immediately after the 1st AGM until the next AGM of the Company to be held in 2024. [Ordinary Resolution 1] ***[Please refer to Explanatory Note 2 on Ordinary Business]***

3. To approve the payment of Directors' benefits of up to RM32,000 for the period immediately after the 1st AGM until the next AGM of the Company to be held in 2024. [Ordinary Resolution 2] ***[Please refer to Explanatory Note 2 on Ordinary Business]***

4. To re-elect the following Directors who retire pursuant to Clause 76(2) of the Company's Constitution: - ***[Please refer to Explanatory Note 3 on Ordinary Business]***

    i. Dato' Mathialakan Chelliah; [Ordinary Resolution 3]
    ii. Datuk Liew Foo Heen; [Ordinary Resolution 4]
    iii. Wong Sai Kit; [Ordinary Resolution 5]
    iv. Ong Wei Liam @ Jeremy Ong; [Ordinary Resolution 6]
    v. Dato' Yong Lei Choo; and [Ordinary Resolution 7]
    vi. Wee Chuen Lii. [Ordinary Resolution 8]

5. To re-appoint Messrs Grant Thornton Malaysia PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration. ***[Please refer to Explanatory Note 4 on Ordinary Business]*** [Ordinary Resolution 9]

SPECIAL BUSINESS

To consider and, if deemed fit, to pass, with or without modifications, the following resolutions:

6. **SPECIAL RESOLUTION**
   WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016 ***[Please refer to Explanatory Note 1 on Special Business]***

   "THAT pursuant to Section 85 of the Companies Act 2016 ("**the Act**") read together with Clause 12(3) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company to the allottees subject to passing Ordinary Resolution 10 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act. [Special Resolution]

AND THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 10 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act."

7. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

[Please refer to Explanatory Note 2 on Special Business]

[Ordinary Resolution 10]

"THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 ("**the Act**") and subject always to the Act, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental/ regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("**New Shares**") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being ("**Proposed General Mandate**").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting ("**AGM**") of the Company held after the approval was given;
b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (CONT'D)

8. **ORDINARY RESOLUTION**
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

[Please refer to Explanatory Note 3 on Special Business]

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiary be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 28 April 2023 provided that such transactions and/or arrangements are:-

[Ordinary Resolution 11]

a) necessary for the day-to-day operations for the Company and/or its subsidiary;
b) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms and transaction price which are not more favorable to the related parties than those generally available to the public; and
c) not detrimental to the minority shareholders of the Company.

(collectively known as "**Shareholders' Mandate**");

THAT the authority conferred by this Shareholders' Mandate shall commence upon passing of this resolution and continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which this Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

9. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

WONG WAI FOONG [SSM PC No.: 202008001472 (MAICSA 7001358)]
TAN HSIAO YUEN [SSM PC No.: 201908002342 (MAICSA 7056952)]
Company Secretaries

Kuala Lumpur
28 April 2023

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

1. IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 1st AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 1st AGM using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online.

Please read these Notes carefully and follow the procedure in the Administrative Guide for the 1st AGM in order to participate remotely via RPV.

2. APPOINTMENT OF PROXY

(a) For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 June 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf via RPV.

(b) A member who is entitled to participate at this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.

(c) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.

(d) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request **his/her proxy or attorney or authorised representatives to register himself/herself** for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for the AGM.

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (CONT'D)

(h) The appointment of a proxy may be made in the following manner and must be received by the Company's Share Registrar forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means
The proxy form can be electronically lodged with the Company's Share Registrar via the TIIH Online website at https://tiih.online. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of the proxy form.

(i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general 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.

(j) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

(k) Last date and time for lodging this proxy form is on **Sunday, 11 June 2023 at 10:00 a.m.**

(l) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

(a) at least two (2) authorised officers, of whom one shall be a director; or
(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. ***Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2022***

   The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not being put forward for voting by shareholders of the Company.

2. ***Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Benefits***

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

   The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' fees for the period immediately after the 1st AGM up to the next AGM to be held in 2024, which are calculated based on the current Board size. In the event the proposed amount of the Directors' fees is insufficient (due to the enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

   The Directors' benefits under proposed Ordinary Resolution 2 comprise a fixed meeting allowance payable to Non-Executive Directors for attendance at the Board and/or Board Committee meetings and other benefits for Executive Directors. The proposed amount is calculated based on the current Board size and the number of scheduled and/or special Board and Board Committees meetings for the period immediately after the 1st AGM until the next AGM to be held in 2024.

   In the event the proposed amount of Directors' benefits is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

3. ***Ordinary Resolutions 3 to 8 – Re-election of Directors pursuant to Clause 76(2) of the Company's Constitution***

   Dato' Mathialakan Chelliah, Datuk Liew Foo Heen, Mr Wong Sai Kit, Mr Ong Wei Liam @ Jeremy Ong, Dato' Yong Lei Choo and Mr Wee Chuen Lii are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 1st AGM.

   Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance ("**MCCG**"), the profiles of the aforementioned Directors are set out in the Directors' profile of the Annual Report 2022. The Board has, through the Nomination Committee ("**NC**"), considered the assessment of the said Directors pursuant to the Fit and Proper Policy adopted by the Company and agreed that they meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The justifications to support the Board's recommendation to re-elect the aforementioned Directors are as follows:

   (a) Dato' Mathialakan Chelliah ("**Dato' Mathi**"), the Independent Non-Executive Chairman of the Company, has remained objective and independent in expressing his view and participating in Board deliberations and decision-making. He provided insights and advice on regulatory compliance matters as well as business management to improve the efficiency of the Group's construction activities. Dato' Mathi has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company

   (b) Datuk Liew Foo Heen ("**Datuk Liew**"), the Group Managing Director of the Company, is responsible for the overall guidance of the Group's business direction and managing the strategic development of the Group. He updates the Board on the construction project development of the Group and corporate development plan, which strives to drive the business growth.

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (CONT'D)

(c) Mr Wong Sai Kit ("**WSK**"), the Executive Director of the Company. He assists Datuk Liew in the overall management and operations of the Group as well as overseeing the overall operations of the construction projects. WSK also works closely with the project team to monitor progress and quality as well as site safety and budgeting of the construction projects.

(d) Mr Ong Wei Liam @ Jeremy Ong ("**Jeremy**") fulfills the requirements of independence set out in the Listing Requirements of Bursa Securities. He has remained objective and independent in expressing his view and participating in Board deliberations and decision-making. Jeremy has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director and the Chairman of the Remuneration Committee of the Company.

(e) Dato' Yong Lei Choo ("**Dato' Yong**"), an Independent Non-Executive Director, has demonstrated her independence through her engagement with the Board, Board Committees and Management by providing her constructive feedback to the parties concerned. She also exercises due care and carries out her duties during her tenure as an Independent Non-Executive Director and Chairperson of the NC of the Company.

(f) Mr Wee Chuen Lii ("**WCL**") fulfills the requirements of independence set out in the Listing Requirements of Bursa Securities. He has remained objective and independent in expressing his view and participating in Board deliberations and decision-making. His vast experience in accounting, finance and risk management had very much contributed sharp insights and guidance to the Group. WCL has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee ("**ARMC**") of the Company.

Based on the above, the Board collectively agreed that aforementioned Directors had met the criteria as prescribed by Rule 2.20A of the Listing Requirement of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors and recommended the said Directors be re-elected as Directors of the Company at the forthcoming AGM.

4. ***Ordinary Resolution 9 – Re-appointment of Auditors***

The Board has through the ARMC, considered the re-appointment of Messrs Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2023. The factors considered by the ARMC in making the recommendation to the Board to table the re-appointment of Messrs Grant Thornton Malaysia PLT at the forthcoming AGM, included an assessment of the Auditors' independence and objectivity, calibre and quality process/ performance.

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. ***Special Resolution – Waiver of Pre-emptive Rights***

   The Special Resolution is pertaining to the waiver of pre-emptive rights pursuant to Section 85 of the Act. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive right. The Special Resolution if passed, would allow the Directors to issue new shares to any person without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

2. ***Ordinary Resolution 10 – Authority to issue and allot shares pursuant to Sections 75 and 76 of The Companies Act 2016***

   Subject to the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Act, the proposed Ordinary Resolution 10, if passed, would empower the Directors of the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being ("**Proposed General Mandate**").

   The authority for the Proposed General Mandate will, unless revoked by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

   The proposed resolution is to seek a new mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene a separate general meeting to obtain its shareholder's approval so as to avoid incurring additional costs and time.

   The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

   As at the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

3. ***Ordinary Resolution 11 - Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature***

   The proposed Ordinary Resolution 11 if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company.

   Please refer to the Circular to Shareholders dated 28 April 2023 for further details.

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VESTLAND

VESTLAND BERHAD
202101037563 (1437863-M)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We, ……………………………………………………………………………………………… Tel.: ……………………………………………
(Full name in block, NRIC / Passport / Company No.)

of ……
(Address)

being a member of **Vestland Berhad**, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No:			
Email address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No:			
Email address:			

or failing him/her, the Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf, at the First Annual General Meeting ("**1st AGM**") of the Company to be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur ("**Broadcast Venue**") on Tuesday, 13 June 2023 at 10:00 a.m., or any adjournment thereof, and to vote as indicated below:-

AGENDA	RESOLUTION	#FOR	#AGAINST
ORDINARY BUSINESS			
To approve the payment of Directors' fees of up to RM198,000 for the period immediately after the 1st AGM until the next AGM of the Company to be held in 2024.	Ordinary 1		
To approve the payment of Directors' benefits of up to RM32,000 for the period immediately after the 1st AGM until the next AGM of the Company to be held in 2024.	Ordinary 2		
To re-elect Dato' Mathialakan Chelliah as Director.	Ordinary 3		
To re-elect Datuk Liew Foo Heen as Director.	Ordinary 4		
To re-elect Wong Sai Kit as Director.	Ordinary 5		
To re-elect Ong Wei Liam @ Jeremy Ong as Director.	Ordinary 6		
To re-elect Dato' Yong Lei Choo as Director.	Ordinary 7		
To re-elect Wee Chuen Lii as Director	Ordinary 8		
To re-appoint Messrs Grant Thornton Malaysia PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary 9		
SPECIAL BUSINESS			
To waive pre-emptive rights	Special		
To grant authority to issue and allot shares pursuant to Sections 75 And 76 of the Companies Act 2016	Ordinary 10		
To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary 11		

\# *Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.*

Signed this _____________ day of ___________________ 2023

____
Signature^
Member

^ Manner of execution:-

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:-

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:-

1. IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 1st AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 1st AGM using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online.

Please read these Notes carefully and follow the procedure in the Administrative Guide for the 1st AGM in order to participate remotely via RPV.

2. APPOINTMENT OF PROXY

(a) For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 June 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf via RPV.

(b) A member who is entitled to participate at this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.

(c) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.

(d) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request **his/her proxy or attorney or authorised representatives to register himself/herself** for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for the AGM.

(h) The appointment of a proxy may be made in the following manner and must be received by the Company's Share Registrar forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means
The proxy form can be electronically lodged with the Company's Share Registrar via the TIIH Online website at https://tiih.online. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of the proxy form.

(i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general 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.

(j) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

(k) Last date and time for lodging this proxy form is on **Sunday, 11 June 2023 at 10:00 a.m.**

(l) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

(a) at least two (2) authorised officers, of whom one shall be a director; or
(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Vestland Berhad
[202101037563 (1437863-M)]

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No.8, Jalan Kerinchi,
59200 Kuala Lumpur

1st fold here

VESTLAND
為人建築

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PUSAT KOMERSIL VESTLAND
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SEKSYEN U1, 40150 SHAH ALAM
SELANGOR, MALAYSIA

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