

ANNUAL REPORT **2023**

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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

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

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

REMUNERATION COMMITTEE

Chairman
Ong Wei Liam @ Jeremy Ong

Member
Dato' Yong Lei Choo
Wee Chuen Lii

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

PRINCIPAL BANKERS

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

NOMINATION COMMITTEE

Chairman
Dato' Yong Lei Choo

Member
Ong Wei Liam @ Jeremy Ong
Wee Chuen Lii

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

SPONSOR

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

COMPANY SECRETARY

Law Mee Poo
(MAICSA 7033423)
(SSM PC No. 201908002275)

Tan Lai Hong
(MAICSA 7057707)
(SSM PC No. 202008002309)

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%

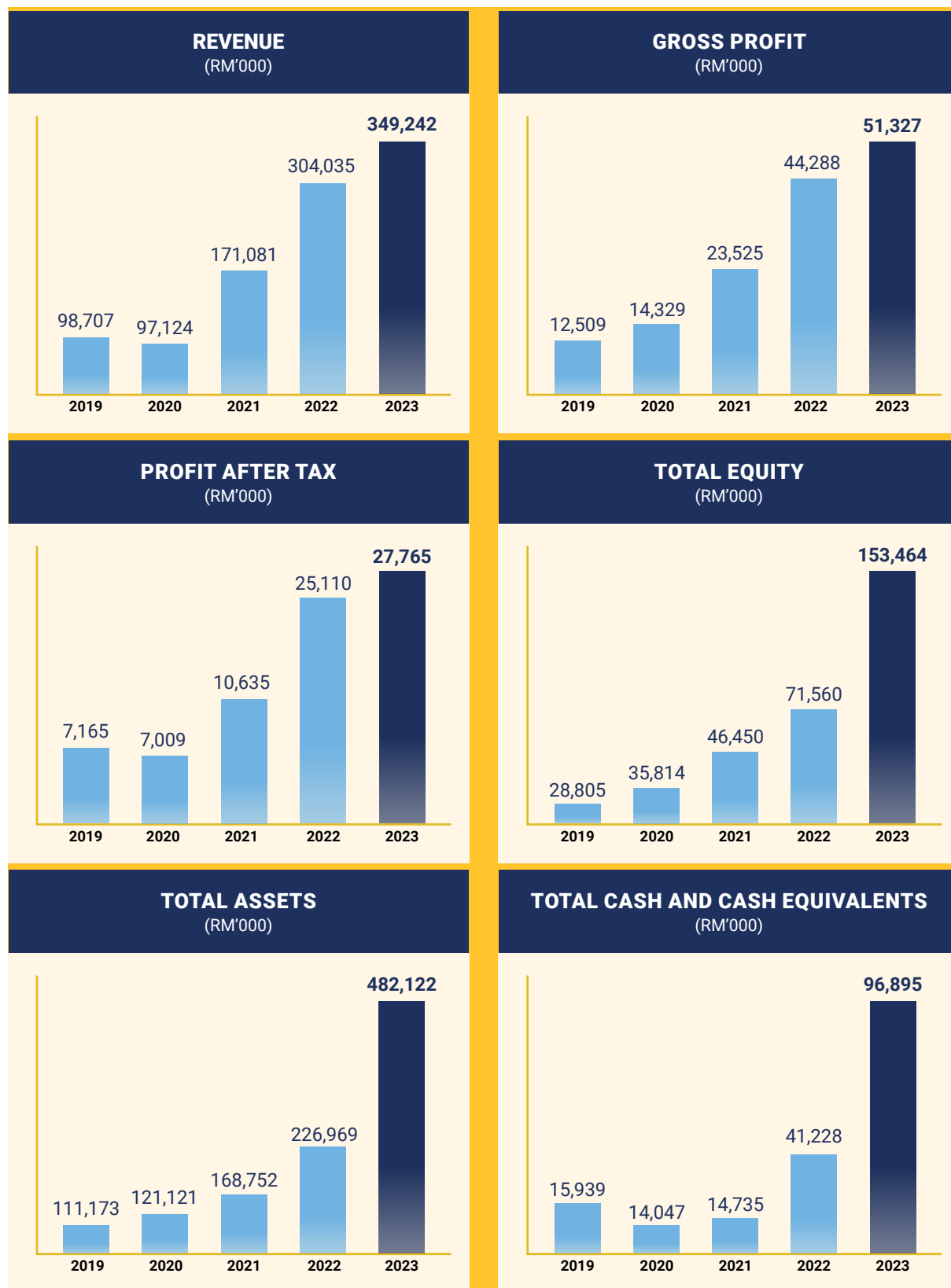
VESTLAND RESOURCES SDN BHD

Building construction works

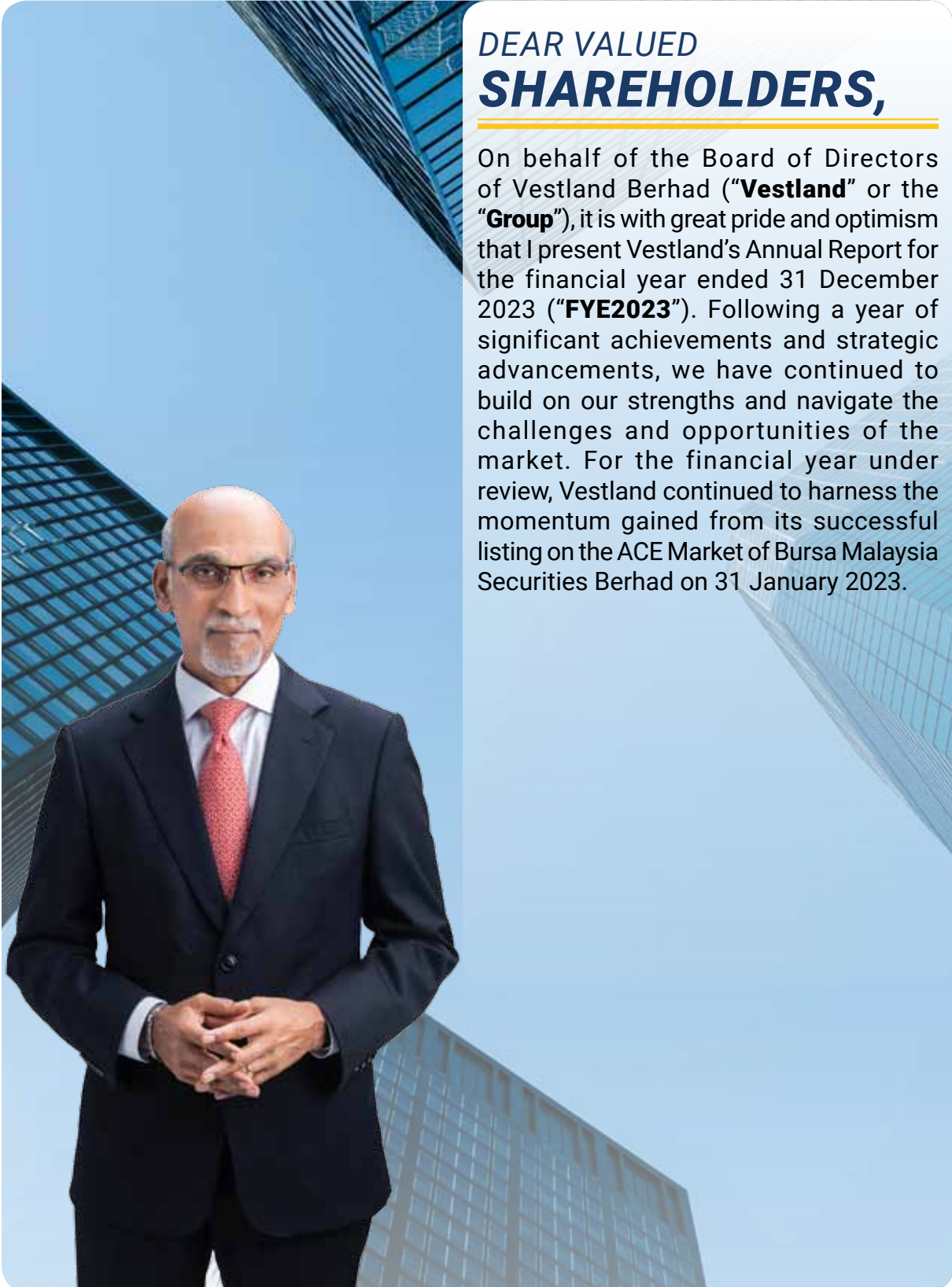
FINANCIAL HIGHLIGHTS

Year Ended 31 December	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)
Financial Performance					
Revenue	349,242	304,035	171,081	97,124	98,707
Gross Profit	51,327	44,288	23,525	14,329	12,509
Earnings Before Interest, Tax, Depreciation and Amortisation	47,159	37,514	17,894	12,308	11,432
Profit Before Tax	37,737	34,742	14,593	9,619	9,370
Profit After Tax	27,765	25,110	10,635	7,009	7,165
Financial Position					
Total Equity	153,464	71,560	46,450	35,814	28,805
Total Assets	482,122	226,969	168,752	121,121	111,173
Total Current Assets	407,419	181,961	128,955	98,303	82,911
Total Liabilities	328,658	155,409	122,303	85,307	82,368
Total Current Liabilities	317,291	135,514	102,001	67,102	76,558
Total Borrowings	167,431	46,246	28,248	33,878	15,426
Total Cash and Cash Equivalents	96,895	41,228	14,735	14,047	15,939
Financial Ratios					
Gross Profit Margin (%)	14.7	14.6	13.8	14.8	12.7
Profit After Tax Margin (%)	8.0	8.3	6.2	7.2	7.3
Return on Equity (%)	18.1	35.1	22.9	19.6	24.9
Current Ratio (times)	1.28	1.34	1.26	1.46	1.08
Basic Earnings Per Share (sen)	2.98	4.62	*1.96	*1.29	*1.32
Net Assets Per Share (sen)	16.46	13.18	*8.55	*6.59	*5.30
Net Gearing Ratio (times)	0.46	0.07	0.29	0.55	Net Cash

* Computed based on 543,076,817 shares being the weighted average number of ordinary shares for the financial year ended 31 December 2022

FINANCIAL
HIGHLIGHTS
(CONT'D)

CHAIRMAN'S STATEMENT



DEAR VALUED **SHAREHOLDERS,**

On behalf of the Board of Directors of Vestland Berhad ("**Vestland**" or the "**Group**"), it is with great pride and optimism that I present Vestland's Annual Report for the financial year ended 31 December 2023 ("**FYE2023**"). Following a year of significant achievements and strategic advancements, we have continued to build on our strengths and navigate the challenges and opportunities of the market. For the financial year under review, Vestland continued to harness the momentum gained from its successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 31 January 2023.

ECONOMIC OVERVIEW

According to Bank Negara Malaysia, the Malaysian economy expanded by 3.7% in 2023. The growth performance was driven mainly by resilient domestic demand, sustained household spending, improved labour market, recovery in tourism industry and continued investment activities.

The construction sector in Malaysia registered 8.4% growth in 2023, with the total value of work done reaching RM132.2 billion (2022: RM121.9 billion). The sector had an impressive rebounding growth of 8.8% in 2022 compared to 2021 and the sector maintained its positive trajectory in 2023. All sub-sectors experienced gains, notably civil engineering activities, which surged by 15.7%, and special trade activities, which increased by 8.5%. Residential and non-residential building sectors grew by 3.7% and 3.1%, respectively. Supported by these statistics, the Group is optimistic about the sector's continued progress toward surpassing the pre-pandemic work value of RM146.4 billion. (Source: Quarterly Construction Statistics, Fourth Quarter 2023, Department of Statistics Malaysia)

In 2023, the construction sector was central to enhancing quality of life and spurring economic growth. Investments in government quarters and the maintenance of roads and bridges further highlighted the sector's critical role in national development and the improvement of living standards. The civil sector, which is dominated by government projects, saw a slowdown due to increased scrutiny and fiscal prudence. However, the government remains committed to focus on enhancing public transport and spurring economic activity through significant infrastructure projects like the 5G network expansion, catering to the growing data center demand in Asia-Pacific, and the Mass Rapid Transit ("MRT") extension, which is expected to generate numerous jobs and stimulate real estate growth in Klang Valley and along intercity rail corridors.

In addition to public sector infrastructure investment by the government, the private sector also played a crucial role in the industry resurgence, leading the way with significant contributions including high-rise residential development incorporating mixed-use concepts, fast-tracked industrial projects driven by supply chain optimisation, and data centre developments.

INDUSTRY OUTLOOK & COMPANY PROSPECT

The outlook for the industry in 2024 appears promising, with several factors set to stimulate growth and advancement, driven by large-scale infrastructure projects under the nation's Budget 2024, as well as private sector investments. The Malaysian government had allocated RM90.0 billion for development expenditure, with substantial investments in infrastructure and housing. The allocations include RM27.0 billion for infrastructure projects, RM24.7 billion for affordable housing, RM2.4 billion for government quarters, and RM2.8 billion for the maintenance of federal roads and bridges. These investments are expected to create more job opportunities, improve living conditions, and stimulate economic growth, positioning the construction industry as a key player in the nation's development strategy. Significant projects like the Sabah Pan Borneo highway project Phase 1B (RM15.7 billion), flood mitigation programs (RM11.8 billion), MRT Line 3 (RM45.0 billion), development of Sabah-Sarawak Link Road (RM7.4 billion) and Penang's first Light Rail Transit (RM7.4 billion) are expected to further boost the sector's growth. Companies in the construction industry are likely to see sustained orderbook growth, with additional support from government fiscal policies. Recent concerns about cost pressures are also easing, with most input costs predicted to stabilise from pandemic highs. The sector also anticipates opportunities from new developments in Johor, highlighting the Special Economic Zone and Special Financial Zone.

In addition to construction jobs from the public sector, private sector's investment activities remain vibrant with construction jobs spanning from residential, commercial, industrial, infrastructure, and specialised projects. Notable examples include high-rise condominiums in Kuala Lumpur, office towers, manufacturing plants and eco-friendly resorts in Langkawi, reflecting the diverse scale and investment in Malaysia's construction sector. Additionally, heightened activity in the Klang Valley property market was observed, with increased transactions for both new and existing homes. Vestland is well-positioned to benefit from this trend, as a majority of its orderbook is derived from Klang Valley and Selangor. The Group anticipates that its orderbook will continue to grow and accelerate the Group's earnings growth moving forward.

Vestland's specialisation in design and build allows us to provide a one-stop solution to our clients, from initial design all the way to construction and end-project handover. We aim to sustain our competitive advantage as a leader in design and build, distinguishing ourselves in securing additional contracts and replenishing our orderbook to foster a highly sustainable growth of the Company.

CHAIRMAN'S STATEMENT (CONT'D)

FINANCIAL REVIEW

In the financial year under review, FYE2023, Vestland's revenue has grown 14.9% to RM349.2 million (FYE2022: RM304.0 million), while gross profit and profit after tax rose 15.8% and 10.8% to RM51.3 million (FYE2022: RM44.3 million) and RM27.8 million (FYE2022: RM25.1 million) respectively as compared to FYE2022. The Group's gross profit margin is fairly consistent at 14.7% in FYE2023 (FYE2022: 14.6%), while the PAT margin drops slightly from 8.3% in FYE2022 to 8.0% in FYE2023 mainly due to higher finance costs. The continuous growth in revenue and profitability was mainly due to the higher percentage of work done for new and existing construction projects during the year. The Group further solidified its position as a design and build specialist as design and build contracts accounted for 75.0% of our total orderbook as at FYE2023.

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 following 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 FYE2023, the Group has successfully completed five (5) projects, including a few design and build projects, namely Armani Subang SOHO Project in Subang Jaya, Selangor and Residensi Armani Bukit Lanjan Project in Segambut, Kuala Lumpur.

As at FYE2023, the Group's current outstanding orderbook stood at approximately RM1.9 billion, with total new projects of around RM1.0 billion secured in FYE2023. This provides the Group with strong earnings visibility for at least the next four to five years. Some notable projects secured in FYE2023 include the Shah Alam Condominium Project in Selangor, Habu Cameron Project in Pahang, Pinnacle Subang Jaya SOHO project in Selangor and Taman Desa Council Home Project in Kuala Lumpur.

The Group's expertise in design and build enables the team to efficiently execute its existing outstanding orderbook in hand. Additionally, the integration of high-value engineering efficiency methods, combined with the adoption of digitalised project management tools across the Group, allows the team to greatly enhance work productivity and reduce delivery time to clients, while also maintaining consistent quality across all projects.

Nonetheless, the Group is still working actively to expand its orderbook. The Group has successfully secured additional projects of RM296.8 million in 2024, to date.

We consistently work hard to differentiate ourselves above our competitors and peers by expediting our shift towards becoming a specialist in design and build. Our goal is to expand our clientele portfolio by attracting new prospects from both the private and government sectors.

STRENGTHENING CORPORATE GOVERNANCE

Vestland's remarkable growth and reputation are founded on its commitment to transparency, accountability, and ethics. The Group has implemented strong governance policies to support and strengthen the Group's Corporate Governance. With a board predominantly comprising independent directors (four out of six), and clear delineation between the Chairman's and Managing Director's roles, it underscores our dedication to maintaining high corporate governance standards for all stakeholders.



*Armani Subang SOHO Project,
Subang Jaya, Selangor*



*Residensi Armani Bukit Lanjan Project,
Segambut, Kuala Lumpur*

CHAIRMAN'S
STATEMENT
(CONT'D)

SUSTAINABLE BUSINESS

Responding to the growing focus on sustainability and environmental accountability in the industry, we have integrated sustainable construction methods across our operations and ramped up digitalisation to minimise environmental impact. Detailed information on these sustainability efforts is available in the Sustainability Statement of the Annual Report.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express our sincere gratitude and appreciation to the management team and all employees for their dedication, perseverance, and continuous contributions to the Group over the past year.


The Board also wishes to express its sincere appreciation to the Group's shareholders, business partners, bankers, suppliers and loyal clients for their trust and continued support to Vestland's growth journey.

Together, may we grow BIGGER, BRIGHTER, and BOLDER.

DATO' MATHIALAKAN CHELLIAH
Independent Non-Executive Chairman

» PROFILE OF DIRECTORS





DATO' MATHIALAKAN CHELLIAH

Independent Non-Executive Chairman

70 years | Malaysian | Male

Date of Appointment: 21 April 2022

Board Committee Membership:
Nil

**Number of Board Meeting
Attended in FYE2023:**
6/6

**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

**Any Convictions (Aside from
Traffic Offence):**
Nil

Qualifications and Working Experience:

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 Ministry 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 Independent Non-Executive Director of MDEC in July 2020.

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

Appointed in October 2018, he is currently an advisor of Ernst & Young Malaysia, responsible for providing insights and advise on government policies and liaising with government authorities and regulators.

PROFILE OF DIRECTORS (CONT'D)

DATUK LIEW FOO HEEN

Group Managing Director/
Key Senior Management

46 years | Malaysian | Male

Date of Appointment: 10 November 2021



Board Committee Membership:

Nil

**Number of Board Meeting
Attended in FYE2023:**

6/6

**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

**Any Convictions (Aside from
Traffic Offence):**

Nil

Qualifications and Working Experience:

Datuk Liew Foo Heen ("**Datuk Liew**") graduated with a Diploma in Technology (Building) from 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 the Group's overall development which includes setting the Group's direction, formulating corporate development plan and driving our business growth. He is also responsible for overseeing the overall management and operations of the Group.

PROFILE OF DIRECTORS (CONT'D)





WONG SAI KIT

Executive Director / Key Senior Management

45 years | Malaysian | Male

Date of Appointment: 10 November 2021

Board Committee Membership:
Nil

Number of Board Meeting Attended in FYE2023:
6/6

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

Any Convictions (Aside from Traffic Offence):
Nil

Qualifications and Working Experience:

Wong Sai Kit graduated with a Diploma in Technology (Building) from 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 May 2004, where he assumed similar roles for the implementation of construction contracts in various stages, including the preparation of progress reports and overseeing material handling for construction activities.

He then left and joined Awangsa Bina Sdn Bhd as 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 involved in managing construction sites and overall planning, and 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 for overseeing the management and implementation of the 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 the 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

63 years | Malaysian | Female

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 FYE2023:

6/6

Other Directorships of Public Companies and Listed Issuers:

- Independent Non-Executive Director of LBS Bina Group Berhad (listed on the Main Market of Bursa Securities) (appointed on 14 January 2022)

- Independent Non-Executive Director of Red Ideas Holdings Berhad (listed on the LEAP Market of Bursa Securities) (appointed on 17 January 2022)
- Independent Non-Executive Director of Fiamma Holdings Berhad (listed on the Main Market of Bursa Securities) (appointed on 26 September 2022)
- Independent Non-Executive Deputy Chairman of M&A Equity Holdings Berhad (listed on the Main Market of Bursa Securities) (appointed on 10 May 2023, redesignated on 30 June 2023)

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

Nil

Conflicts of Interests with the Company:

Nil

Any Convictions (Aside from Traffic Offence):

Nil

Qualifications and Working Experience:

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 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

46 years | Malaysian | Male

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 FYE2023:

6/6

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

Any Convictions (Aside from Traffic Offence):

Nil

Qualifications and Working Experience:

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

He began his career by participating in the Financial Management Programme ("FMP") of General Electric International, Inc. ("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 Southeast 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 was 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 Pte Ltd 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 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

52 years | Malaysian | Male

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 FYE2023:**

6/6

**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

**Any Convictions (Aside from
Traffic Offence):**

Nil

Qualifications and Working Experience:

Wee Chuen Lii holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University of Management And Technology. He obtained a professional qualification from 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 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 a 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 with 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



36 years | Malaysian | 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

Any other convictions (aside from traffic offence)

Nil

LIM TOW UEN

Head of Contracts, Projects and Purchasing Department



49 years | Malaysian | 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

Any other convictions (aside from traffic offence)

Nil

KEY SENIOR
MANAGEMENT
(CONT'D)**SR OOI YIQING**

Contract Manager



39 years | Malaysian | Female
Date of Appointment: 1 October 2017

Qualifications

- Bachelor of Science (Honours) in Quantity Surveying from 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

Any other convictions (aside from traffic offence)

Nil

SOH CHEE WAH

Senior Project Manager



49 years | Malaysian | Male
Date of Appointment: 1 August 2017

Qualifications

- Certificate in Technology (Building) from 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

Any other convictions (aside from traffic offence)

Nil

KEY SENIOR MANAGEMENT (CONT'D)

CHAN CHOOI MEE

Purchasing Manager



42 years | Malaysian | Female
Date of Appointment: 1 October 2020

Qualifications

- Diploma in Computer Science from 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

Any other convictions (aside from traffic offence)

Nil

CHRISTINA NAIR NARAYANAN

Human Resource Manager



39 years | Malaysian | Female
Date of Appointment: 13 June 2016

Qualifications

- Executive Diploma In Human Resource Management from University of Malaya

Working Experience

- **2005-2014** : JG Director (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

Any other convictions (aside from traffic offence)

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

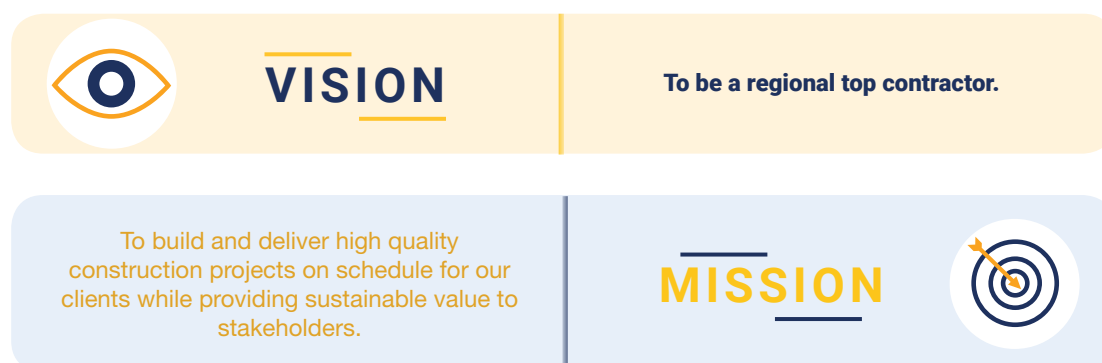


OVERVIEW OF VESTLAND BERHAD

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**").

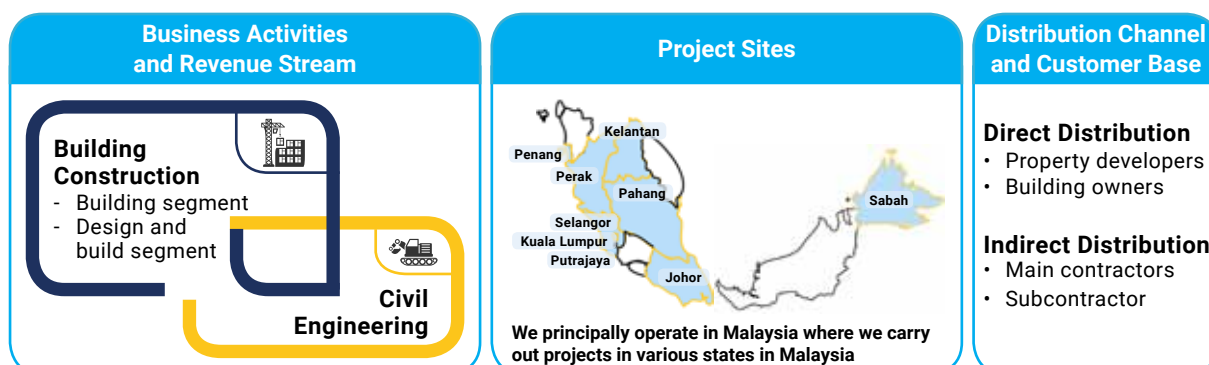
The Group has an established track record of 13 years since 2011 as a building contractor in the construction industry, with experience and capabilities in the construction of a diverse range of residential and non-residential buildings for private and public sectors. Residential buildings include apartments 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, the Group expanded its capabilities to provide design and build construction services in 2020, which resulted in the Group's ability to garner higher margins. In 2021, the Group expanded its business to include civil engineering the works.



BUSINESS OVERVIEW

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



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OVERVIEW (CONT'D)

The 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 – The works include earthworks which include site clearance, excavation and backfilling as well as levelling and rock hacking works, and slope stabilisation works which enhance the strength of the slope to prevent slope failures.

FINANCIAL OVERVIEW

Vestland Group delivered exemplary results for the financial year ended 31 December 2023 ("FYE2023"). In fact, the Group recorded the highest ever revenue and net profit for FYE2023, with double-digit growth compared to the preceding year.

A snapshot of the Group's financial highlights for FYE2023 is depicted as follows:

Revenue

The Group's revenue increased by 14.9%, improving from RM304.0 million for FYE2022 to RM349.2 million for FYE2023.


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

The design and build projects contributed a revenue of RM216.6 million during FYE2023, representing 62.0% of total revenue of the Group.




GROSS PROFIT

RM51.3 million

 **16%**

2022:
RM44.3 million



Gross Profit

The Group recorded a gross profit of RM51.3 million for FYE2023, representing an increase of 15.8% as compared to RM44.3 million recorded for FYE2022.

The increase in gross profit is in line with the increase in revenue. The gross profit margin of 14.7% for FYE2023 is fairly consistent with gross profit margin of 14.6% recorded for FYE2022.

The double-digit gross profit margin is mainly contributed by the design and build projects of the Group which provides better margins.

MANAGEMENT DISCUSSION
AND ANALYSIS
(CONT'D)

FINANCIAL OVERVIEW (CONT'D)

Profit Before Tax and Net Profit

The Group recorded a profit before tax of RM37.7 million and net profit of RM27.8 million for FYE2023, representing an increase of 8.6% and 10.8% respectively as compared to profit before tax of RM34.7 million and net profit of RM25.1 million recorded for FYE2022.

The increase in profit before tax and net profit was mainly contributed by the increase in revenue and gross profit from our construction business and was partially offset by the higher finance costs incurred.

Net Asset

The Group's net asset increased to RM153.5 million as at FYE2023 from RM71.6 million as at FYE2022.

The increase in the net asset is mainly due to the increase of RM54.1 million in share capital (net of share issuance expenses) upon listing of the Company on the ACE Market of Bursa Securities on 31 January 2023 and continued profitability streak achieved by the Group during FYE2023.

Net Gearing Ratio

The Group's net gearing ratio increased from 0.07 times as at FYE2022 to 0.46 times as at FYE2023, which was mainly driven by the increase in borrowings of the Group arising from the drawdown of revolving credit facilities during the current financial year for working capital purposes to cater for the fast-paced growth of the Group's construction activities.

ANTICIPATED RISKS

The Group is continuously assessing and monitoring the potential business and operations risks that could impact the Group's operation and financial performance.

Ability to Secure New Projects

The Group's business is dependent on its ability to continually secure new projects to ensure the continuity of its orderbook to sustain the business. As such, the Group will continue to expand its orderbook and tender book with its design and build capabilities. As at FYE2023, the Group's total outstanding orderbook value is approximately RM1.9 billion.

Delays in Project Completion

The timely completion of a project is dependent on various unforeseen factors including delays in site possession, obtaining regulatory permits or approvals, delays in delivery of equipment and materials and workplace hazards and accidents that may interrupt the on-site operations. Delays in project completion may lead to cost overruns and potential penalties or claims for Liquidated Ascertained Damages ("LAD"). As such, the Group will continue to monitor rigorously the progress of all projects to ensure all projects meet their schedule without delay.

PROFIT BEFORE TAX

RM37.7 million



9%

2022:

RM34.7 million

NET PROFIT

RM27.8 million



11%

2022:

RM25.1 million

NET ASSET

RM153.5 million



114%

2022:

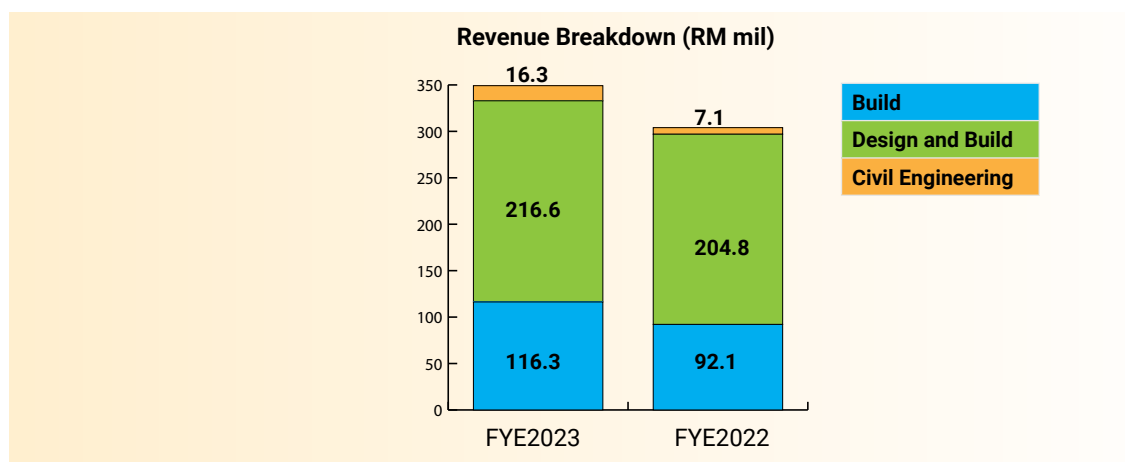
RM71.6 million

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SEGMENTAL OVERVIEW

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

The revenue breakdown of the Group for FYE2023 is as shown below:



Design and Build Segment

The design and build segment remains the largest contributor to the Group's revenue for FYE2023, contributing around RM216.6 million (62.0%) to the total Group's revenue of RM349.2 million. Revenue for the design and build segment increased by approximately 5.8% year-on-year from RM204.8 million for FYE2022 to RM216.6 million for FYE2023.

The strong revenue contribution by the design and build segment for FYE2023 is attributed to the Group's ongoing design and build projects including Beluran Police Camp Project, Raja Uda Project and Tanah Rata Cameron Project as well as new design and build projects secured in FYE2023 including Pinnacle Subang Jaya SOHO Project and Habu Cameron Project.

During the FYE2023, the Group completed and delivered two (2) design and build projects without delay, which are:

- Armani Subang SOHO Project, Subang Jaya, Selangor
- Residensi Armani Bukit Lanjan Project, Segambut, Kuala Lumpur

Build Segment

The build segment contributes around RM116.3 million to the Group's revenue for FYE2023, representing an increase of around RM24.2 million or 26.3% as compared to RM92.1 million recorded for FYE2022. The increase is mainly due to the higher completion of work done for D'vine Residences Project during the current financial year.

The revenue of the build segment for FYE2023 is mainly contributed by ongoing build projects including D'vine Residences Project and KKB Academic Building and Student Accommodation Project as well as new build projects secured in FYE2023 including Kepong Office Project and Tanjong Tualang Themepark Project.

During the FYE2023, the Group completed and delivered three (3) build projects to the customers without delay, including the Permas City Project, Johor Bahru, Johor.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SEGMENTAL OVERVIEW (CONT'D)

Civil Engineering Segment

The Group has expanded into standalone civil engineering works projects since 2021. The civil engineering works were mainly relating to rock hacking, earthworks and infrastructure works. Civil engineering works accounted for RM7.1 million (around 2.3%) of our total revenue for FYE2022 and further increased to RM16.3 million (around 4.7%) for FYE2023.

The revenue for the civil engineering segment for FYE2023 was mainly contributed by Habu Cameron Infrastructure Project, where the project was near to its completion stage.

BUSINESS OUTLOOK AND STRATEGIES

Accelerating Our Transition as a Design and Build Specialist

The 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 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 higher success rate on contract wins and higher margins.

Since the Group's first venture into design and build projects in 2020, the Group has then successfully accelerated its transition towards becoming a design and build specialist. For FYE2023, around 62.0% of the revenue contribution came from design and build projects. In terms of outstanding orderbook as at FYE2023, design and build projects account for around 75.0% to 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 FYE2023, the Group's total outstanding orderbook value is approximately RM1.9 billion, with total new job wins of approximately RM1.0 billion during the current financial year. This orderbook value will provide the Group a strong earnings visibility for the next four (4) to five (5) years.

The 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 improves 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.

During the first quarter of 2024, the Group successfully secured new job wins of approximately RM296.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OUTLOOK AND STRATEGIES (CONT'D)

Execute and Deliver Ongoing Projects Timely with Strong Quality

With the Group's total outstanding orderbook value on hand of approximately RM1.9 billion as at FYE2023, the Group is working diligently to deploy its resources effectively and efficiently to manage all these ongoing 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 without delay.

Operational Facility Expansion

In line with our business expansion, the Group has relocated and commenced operations at the new head office at Level 20, Subplace Boulevard, Pusat Komersil Vestland located at No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor in March 2023.

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.

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 the Group's journey. Our ESG highlights include achieving one million safe manhours worked without lost time injury as we practice sustainable construction and promote safe working environment.

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

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 sincere 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 on the Group's growth prospects and future potential and remain optimistic of 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 the 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 from 1 January 2023 to 31 December 2023 ("**FYE2023**"), and is reported on an annual basis.

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 Securities**"), 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 on the 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
 <p>SDG 8 Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> • 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
 <p>SDG 9 Industry, Innovation and Infrastructure</p>	<ul style="list-style-type: none"> • Develop sustainable infrastructures • Promote inclusive industrialisation • Innovation through research and development • Support domestic technological development
 <p>SDG 12 Responsible Consumption and Production</p>	<ul style="list-style-type: none"> • Sustainable management and use of natural resources • Reduce waste along the supply chain • Sustainable procurement practices • Promote local culture and products • Reduce carbon footprint

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Stakeholders are the key success of the Group and we believe consistent communication with all stakeholders is important to improve the Group's decision-making, accountability, reputation, and long-term sustainability. Vestland actively engages with all stakeholder groups through various methods at 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 summarises 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	<ul style="list-style-type: none"> • Customer survey • Address customer concerns
Media	Frequency: Ongoing Type: Newspaper, social media, press release	Economic performance Community engagement	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Constant and regular communications • Process improvement • Engage and share concerns with relevant parties • Supplier performance evaluation

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

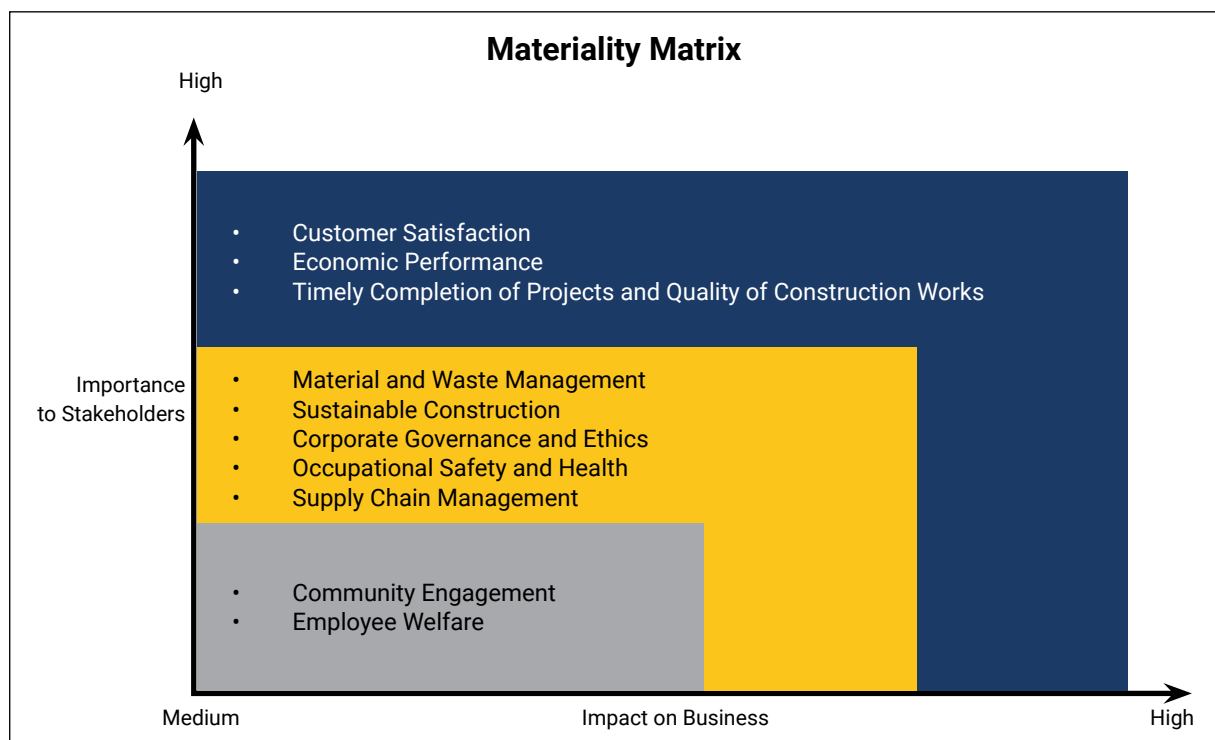
The table below summarises our key stakeholders, methods and frequency of engagement and the material topics of concern (cont'd).

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	<ul style="list-style-type: none"> Regular audits Constant engagement and sharing of strategy
Business partners	Frequency: Ad hoc Type: Meetings, discussions	Economic performance Corporate governance and ethics	<ul style="list-style-type: none"> Communication Engage and share concerns with relevant parties
General public	Frequency: Ad hoc Type: Dialogue, engagement	Material and waste management Community engagement	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Responsible reporting and communications Monitoring of compliance

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL TOPICS

In FYE2023, we have conducted a materiality assessment with our stakeholders ranging from senior management 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.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMICS

MATERIAL TOPIC: ECONOMIC PERFORMANCE

Definition of Material Topic

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

Why Is This Topic Material to Us?

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

Risks/Challenges

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.

Opportunities

1. A well-preserved economic performance mitigates business risk and nurtures consistency to the Company's goal of providing sustainable value to all stakeholders.
2. Ensuring strong economic performance complements the Company's core competences, establishing a perpetual growth stance for the 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 is as below:

Direct Economic Value Generated and Retained	FYE2023 (RM mil)
Revenue	349.2
Profit before tax	37.7
Profit attributable to Owners of the Company	27.8

For the FYE2023, Vestland has delivered a total of RM349.2 million in revenue, and a profit before tax of RM37.7 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 RM10.0 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.

SUSTAINABILITY STATEMENT (CONT'D)

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.

Risks/Challenges

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.

Opportunities

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 the 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"). The Group has successfully delivered 5 projects with Certificate of Practical Completion ("CPC") without delay for the FYE2023.

Product quality is ensured through conformance to ISO quality standards as well as regulatory compliance. Vestland is accredited with the ISO 9001:2008 Quality Management System since 2013, which was subsequently renewed and replaced with ISO 9001:2015 for the provision of civil building construction and civil engineering works as a testimony for the quality deliverables.

The following are recent key award and recognitions achieved by the Group:



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMICS (CONT'D)

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

Year	Certification/License
2019	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Achieved 77% QLASSIC 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	<ul style="list-style-type: none"> Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 3-star rating. The certificate is valid until 22 July 2023. Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 4-star rating. The certificate is valid until 30 November 2023. Certificate of appreciation awarded by Pujaan Harmoni Sdn Bhd in recognition of excellent construction performance.
2022	<ul style="list-style-type: none"> 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
2023	<ul style="list-style-type: none"> Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 4-star rating. The certificate is valid till 19 December 2025 Obtained DBKL Mayor's Special Award for The Best Workers' Hostel for Residensi Armani Bukit Lanjan Project.

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 continue leveraging our core competencies to ensure all our projects are delivered on time and high quality.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMICS (CONT'D)

MATERIAL TOPIC: CUSTOMER SATISFACTION

Definition of Material Topic

Customer satisfaction displays the 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 the Company and maintaining a cohesive relationship with them ensures sustainable growth and prolonging growth for the Company.

Risks/Challenges

1. Unsatisfied customers result in loss of customers to competitors, thus reducing the profitability of the Company.
2. Increase in the Company's customer base pushes for more demand in our goods and services, resulting in additional capacity for the resources involved in our operations.

Opportunities

1. Well-established customer relationship management procedures in place will contribute to high customer retention rates, maintenance of profitability from recurring customers and the Company's market share.

Management Approach

The 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 works 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 certifications 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 clientele.

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 the Company ensures a smooth flow across our supply chain.

Why Is This Topic Material to Us?

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

Risks/Challenges

1. Ineffective supply chain management such as weak risk management procedures in place causes disruption to our operations, causing difficulties in completing our projects on time.
2. Unforeseeable and unsound risks such as issues occurring in logistics cause materials to not reach the desired premises on time.

Opportunities

1. Effective supply chain management increases our responsiveness by allowing the Company to attend to customers' needs at a swift rate.
2. Streamlining our supply chain enables the Company to maintain our competitiveness, thus enhancing stakeholders' assurance in the Company.

Management Approach

Our resounding success has been the result of established collaboration and strategic partnerships with all our stakeholders, especially those involved in our supply chain. Ranging from our external subcontractors to engineers and 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 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 abovementioned criteria, our contract department regularly performs updates on external 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 to the public.

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

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

MATERIAL TOPIC: SUSTAINABLE CONSTRUCTION

Definition of Material Topic

Sustainable construction depicts how the 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.

Risks/Challenges

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.

Opportunities

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 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 by minimising the lead time and material wastages.

ENVIRONMENT (CONT'D)

MATERIAL TOPIC: MATERIALS AND WASTE MANAGEMENT

Definition of Material Topic

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

Why Is This Topic Material to Us?

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

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

Management Approach

Responsible materials and waste management are essential to minimise the environmental impact of our operations and contribute to a sustainable future. The 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 around 62% of its revenue in FYE2023 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 shortens 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% 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 to transform our business into sustainable construction. The Group has adopted a digital construction application which is a resource and material planning control with cloud-based construction software which has transformed our traditional construction practices. The digital construction software digitalises our procurement processes and documents, provides AI-based analytics as well as built-in risk alerts for cost control.

SUSTAINABILITY STATEMENT (CONT'D)

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 the 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 the Company's talents and embarks motivation which in turn cultivates productivity.

Risks/Challenges

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 and train 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.

Opportunities

1. Good employee welfare leads to lower turnover and greater innovation and creativity.
2. A company with good reputation for employee welfare is more likely to attract top talent and improve its reputation among stakeholders.

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 the end of FYE2023, Vestland has 291 staffs, consisting of 155 office staffs (with around 32% of female workforce) and 136 construction workers under direct hire with Vestland.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

MATERIAL TOPIC: EMPLOYEE WELFARE (CONT'D)

Management Approach (Cont'd)

Compensation and Benefit

Vestland recognises and values our employees' contributions to the 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 ensures 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 provide our employees with a comprehensive and competitive benefits package that supports their physical, mental, and financial well-being.

Moreover, Vestland also practices prompt salary payments for our staff. Construction 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 labour rights in all of our operations and complying with all laws and regulations on the protection of human and labour rights.

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 FYE2023, we recorded zero incidents regarding human and labour rights.



Worker's Accommodation in compliance with JTK requirements

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

MATERIAL TOPIC: OCCUPATIONAL SAFETY AND HEALTH

Definition of Material Topic

Occupational Safety and Health evaluate the 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 the Company's umbrella. The provision of a safe working environment ensures smooth operation and eliminates hazards.

Risks/Challenges

1. The Company has numerous employees where monitoring every employee on real-time basis for safety reasons is near impossible.
2. High costs and investments are required to capture every corner to guarantee a safe work environment for all our employees.

Opportunities

1. Safety in the workplace assures employees that their health and physical being are supervised with high alert by the Company.
2. Enhances employees' confidence in the Company and improves employee retention rates.



CCTV at project sites

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 the 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.

SOCIAL (CONT'D)

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 shows our commitment to sharing our benefits with local parties within the vicinity of the Company’s reach.

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

Management Approach

In our part of giving back to the community, we have always been 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 the Company.

Vestland has been very supportive of local hiring and talent development of our local communities. We also encourage a 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.

SUSTAINABILITY STATEMENT (CONT'D)

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 individuals within the organisation are behaving ethically.

Risks/Challenges

1. Policies implemented are encouraged to be reviewed regularly to ensure they fit the dynamic environment.
2. Terms and guidance within the said policies do not provide absolute coverage.

Opportunities

1. High Corporate Governance provides reasonable assurance that the stakeholders' interests are aligned with the Company's, thus increasing investors' confidence in management's direction of steering the Company ahead.

Management Approach

Corporate governance practicing plays 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 FYE2023, 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 legislation.

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 on 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 the implications that the actions and standards of behavior of all employees under the Company, regardless of status and rank shall adhere to the highest standard of professional conduct and ethics at all times.

SUSTAINABILITY
STATEMENT
(CONT'D)

GOVERNANCE (CONT'D)

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

Management Approach (Cont'd)

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.

Anti-Bribery and Corruption Policy – To define the policies and procedures of the 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 the 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 pursue abidance and compliance to the continuing disclosure obligations under the Rules Governing the Listing of Securities on Bursa Securities 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.

Remunerating 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 the skills and experience required.

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

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.

The 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 2023 ("**FYE2023**"), which has been prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

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 FYE2023:

- **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 2023 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 FYE2023, except for:

- 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); 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 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 guidelines as set out in the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Board Charter

The Board has adopted a Board Charter 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 sets 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 Directors (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 the Board's 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 TORs are 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 represent 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 Secretaries 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 their 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 Secretaries organise and attend all Board and Board Committees meetings and ensure meetings are properly convened and minutes and resolutions are accurate and properly recorded and 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 six (6) times during FYE2023 and the details of the Directors' attendance at the Board meetings held during FYE2023 are as follows:

Director	Attendance
Dato' Mathialakan Chelliah (Chairman)	6/6
Datuk Liew Foo Heen	6/6
Wong Sai Kit	6/6
Dato' Yong Lei Choo	6/6
Ong Wei Liam @ Jeremy Ong	6/6
Wee Chuen Lii	6/6

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 confirmation 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 has adopted a Code of Business Conduct and Ethics ("**Code**") 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 has adopted an Anti-Fraud and Whistleblowing Policy ("**AFW Policy**") 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 reports such allegations. The AFW Policy is available on the Company's website at www.vestland.com.my.

Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption Policy ("**ABC Policy**") as the Group is committed to conduct its business with high standards of integrity and ethics. 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) GMD, 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 10 to 15.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 ensure the balance of power and greater capacity for independent decision-making.

On 3 April 2024, the Board assessed and satisfied the level of independence of its Independent Directors and obtained confirmation of independence from the Independent Directors.

None of the Independent Directors have served on the Board for more than nine (9) consecutive years.

Re-election of Directors

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

The Directors who are standing for re-election at the AGM will be assessed by the NC pursuant to the fit and proper policy adopted by the Group. For the forthcoming AGM, Datuk Liew Foo Heen and Wong Sai Kit will be retiring by rotation in accordance with Clause 76(3) of the Company's Constitution, and being eligible, have offered themselves for re-election.

Board Gender Diversity and 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 need to establish a policy formalising its approach to boardroom diversity, including gender diversity and to set targets 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 a female Director on 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

Details of training programmes attended by the Directors during the FYE2023 are set out below:

Directors	Training/Seminar/ Conference Attended	Date
Dato' Mathialakan Chelliah	2023 Budget Seminar	20 March 2023
	National Tax Conference	1 to 2 August 2023
	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023
	2024 Budget Seminar	16 November 2023
Datuk Liew Foo Heen	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023
Wong Sai Kit	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023
Dato' Yong Lei Choo	MAP – Part II	7 to 10 August 2023
	Detecting & Deterring Financial Statement Fraud	14 September 2023
	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023
	Budget 2024	21 December 2023
Ong Wei Liam @ Jeremy Ong	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023
Wee Chuen Lii	Enhance Sustainability Practices and Disclosures of the Listing Requirements	4 October 2023

Nomination Committee ("NC")

The NC comprises 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.

During the assessment, each member of the NC will abstain from deliberation of their own assessment.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

There was one (1) meeting convened by the NC for FYE2023 and the details of Directors' attendance are as follows:

Director	Membership status	Attendance
Dato' Yong Lei Choo	Chairperson	1/1
Ong Wei Liam @ Jeremy Ong	Member	1/1
Wee Chuen Lii	Member	1/1

The NC has on 3 April 2024 carried out the following:

- (a) Conducted Board assessment;
- (b) Reviewed the size of the Board, mix of skills and experience of Board members;
- (c) Reviewed the performance of Board Committees and term of office of ARMC members;
- (d) Reviewed and recommended the re-election of Directors; and
- (e) Reviewed the training needs of Directors.

Remuneration Committee ("RC")

The RC comprises 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 were two (2) meetings convened by the RC for FYE2023 and the details of Directors' attendance are as follows:

Name	Membership status	Attendance
Ong Wei Liam @ Jeremy Ong	Chairperson	2/2
Dato' Yong Lei Choo	Member	2/2
Wee Chuen Lii	Member	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

3. REMUNERATION

Directors' Remuneration

The details of the remuneration of the Directors on a named basis for FYE2023 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	–	600,000	100,000	36,000	85,879	17,400	839,279
Wong Sai Kit	–	540,000	100,000	36,000	78,678	17,400	772,078
Non-Executive Directors							
Dato' Mathialakan A/L Chelliah	54,000	–	–	7,000	–	–	61,000
Dato' Yong Lei Choo	48,000	–	–	7,000	–	–	55,000
Ong Wei Liam @ Jeremy Ong	48,000	–	–	7,000	–	–	55,000
Wee Chuen Lii	48,000	–	–	7,000	–	–	55,000
Total	198,000	1,140,000	200,000	100,000	164,557	34,800	1,837,357

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	300,001 – 350,000
Lim Tow Uen	250,001 – 300,000
Soh Chee Wah	250,001 – 300,000
Ooi Yiqing	200,001 – 250,000
Chan Chooi Mee	200,001 – 250,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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

The Board has established ARMC and the ARMC 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 Accountants and the Malaysian Institute of Accountants. The ARMC also reviews 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 a total of six (6) meetings convened by the ARMC for FYE2023 and the details of ARMC members' attendance and summary of works are also set out in the ARMC Report of this Annual Report.

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 of 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 to facilitate the communication with its stakeholders.

To this end, the Group communicates appropriate 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 analysts 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. CONDUCT OF GENERAL MEETINGS

Notice of General Meeting

The 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 are made available to shareholders of the Company at least twenty-eight (28) days prior to the date of the AGM to enable shareholders to 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 Officer, Company Secretaries and the External Auditors 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 are appointed to validate the votes cast. The outcome of general meetings including results of poll voting will be announced to Bursa Securities on the same day after the meeting is concluded.

To facilitate greater shareholders' participation, the forthcoming 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 Thursday, 6 June 2024 at 10.00 a.m.

COMPLIANCE STATEMENT

Save as disclosed above, the Board is of the view that the Company 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, IFRS Accounting 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 2023, 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 2023 ("**FYE2023**").

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 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 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, 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 misstatements, 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 principles, 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 the 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 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 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.

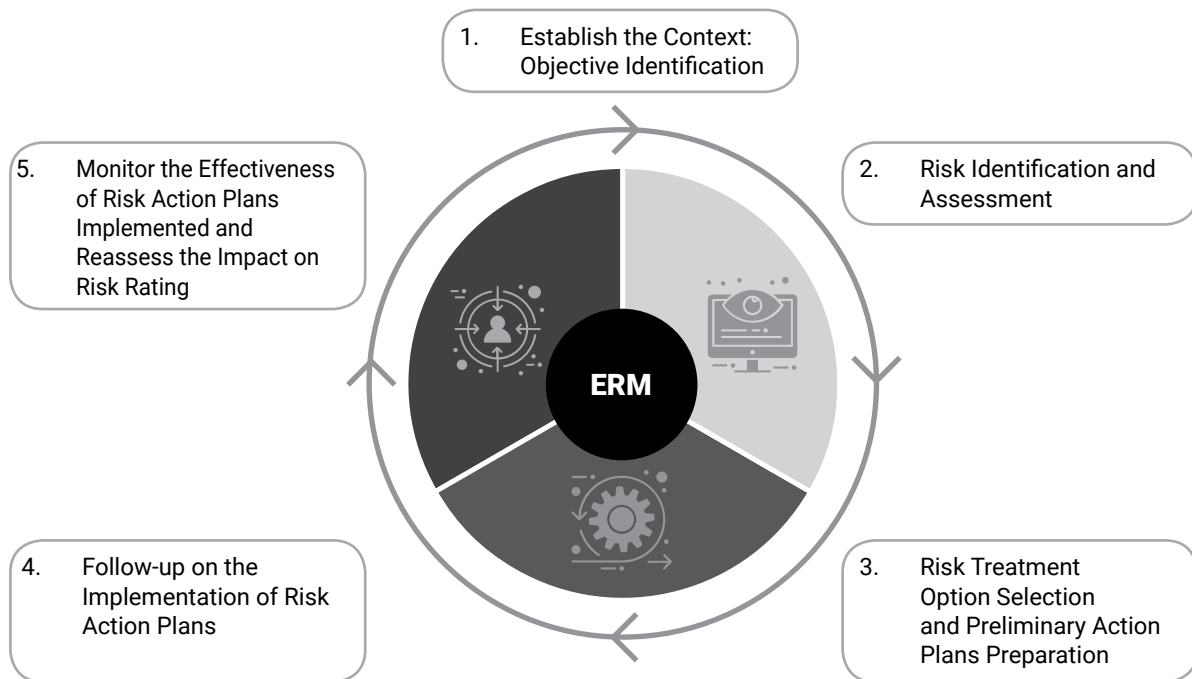
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Group has established and adopted the Enterprise Risk Management (“**ERM**”) framework, which is a holistic, integrated, forward-looking and process-oriented approach to manage all key business risks and opportunities. The ERM framework guides and defines an ongoing and consistent process for identifying, assessing, evaluating, treating, monitoring and communicating all risks within the Group.

The ERM framework adopted by the Group is aimed to:

- i. establish processes and implement appropriate risk management guidelines and reporting structure for the management of risks;
- ii. define enterprise risk management parameters and criteria as well as outline procedures to mitigate risks;
- iii. define a reporting framework to ensure the communication of necessary ERM information to senior management and employees engaged in ERM activities;
- iv. detail the approved methods for risk assessment and provide a system or process to enable ERM information to be captured, monitored, reported and communicated;
- v. ensure consistent and acceptable management of risks throughout the Group and remain flexible in accommodating the changing needs of ERM while maintaining control of the overall risk exposures.

The ERM framework adopted 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 audit 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, GRC Consulting Services Sdn Bhd (“**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.

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

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. During the financial year, the internal audit reviews carried out had covered the following business areas:

- (a) High-level review and benchmarking on the overall governance and control environment
 - Corporate governance review
 - Anti-bribery and management system
 - Discretionary authority limit
 - Policies and procedures of respective units/departments
- (b) Contract management
 - New project management
 - Subcontractor management
 - Project cost management
- (c) Licenses

The Internal Auditors 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 were highlighted for the reviews and recommendations of the ARMC for implementation. In addition, the Internal Auditors perform follow-up review on previously reported internal audit findings and provide an update to the ARMC on the status of implementation to ensure that any deficiency or finding previously has been properly addressed subsequently.

For the FYE2023, the total costs incurred by the Group for outsourcing the internal audit function was amounting to approximately RM30,000.

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 values of the Group;
- v. Active involvement of the 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.

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



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 FYE2023, 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 the 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 3 April 2024.

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 2023 (**"FYE2023"**).

The ARMC was established 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 are 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

The ARMC met six (6) times during the FYE2023 and the meeting attendance of each member is as follows:

Name	Membership status	Attendance of meeting (FY 2023)
Wee Chuen Lii	Chairman	6/6
Dato' Yong Lei Choo	Member	6/6
Ong Wei Liam @ Jeremy Ong	Member	6/6

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS

The ARMC held its meetings to perform the following works:

- (a) Reviewed the unaudited quarterly financial results of the Group, 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 the Company's financial statements for the financial year ended 31 December 2023 ("**AFS 2023**") 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 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 2023 of the Company and the Group before recommending to the Board for 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 at the Annual General Meeting and approving their audit fees;
- (h) Reviewed the Audit and Risk Management Committee Report for inclusion in the Company's Annual Report 2023;
- (i) Reviewed the scope, internal audit plan, and internal audit reports of the Internal Auditors for the FYE2023;
- (j) Reviewed the Enterprise Risk Management ("**ERM**") framework and the risk assessment results; and
- (k) Reviewed the audit planning memorandum by External Auditors, which outlined the audit team, audit scope, audit approach, key audit matters and reporting schedule for the FYE2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(CONT'D)**INTERNAL AUDIT FUNCTION**

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.

GRCCS is free from any relationship or conflict of interests that could impair its objectivity and independence. To ensure independence from management, GRCCS reports directly to the ARMC. A risk-based internal audit plan for the FYE2023 that covers key functional areas and business activities of the Group presented by GRCCS was reviewed and approved by the ARMC.

GRCCS uses 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 and also refers to the International Professional Practices Framework during the audit reviews. During the financial year, GRCCS has carried out the following works:

- (a) Prepared and presented the risk-based annual audit plan for the review and approval of the ARMC;
- (b) Performed internal audit reviews in accordance with the approved audit plan by the ARMC; and
- (c) Presented the internal audit findings, including audit recommendations for the review of the ARMC.

For the FYE2023, the total costs incurred by the Group for outsourcing the internal audit function was amounting to approximately RM30,000.

» 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 (%)	Actual Utilisation (RM'000)	Balance to be utilised (RM'000)	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	7,502	–	Within 3 months
Performance bond and/or cash deposits for construction projects	10,800	19.25	7,825	2,975	Within 15 months
Working capital	33,498	59.71	33,498	–	Within 12 months
Estimated listing expenses	4,300	7.67	4,300	–	Within 3 months
Total	56,100	100.00	53,125	2,975	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

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 2023 are as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	127	10
Non-audit fees	44	30
Total	171	40

The non-audit fees comprise of professional fees such as tax fees 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 shareholder's mandate for the RRPTs at its forthcoming Annual General Meeting. The details of the shareholders' mandate for the RRPTs are disclosed in the Circular to Shareholders dated 30 April 2024, which is issued together with this Annual Report.

4. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders during the financial year ended 31 December 2023.

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 2023.



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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 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding. The principal activities of its subsidiary is disclosed in Note 6 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 for the financial year	27,765,232	756,262

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)
 Wee Chuen Lii (Independent Non-Executive Director)
 Ong Wei Liam @ Jeremy Ong (Independent Non-Executive Director)
 Dato' Yong Lei Choo (Independent Non-Executive Director)

* 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:-

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
Interests in the Company:-				
Datuk Liew Foo Heen	658,162,400	–	(60,180,000)	597,982,400
Wong Sai Kit	116,146,300	–	(10,620,000)	105,526,300
Wee Chuen Lii	–	300,000	(300,000)	–
Ong Wei Liam @ Jeremy Ong	–	300,000	–	300,000
Dato' Mathialakan Chelliah	–	300,000	–	300,000

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	198,000	–	198,000
Salaries, bonus and allowances	28,000	1,412,000	1,440,000
Defined contribution plan	–	162,240	162,240
Social security contribution	–	2,317	2,317
	226,000	1,576,557	1,802,557

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.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

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 Notes 20, 23 and 24 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 170,000,000 new ordinary shares at an issue price of RM0.33 per ordinary share, in total of RM56,100,000 for cash payment pursuant to its Initial Public Offering exercise.

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.

DIRECTORS' REPORT
(CONT'D)



OTHER STATUTORY INFORMATION (CONT'D)

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.

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.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the auditors and its member firm by the Group and the Company for the financial year ended 31 December 2023 amounted to RM170,500 and RM40,000 respectively. Further details are disclosed in Note 20 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.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2024.

.....)	
DATUK LIEW FOO HEEN)	
)	
)	
)	
)	
)	
)	DIRECTORS
)	
)	
)	
.....)	
WONG SAI KIT		

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 71 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of 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 dated 3 April 2024.

.....
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 71 to 110 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)
3 April 2024)

.....
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 2023 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 71 to 110.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 8 and 25 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 RM80,353,017. 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.

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

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 19 to the financial statements, total revenue from construction contracts was RM341,511,526 which represents 98% 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, IFRS Accounting 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: 03334/11/2025(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
3 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023



	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	13,431,535	11,428,467	–	–
Right-of-use assets	4	1,211,757	906,556	–	–
Investment properties	5	4,508,000	12,100,000	–	–
Investment in a subsidiary	6	–	–	46,458,516	46,458,516
Cash and cash equivalents	7	55,551,685	19,903,694	–	–
Total non-current assets		74,702,977	44,338,717	46,458,516	46,458,516
Current assets					
Trade receivables	8	214,784,865	117,828,552	–	–
Other receivables	9	60,750,052	24,662,708	49,415,034	470,939
Contract assets	10	90,541,072	18,145,933	–	–
Cash and cash equivalents	7	41,343,378	21,324,143	3,007,111	100
Total current assets		407,419,367	181,961,336	52,422,145	471,039
Assets classified as held-for-sale	11	–	669,334	–	–
TOTAL ASSETS		482,122,344	226,969,387	98,880,661	46,929,555
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company					
Share capital	12.1	100,597,909	46,458,616	100,597,909	46,458,616
Invested equity	12.2	–	–	–	–
Merger deficit	13	(44,708,516)	(44,708,516)	–	–
Retained earnings/ (Accumulated losses)		97,575,034	69,809,802	(1,866,513)	(2,622,775)
Total equity		153,464,427	71,559,902	98,731,396	43,835,841
LIABILITIES					
Non-current liabilities					
Borrowings	14	10,677,824	19,250,442	–	–
Lease liabilities	15	646,709	602,629	–	–
Deferred tax liabilities	16	42,000	42,000	–	–
Total non-current liabilities		11,366,533	19,895,071	–	–
Current liabilities					
Trade payables	17	120,185,799	87,339,878	–	–
Other payables	18	17,041,850	15,522,942	149,265	3,093,714
Contract liabilities	10	20,736,901	1,814,608	–	–
Borrowings	14	155,942,238	26,201,947	–	–
Lease liabilities	15	490,476	190,645	–	–
Tax payable		2,894,120	4,444,394	–	–
Total current liabilities		317,291,384	135,514,414	149,265	3,093,714
Total liabilities		328,657,917	155,409,485	149,265	3,093,714
TOTAL EQUITY AND LIABILITIES		482,122,344	226,969,387	98,880,661	46,929,555

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
Revenue	19	349,242,416	304,035,094	–	–
Cost of sales		(297,915,888)	(259,747,415)	–	–
Gross profit		51,326,528	44,287,679	–	–
Other income		2,448,953	1,612,335	–	–
Finance income		1,191,578	362,732	1,697,504	–
Administrative and operating expenses		(8,612,215)	(9,654,855)	(941,242)	(2,613,703)
Finance costs		(8,617,772)	(1,865,531)	–	–
Profit/(Loss) before tax	20	37,737,072	34,742,360	756,262	(2,613,703)
Tax expense	21	(9,971,840)	(9,632,000)	–	–
Profit/(Loss)/Total comprehensive income/(loss) for the financial year		27,765,232	25,110,360	756,262	(2,613,703)
Earnings per share: Basic and diluted (sen)	22	2.98	4.62		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Non-distributable → Share capital RM	Merger deficit RM	Distributable Retained earnings RM	Total RM
Group				
At 1 January 2022	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 acquisition 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
Transaction with owners:-				
Issuance of ordinary shares pursuant to Initial Public Offering	56,100,000	–	–	56,100,000
Total comprehensive income for the financial year	–	–	27,765,232	27,765,232
Share issuance expenses	(1,960,707)	–	–	(1,960,707)
At 31 December 2023	100,597,909	(44,708,516)	97,575,034	153,464,427

	Non-distributable Share capital RM	Accumulated losses RM	Total RM
Company			
At 1 January 2022	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
Transaction with owners:-			
Issuance of ordinary shares pursuant to Initial Public Offering	56,100,000	–	56,100,000
Total comprehensive income for the financial year	–	756,262	756,262
Share issuance expenses	(1,960,707)	–	(1,960,707)
At 31 December 2023	100,597,909	(1,866,513)	98,731,396

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
OPERATING ACTIVITIES				
Profit/(Loss) before tax	37,737,072	34,742,360	756,262	(2,613,703)
Adjustments for:				
Amortisation of investment properties	129,500	7,027	–	–
Depreciation of property, plant and equipment	1,439,338	695,866	–	–
Depreciation of right-of-use assets	427,003	565,976	–	–
Finance costs	8,617,772	1,891,098	–	–
Finance income	(1,191,578)	(362,732)	(1,697,504)	–
Gain on disposal of assets held-for-sale, net of Real Property Gain Tax	(280,666)	(91,555)	–	–
Gain on disposal of investment properties	(1,187,500)	(435,313)	–	–
(Gain)/Loss on disposal of property, plant and equipment	(96,998)	69,526	–	–
Property, plant and equipment written off	6,026	2,310	–	–
Operating profit/(loss) before working capital changes	45,599,969	37,084,563	(941,242)	(2,613,703)
Changes in working capital:				
Receivables	(132,043,657)	(39,995,673)	469,439	(470,409)
Payables	33,998,829	19,056,611	(896,162)	1,035,825
Contract assets	(72,395,139)	(1,088,777)	–	–
Contract liabilities	18,922,293	(1,009,297)	–	–
Cash (used in)/generated from operations	(105,917,705)	14,047,427	(1,367,965)	(2,048,287)
Tax paid	(11,522,114)	(7,322,606)	–	–
Net cash (used in)/from operating activities	(117,439,819)	6,724,821	(1,367,965)	(2,048,287)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(CONT'D)

	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
INVESTING ACTIVITIES					
Interest received		1,191,578	362,732	94,445	–
Purchase of property, plant and equipment	A	(3,082,434)	(529,106)	–	–
Proceeds from disposal of assets held-for-sale		950,000	1,920,000	–	–
Proceeds from disposal of investment properties		8,650,000	3,609,000	–	–
Proceeds from disposal of property, plant and equipment		97,000	5,000	–	–
Purchase of right-of-use assets	B	(24,000)	(104,000)	–	–
Repayment from a company in which certain Directors have interests		–	2,041,201	–	–
Repayment from companies in which a person connected to a Director has interest		–	2,146,895	–	–
Repayment from third parties		–	1,300,000	–	–
Advances to a subsidiary		–	–	(47,810,475)	–
Net cash from/(used in) investing activities		7,782,144	10,751,722	(47,716,030)	–
FINANCING ACTIVITIES					
Placement of fixed deposits pledged		(13,395,855)	(6,822,276)	–	–
Movement of bank balance pledged		(22,252,136)	(2,234,969)	–	–
Drawdown of term loans		–	10,380,465	–	–
Interest paid		(8,617,772)	(1,865,531)	–	–
Repayment of term loans		(9,421,123)	(16,979,818)	–	–
Drawdown of revolving credit		109,596,887	19,068,380	–	–
Drawdown of invoice financing		19,991,909	–	–	–
Repayment of lease liabilities		(364,293)	(1,587,665)	–	–
(Repayment to)/Advances from a subsidiary		–	–	(2,048,287)	2,048,287
Proceeds from issuance of shares, net of shares issuance expenses		54,139,293	–	54,139,293	–
Net cash from/(used in) financing activities		129,676,910	(41,414)	52,091,006	2,048,287

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(CONT'D)

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
CASH AND CASH EQUIVALENTS					
Net changes		20,019,235	17,435,129	3,007,011	–
Brought forward		21,324,143	3,889,014	100	100
Carried forward	C	41,343,378	21,324,143	3,007,111	100

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Total purchase of property, plant and equipment	3,448,434	2,254,986	–	–
Less: Unpaid as at year end (included in other payables in Note 18)	(366,000)	(1,725,880)	–	–
Cash payment	3,082,434	529,106	–	–

B. PURCHASE OF RIGHT-OF-USE ASSETS

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Total purchase of right-of-use assets	732,204	344,000	–	–
Acquired under lease arrangements	(708,204)	(240,000)	–	–
Cash payment	24,000	104,000	–	–

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	56,996,454	31,376,642	3,007,111	100
Fixed deposits with licensed banks	39,898,609	9,851,195	–	–
	96,895,063	41,227,837	3,007,111	100
Less:				
Bank balance pledged with a licensed bank	(32,304,635)	(10,052,499)	–	–
Fixed deposits pledged with licensed banks	(23,247,050)	(9,851,195)	–	–
	41,343,378	21,324,143	3,007,111	100

The bank balance and fixed deposits with licensed banks of the Group amounted to RM32,304,635 and RM23,247,050 (2022: RM10,052,499 and RM9,851,195) respectively have been pledged as security for banking facility granted to the Group and hence, are not available for general use.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. 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 6 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 3 April 2024.

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"), IFRS Accounting Standards 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

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 values are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards and amendments to MFRSs

At the beginning of the current financial year, 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, except for:-

Amendments to MFRS 101 - Presentation of financial statements: Disclosure of accounting policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and example to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (CONT'D)

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

2.4 MFRSs (cont'd)

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.

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 MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 7 and MFRS 107	Financial instruments - disclosures and statement of cash flows: Supplier finance arrangements

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025:-

Amendments to MFRS 121*	The effect of changes in foreign exchange rates: Lack of exchangeability
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Amendments to MFRSs - effective date deferred indefinitely:-

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

2.5.1 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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

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)

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 2 to 50 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 3, 4 and 5 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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2023

(CONT'D)

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/Deferred tax liabilities

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 unrecognised temporary differences.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

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 construction 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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Office equipment RM	Furniture and fittings RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Cost								
At 1.1.2022	-	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
Additions	-	157,924	38,074	523,486	426,400	2,302,550	-	3,448,434
Disposals	-	(65,358)	(431,516)	-	(271,360)	(107,193)	-	(875,427)
Written off	-	(136,500)	(397,551)	(18,420)	-	(252,729)	-	(805,200)
At 31.12.2023	9,376,530	675,341	127,588	5,234,735	3,361,873	2,302,550	-	21,078,617
Accumulated depreciation								
At 1.1.2022	-	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
Charge for the financial year	187,531	70,202	19,203	525,600	193,490	443,312	-	1,439,338
Disposals	-	(65,358)	(431,516)	-	(271,358)	(107,193)	-	(875,425)
Written off	-	(136,496)	(397,534)	(12,415)	-	(252,729)	-	(799,174)
At 31.12.2023	187,531	478,892	47,964	4,029,552	2,459,831	443,312	-	7,647,082
Net carrying amount								
At 31.12.2023	9,188,999	196,449	79,624	1,205,183	902,042	1,859,238	-	13,431,535
At 31.12.2022	9,376,530	108,731	60,770	1,213,302	669,134	-	-	11,428,467

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

3. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

In previous financial year, the whole buildings were pledged as security for banking facilities granted to the Group as stated in Note 14 to the financial statements.

A motor vehicle with cost and net carrying amount of RM5,210 and Nil (2022: RM5,210 and Nil) respectively of the Group was registered and held-in-trust by a Director of the Company.

Material accounting policy information

(a) **Recognition and measurement**

All property, plant and equipment are measured at cost less accumulated depreciation and 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.

(b) **Depreciation**

Depreciation is recognised in profit or loss 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%
Machinery and equipment	20%
Motor vehicles	20%
Renovation	33%

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

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

4. RIGHT-OF-USE ASSETS

As a lessee

The Group has leases for motor vehicles, machinery and equipment and office that run between 2 to 5 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.

	Motor vehicles RM	Machinery and equipment RM	Office RM	Total RM
Group				
At 1.1.2022	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
Additions	235,000	–	497,204	732,204
Depreciation charge for the financial year	(240,551)	–	(186,452)	(427,003)
At 31.12.2023	901,005	–	310,752	1,211,757

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

Material accounting policy information

(a) Recognition and measurement

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 any impairment losses, and adjusted for any remeasurement of lease liabilities.

(b) Depreciation

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:-

Motor vehicles	20%
Machinery and equipment	20%
Office	50%

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

5. INVESTMENT PROPERTIES

	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Group				
Cost				
At 1.1.2022	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
Disposal	(7,500,000)	–	–	(7,500,000)
At 31.12.2023	4,600,000	–	–	4,600,000
Accumulated amortisation				
At 1.1.2022	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	–	–	–	–
Charge during the financial year	129,500	–	–	129,500
Disposal	(37,500)	–	–	(37,500)
At 31.12.2023	92,000	–	–	92,000
Net carrying amount				
At 31.12.2023	4,508,000	–	–	4,508,000
At 31.12.2022	12,100,000	–	–	12,100,000
Fair value of investment properties				
At 31.12.2023	5,400,145	–	–	5,400,145
At 31.12.2022	16,771,684	–	–	16,771,684

The strata title of the entire buildings are yet to issue by the relevant authorities.

Expenses recognised in profit or loss:-

	2023 RM	Group 2022 RM
Revenue generated from investment properties	54,011	38,590
Direct operating expenses for investment properties:		
- revenue generating properties	4,418	18,830
- non-revenue generating properties	12,495	18,866

All the investment properties of the Group are pledged as security for banking facilities granted to the Group as stated in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2023

(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

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

Material accounting policy information

(a) Recognition and measurement

Investment properties which are held to earn rentals or for capital appreciation or both, are measured initially at its cost. After initial recognition, investment properties are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

The principal annual amortisation rate used is as follows:-

Buildings	2%
Shoplots	2%

6. INVESTMENT IN A SUBSIDIARY

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	46,458,516	46,458,516

Details of subsidiary is as follows:-

Name of subsidiary	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest	
			2023 %	2022 %
Vestland Resources Sdn. Bhd.	Malaysia	Builders and contractor for construction work	100	100

2022

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.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

6. INVESTMENT IN A SUBSIDIARY (CONT'D)

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.

Material accounting policy information

Investment in a subsidiary is measured in the Company's statement of financial position at cost less any impairment losses.

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Bank balance	32,304,635	10,052,499	–	–
Fixed deposits placed with licensed banks	23,247,050	9,851,195	–	–
	55,551,685	19,903,694	–	–
Current				
Cash and bank balance	24,691,819	21,324,143	3,007,111	100
Fixed deposits placed with a licensed bank	16,651,559	–	–	–
	41,343,378	21,324,143	3,007,111	100
	96,895,063	41,227,837	3,007,111	100

The bank balance of RM32,304,635 (2022: RM10,052,499) which were held under Escrow account is pledged as securities for banking facilities granted to the subsidiary as shown in Note 14 to the financial statements.

The fixed deposits placed with licensed banks of RM23,247,050 (2022: RM9,851,195) are pledged as securities for banking facilities granted to the subsidiary as shown in Note 14 to the financial statements.

The effective interest rate for the fixed deposits ranging from 1.85% to 3.68% (2022: 1.85%) per annum with maturing period of ranging from 1 month to 12 months (2022: 1 month).

NOTES TO THE FINANCIAL STATEMENTS

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8. TRADE RECEIVABLES

	Group	
	2023 RM	2022 RM
Trade receivables	170,674,890	80,892,738
Retention sum	44,109,975	36,935,814
	214,784,865	117,828,552

The credit terms granted to customers ranging from cash term to 270 days (2022: cash term to 120 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 Nil and RM95,516 (2022: RM12,869,371 and RM95,516) due from a company in which a Director has interest and a company in which persons connected to certain Directors have interests 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 12 months to 27 months (2022: 18 months to 27 months) and expected to be collected within 2 years after the end of the defect period.

9. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	230,291	150,131	49,413,534	–
Deposits	2,256,643	1,224,295	1,500	500
Performance bonds	54,740,974	21,210,124	–	–
Prepayments	3,522,144	2,078,158	–	470,439
	60,750,052	24,662,708	49,415,034	470,939

Group

Included in deposits are refundable keyman insurance premium paid in respect of the life policy of a Director amounting to RM1,000,000 (2022: Nil) pledged as securities for banking facilities granted to the Group as shown in Note 14 to the financial statements.

Company

During the financial year, the entire non-trade receivables balance is a principal amount due from a subsidiary and interest receivable from a subsidiary amounting to RM47,810,475 and RM1,603,059 respectively which are unsecured and repayable upon demand. The said principal amount due from a subsidiary is subject to 3.65% interest per annum.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

10. CONTRACT ASSETS/(LIABILITIES)

	2023 RM	Group 2022 RM
Contract assets - Construction contracts	90,541,072	18,145,933
Contract liabilities - Construction contracts	(20,736,901)	(1,814,608)

The contract assets and contract liabilities as at 1 January 2022 were amounted to RM17,082,723 and RM2,823,905 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, significant increase in contract assets were resulted of the increase in on-going construction progress as at end of financial year. The significant increased in contract liabilities were resulted of advance billing issued to customer for construction contracts. In previous financial year, there were no significant changes in contract assets and contract liabilities.

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

	2023 RM	Group 2022 RM
Contract liabilities at the beginning of the financial year recognised as revenue	1,814,608	2,823,905

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 RM1,239,444,239 (2022: RM649,289,293). The Group expects to recognise this revenue over the next 2 to 44 months (2022: 12 to 29 months).

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

11. ASSETS CLASSIFIED AS HELD-FOR-SALE

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

	Long leasehold land RM	Buildings RM	Total RM
Group			
At 1.1.2022	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
Disposal	–	(669,334)	(669,334)
At 31.12.2023	–	–	–

2022

On 21 April 2022, the subsidiary entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM950,000. The transaction was completed on 19 January 2023.

12. SHARE CAPITAL

12.1 Share capital

	Group and Company			
	Number of shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid with no par value:-				
Brought forward	774,308,700	100	46,458,616	100
Issuance of ordinary shares pursuant to Initial Public Offering	170,000,000	–	56,100,000	–
Issuance of ordinary shares pursuant to acquisition of a subsidiary	–	774,308,600	–	46,458,516
Share issuance expenses	–	–	(1,960,707)	–
Carried forward	944,308,700	774,308,700	100,597,909	46,458,616

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.

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12. SHARE CAPITAL (CONT'D)

12.2 Invested equity

	2023 RM	Group 2022 RM
Issued and fully paid with no par value:-		
Brought forward	–	1,750,000
Reversed against the purchase consideration for the acquisition of Vestland Resources Sdn. Bhd.	–	(1,750,000)
Carried forward	–	–

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

13. 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 RM
Total consideration	46,458,516
Less: Nominal value of subsidiary's share capital	(1,750,000)
At 31 December 2022/31 December 2023	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.

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14. BORROWINGS

	Group	
	2023 RM	2022 RM
<u>Non-current</u>		
Secured:-		
Term loans	10,677,824	19,250,442
<u>Current</u>		
Secured:-		
Term loans	1,742,190	1,590,695
Revolving credit	134,208,139	24,611,252
Invoice financing	19,991,909	-
	155,942,238	26,201,947
Total borrowings	166,620,062	45,452,389
Repayable:		
- within 1 year	155,942,238	26,201,947
- more than 1 year but less than 5 years	4,202,774	6,352,245
- above 5 years	6,475,050	12,898,197
	10,677,824	19,250,442
	166,620,062	45,452,389

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

- First legal charge over the Group's buildings as stated in Notes 3 and 5 to the financial statements;
- Joint and several guarantee given by certain Directors of the Company and a person connected to a Director;
- Corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- Corporate guarantee by the Company;
- Absolute assignment of keyman policy of a Director;
- Charge over an Escrow account with upfront deposit;
- Assignment contract proceeds together with irrevocable instructions to remit proceed over into customer's account;
- Pledge of sinking fund of the Group as disclosed in Note 7 to the financial statements; and
- Deed of assignment of contract proceeds.

The revolving credit and invoice financing are secured by way of:-

- First legal party charge over the investment properties as stated in Note 5 to the financial statements;
- Pledge of fixed deposit and sinking fund of the Group as stated in Note 7 to the financial statements; and
- Corporate guarantee by the Company.

The interest rates for the term loans are ranging from 3.50% to 7.22% (2022: 3.27% to 6.95%) per annum.

The interest rate for the revolving credit are ranging from 5.40% to 6.55% (2022: 4.35% to 4.85%) per annum.

The interest rates for the invoice financing are ranging from 5.34% to 6.04% (2022: Nil) per annum.

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15. LEASE LIABILITIES

	2023 RM	Group 2022 RM
Current	490,476	190,645
Non-current	646,709	602,629
	1,137,185	793,274

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

	2023 RM	Group 2022 RM
Within 1 year	533,651	222,025
More than 1 year but not later than 5 years	324,886	639,253
More than 5 years	361,554	9,928
Total undiscounted lease liabilities	1,220,091	871,206

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

	2023 RM	Group 2022 RM
Short-term leases	15,249,424	17,665,406

The total cash outflows for leases amounted to RM15,663,662 (2022: RM19,324,674).

The effective interest rates for the lease liabilities are ranging from 3.95% to 7.08% (2022: 3.95% to 7.08%) per annum.

Certain lease liabilities are secured by personal guarantee from a Director of the Company.

Material accounting policy information

Recognition exemption

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

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16. DEFERRED TAX LIABILITIES

	2023 RM	Group 2022 RM
Brought forward	42,000	(97,000)
Recognised in profit or loss	–	139,000
Carried forward	42,000	42,000

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

	2023 RM	Group 2022 RM
Property, plant and equipment	305,000	38,000
Right-of-use assets	(185,000)	4,000
Lease liabilities	(78,000)	–
	42,000	42,000

17. TRADE PAYABLES

	2023 RM	Group 2022 RM
Trade payables	97,575,848	71,274,613
Retention sum	22,609,951	16,065,265
	120,185,799	87,339,878

The normal credit terms granted by the suppliers are cash term to 180 days (2022: 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 RM3,873,615 (2022: RM2,777,851) due to companies in which persons connected to certain Directors have interests. The said amount is unsecured, interest free and subject to normal trade terms.

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18. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	510,155	452,648	83,142	2,399,072
Accruals	5,955,912	4,503,144	66,123	694,642
Deposit received	10,575,783	10,567,150	–	–
	17,041,850	15,522,942	149,265	3,093,714

Group

In previous financial year, the non-trade payables of RM6,878,800 were repaid by way of term loan drawdowns.

Included in the deposits received is an amount of RM10,000,000 (2022: RM10,000,000) representing advance payment received from a customer for the project awarded.

Company

In previous financial year, included in non-trade payables was an amount of RM2,048,287 due to a subsidiary. The said amount was unsecured, interest free and repayable upon demand.

19. REVENUE

	Group	
	2023 RM	2022 RM
<u>Major product and service line</u>		
Contract revenue	341,511,526	302,843,852
Non-contract revenue	7,730,890	1,191,242
	349,242,416	304,035,094
<u>Timing and recognition</u>		
At a point of time	7,730,890	1,191,242
Over time	341,511,526	302,843,852
	349,242,416	304,035,094

(a) Revenue from construction contracts

The Group recognises revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The Group recognises revenue over time using the input method, which is based on the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

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19. REVENUE (CONT'D)

- (b) Revenue from non-contract

Revenue from non-contract is recognised at a point in time when services are rendered.

- (c) The payment terms of billings arising from revenue and warranty of the Group are disclosed in Note 8 to the financial statements.

- (d) The revenue of the Group contain no elements of variable consideration, obligations for returns or refund.

20. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:				
- Statutory audit	127,000	108,000	10,000	8,000
- Assurance - related services	28,000	573,340	28,000	426,000
- Other services	15,500	101,880	2,000	950
Directors' fee	198,000	137,500	198,000	137,500
Finance costs:				
- Bank guarantee commission	211,585	-	-	-
- Bank processing fee	810,728	-	-	-
- Revolving credit interest	6,508,713	786,692	-	-
- Lease interest	49,945	46,036	-	-
- Term loans interest	1,036,801	1,032,803	-	-
Cost of sales:				
- Lease interest	-	25,567	-	-
Rental income	(54,011)	(93,590)	-	-
Interest income:				
- Fixed deposits	(234,929)	(92,862)	-	-
- Bank	(956,649)	(269,870)	(94,445)	-
- Amount due from a subsidiary	-	-	(1,603,059)	-

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21. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expense:				
- Current financial year	9,705,000	9,272,722	-	-
- Under provision in prior financial year	266,840	220,278	-	-
	9,971,840	9,493,000	-	-
Deferred tax:				
- Current financial year	-	82,000	-	-
- Over recognised in prior financial year	-	57,000	-	-
	-	139,000	-	-
	9,971,840	9,632,000	-	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax	37,737,072	34,742,360	756,262	(2,613,703)
Tax at Malaysian statutory rate of 24%	9,056,897	8,338,166	181,503	(627,289)
Tax effect in respect of:-				
Expenses not deductible for tax purpose	1,000,463	1,143,004	206,870	627,289
Income not subject to tax	(352,360)	(126,448)	(388,373)	-
Over recognised of deferred tax assets in prior financial year	-	57,000	-	-
Under provision of tax expense in prior financial year	266,840	220,278	-	-
Total tax expense	9,971,840	9,632,000	-	-

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22. 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.

	2023 RM	Group 2022 RM
Profit attributable to the ordinary equity holders of the Company	27,765,232	25,110,360
Weighted average number of ordinary shares (unit)	932,199,111	543,076,817
Basic earnings per share (sen)	2.98	4.62

Diluted earnings per ordinary share

Diluted earnings per ordinary share equal basic earnings per ordinary share as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

23. EMPLOYEE BENEFITS EXPENSE

	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
Staff costs:				
- Salaries, bonus and allowances	14,303,495	11,195,857	-	-
- Defined contribution plan	1,211,557	1,003,340	-	-
- Social security contribution	171,863	131,402	-	-
	15,686,915	12,330,599	-	-
Directors' remuneration:				
- Salaries, bonus and allowances	1,440,000	1,320,000	28,000	8,000
- Defined contribution plan	162,240	168,400	-	-
- Social security contribution	2,317	1,773	-	-
	1,604,557	1,490,173	28,000	8,000
	17,291,472	13,820,772	28,000	8,000

The benefits-in-kind received by Directors of the Group is RM34,800 (2022: RM34,800).

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24. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

	2023 RM	Group 2022 RM
Sales to a company in which a Director has interest	–	3,166,761
Sales to a company in which persons connected to certain Directors have interests	–	738,070
Purchases from companies in which persons connected to certain Directors have interests	1,800	337,023
Machineries services and repair expenses charged by a company in which a person connected to a Director has interest	20,700	78,863
Rental of crane charged by companies in which persons connected to a Director has interest	1,875,053	2,178,632
Rental of equipment charged by companies in which a person connected to a Director has interest	3,195,137	3,040,981
Rental of excavator charged by a company in which a person connected to a Director has interest	5,508,093	4,650,732

	2023 RM	Company 2022 RM
Interest income charged to a subsidiary	1,603,059	–

- (b) The outstanding related party balances of the Group arising from related party transactions as at the reporting date were disclosed in Notes 8, 9, 17 and 18 to the financial statements.
- (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 20 and 23 to the financial statements are as follows:-

	2023 RM	Group 2022 RM
Salaries, bonus and allowances	1,291,700	1,125,200
Defined contribution plan	152,460	133,584
Social security contribution	6,952	6,011
	1,451,112	1,264,795

The benefits-in-kind received by key management personnel of the Group is RM23,000 (2022: RM23,000).

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25. FINANCIAL INSTRUMENTS

25.1 Categories of financial instruments

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets				
Trade receivables	214,784,865	117,828,552	–	–
Other receivables	57,227,908	22,584,550	49,415,034	500
Cash and cash equivalents	96,895,063	41,227,837	3,007,111	100
	368,907,836	181,640,939	52,422,145	600
Financial liabilities				
Trade payables	120,185,799	87,339,878	–	–
Other payables	17,041,850	15,522,942	149,265	3,093,714
Borrowings	166,620,062	45,452,389	–	–
	303,847,711	148,315,209	149,265	3,093,714

25.2 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 their 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.

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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)

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.

Cash and cash equivalents

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

Receivables

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.

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			
2023			
Within credit term	134,431,848	–	134,431,848
Past due 1 – 30 days	17,215,549	–	17,215,549
Past due 31 – 60 days	8,510,689	–	8,510,689
Past due 61 – 90 days	8,696,536	–	8,696,536
Past due more than 90 days	45,930,243	–	45,930,243
	214,784,865	–	214,784,865

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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)

Trade receivables ageing analysis (cont'd)

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

	Gross RM	Expected credit losses RM	Net RM
Group (cont'd)			
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

As at financial year end, trade receivables of RM80,353,017 (2022: RM19,663,193) 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.

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.

	2023		2022	
	RM	%	RM	%
Top 4 (2022: 6) customers	163,332,504	76	96,920,799	82

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.

Performance bonds

Performance bonds require the Group to make payments to a third party in the event that the Group does not perform in accordance to the terms of any related contracts. The maximum exposure to credit risk of the Group at the reporting date amounted to RM1,000,000 (2022: Nil).

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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)**

Financial guarantees

Group

The maximum exposure to credit risk is amounted to RM27,155,556 (2022: RM10,000,000), represented by the financial guarantees in favour of a customer. The Group monitors on an ongoing basis the results of the customer and repayment made by the customer.

As at the end of the reporting year, there was no indication that the customer would default on repayment.

Company

The maximum exposure to credit risk amounting to RM165,833,330 and RM1,983,145 (2022: Nil and Nil), represented by unsecured financial guarantees provided to banks in respect of banking facilities granted to its subsidiary and financial guarantees in favour of third parties for supplying goods to its subsidiary respectively. The Company monitors on an ongoing basis the results of the subsidiary, repayments and supply of goods made by its subsidiary.

As at the end of the reporting year, there was no indication that the subsidiary would default on repayment or be unable to supply goods.

The financial guarantee does not have a determinable effect on the term of the credit facilities due to the third parties and banks requiring the Company's guarantees as a pre-condition for supplying goods and approving the banking facilities granted to its subsidiary. The actual terms of the credit facilities are likely to be the best indicator of "at market" term and hence the fair value of the credit facilities are equal to the credit facilities amount received by its subsidiary. As such, there is no value on the financial guarantee to be recognised in the financial statements.

Intercompany balance

The Company provides advances to its subsidiary and monitors the results of the subsidiary.

As at the end of the reporting period, there was no indication that the advances to the subsidiary is not recoverable.

(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 they will have sufficient liquidity to meet their liabilities when they fall due.

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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 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					
2023					
Unsecured:-					
Trade payables	120,185,799	120,185,799	120,185,799	-	-
Other payables	17,041,850	17,041,850	17,041,850	-	-
Secured:-					
Lease liabilities	1,137,185	1,220,091	533,651	324,886	361,554
Borrowings	166,620,062	170,791,361	156,652,564	6,745,441	7,393,356
Total undiscounted cash flows	304,984,896	309,239,101	294,413,864	7,070,327	7,754,910
Financial guarantee *	-	27,155,556	27,155,556	-	-
Performance bonds *	-	1,000,000	1,000,000	-	-
	304,984,896	337,394,657	322,569,420	7,070,327	7,754,910
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

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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
Company					
2023					
Other payables	149,265	149,265	149,265	–	–
Total undiscounted cash flows	149,265	149,265	149,265	–	–
Financial guarantee *	–	167,816,475	167,816,475	–	–
	149,265	167,965,740	167,965,740	–	–
2022					
Other payables	3,093,714	3,093,714	3,093,714	–	–

* This exposure is included in liquidity risk for illustration purpose only as the related financial guarantee and performance bonds have not crystallised.

(c) Interest rate risk

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

The Group's and the Company's fixed rate instruments are not exposed to a risk of change in their 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 and the Company'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 and the Company target a mix of fixed debt based on assessment of its existing exposure and desired interest rate profile.

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25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 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)

	2023 RM	Group 2022 RM
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	39,898,609	9,851,195
<u>Financial liabilities</u>		
Borrowings	–	649,621
Lease liabilities	1,137,185	793,274
	1,137,185	1,442,895
	38,761,424	8,408,300
Floating rate instruments		
<u>Financial liability</u>		
Borrowings	166,620,062	44,802,768
	2023 RM	Company 2022 RM
Fixed rate instruments		
<u>Financial asset</u>		
Amount due from a subsidiary	49,413,534	–

The Group and the Company do not account for any fixed rate financial assets and financial liabilities through profit or loss, and the Group and the Company do 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.

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 RM	-25bp RM
Group		
2023	(416,550)	416,550
2022	(112,007)	112,007

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2023
(CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.3 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.

25.4 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.

25.5 Reconciliation of liabilities arising from financing activities

	1 January 2023 RM	Cash flows RM	New lease RM	Other receivables RM	31 December 2023 RM
Group					
Term loans	20,841,137	(9,421,123)	–	1,000,000	12,420,014
Revolving credit	24,611,252	109,596,887	–	–	134,208,139
Invoice financing	–	19,991,909	–	–	19,991,909
Lease liabilities	793,274	(364,293)	708,204	–	1,137,185
	46,245,663	119,803,380	708,204	1,000,000	167,757,247

	1 January 2022 RM	Cash flows RM	New lease RM	Other payables RM	31 December 2022 RM
Group					
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

	1 January 2023 RM	Cash flows RM	31 December 2023 RM
Company			
Amount due to a subsidiary	2,048,287	(2,048,287)	–

	1 January 2022 RM	Cash flows RM	31 December 2022 RM
Company			
Amount due to a subsidiary	–	2,048,287	2,048,287

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2023

(CONT'D)

26. 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 shareholders' 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.

27. 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:-

	2023		2022	
	RM	%	RM	%
Customer A	79,663,593	23	92,602,382	30
Customer B	87,311,904	25	91,592,941	30
Customer C	70,023,900	20	37,376,774	12

LIST OF PROPERTIES

HELD AS AT 31 DECEMBER 2023

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	1 year	- / 10,803	9,189	<u>N-20-3,</u> <u>N-20-3B,</u> <u>N-20-5,</u> <u>N-20-6,</u> <u>N-20-7,</u> <u>N-20-8,</u> <u>N-20-9,</u> <u>N-20-10,</u> <u>N-20-11,</u> <u>N-20-12</u> 23/09/2021 <u>N-20-1,</u> <u>N-20-2</u> 19/01/2022
2.	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	4 shop units together with 8 car park bays	<u>01-2, 03-2</u> Rented to third party <u>G-2, 02-2</u> Vacant	Freehold	1 year	- / 5,483	4,508	31/05/2019

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total Number of Issued Shares	:	944,308,700
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) Voting Right per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 – 99	0	0.000	0	0.000
100 – 1,000	322	12.010	158,700	0.016
1,001 – 10,000	1,003	37.411	6,288,600	0.665
10,001 – 100,000	1,062	39.612	39,701,900	4.204
100,001 – 47,215,434*	290	10.816	249,093,800	26.378
47,215,435 and above**	4	0.149	649,065,700	68.734
TOTAL	2,681	100.000	944,308,700	100.000

Note:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Top Thirty (30) Shareholders

No.	Name of Shareholders	No. of shares	% of Holdings
1.	DATUK LIEW FOO HEEN	347,055,025	36.752
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LIEW FOO HEEN	143,484,375	15.194
3.	WONG SAI KIT	105,526,300	11.174
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW FOO HEEN	53,000,000	5.612
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW FOO HEEN(7003651)	25,000,000	2.647
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW FOO HEEN	20,000,000	2.117
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	16,314,800	1.727
8.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	12,614,700	1.335
9.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ANDREW LIM ENG GUAN (SMART)	9,691,300	1.026
10.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW FOO HEEN	9,443,000	0.999

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024
(CONT'D)

No.	Name of Shareholders	No. of shares	% of Holdings
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TERENCE WONG @ HUANG THAR-REARN	7,500,000	0.794
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR WONG SZE CHIEN (SMART)	7,380,000	0.781
13.	WONG SZE MING	5,673,900	0.600
14.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN AH LOY @ TAN MAY LING	5,000,000	0.529
15.	RHB NOMINEES (TEMPATAN) SDN BHD CAROLYN WONG TARNN YOONG	5,000,000	0.529
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAW LEE LENG (7001418)	3,909,000	0.413
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	3,529,600	0.373
18.	CHEN GAOLAN	3,300,000	0.349
19.	RHB NOMINEES (TEMPATAN) SDN BHD CHAN SHOOK FUN	2,800,000	0.296
20.	OU CHIN HUA	2,600,000	0.275
21.	YANG CHOON SANG @ YANG CHOON SIANG	2,585,000	0.273
22.	ANG SWEE KUANG	2,524,000	0.267
23.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CINDY NG CHOW LI	2,510,700	0.265
24.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ARMANI SYNERGY SDN. BHD.	2,285,800	0.242
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF)	2,170,700	0.229
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MAJMUK)	2,149,000	0.227
27.	OOI PEY WONG	2,000,000	0.211
28.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEAH LEY HONG (MY2221)	1,928,400	0.204
29.	OU CHIN HUA	1,800,000	0.190
30.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	1,515,200	0.160

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2024 (CONT'D)

List of Substantial Shareholders

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	%	No. of Shares Held	%
1.	DATUK LIEW FOO HEEN	597,982,400	63.325	–	–
2.	WONG SAI KIT	105,526,300	11.175	–	–

Directors' Shareholding

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	%	No. of Shares Held	%
1.	DATUK LIEW FOO HEEN	597,982,400	63.325	–	–
2.	WONG SAI KIT	105,526,300	11.175	–	–
3.	DATO' MATHIALAKAN CHELLIAH	300,000	0.031	–	–
4.	ONG WEI LIAM @ JEREMY ONG	300,000	0.031	–	–
5.	WEE CHUEN LII	–	–	–	–
6.	DATO' YONG LEI CHOO	–	–	–	–

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“AGM”) (“2nd 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 Thursday, 6 June 2024 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 2023 together with the Reports of the Directors and Auditors thereon. | <p>[Please refer to Explanatory Note 1 on Ordinary Business]</p> |
| 2. To approve the payment of Directors’ fees of up to RM222,000.00 for the period immediately after the 2nd AGM until the next AGM of the Company to be held in 2025. | <p>[Ordinary Resolution 1]
[Please refer to Explanatory Note 2 on Ordinary Business]</p> |
| 3. To approve the payment of Directors’ benefits of up to RM40,000.00 for the period immediately after the 2nd AGM until the next AGM of the Company to be held in 2025. | <p>[Ordinary Resolution 2]
[Please refer to Explanatory Note 2 on Ordinary Business]</p> |
| 4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution: | <p>[Please refer to Explanatory Note 3 on Ordinary Business]</p> |
| <ul style="list-style-type: none"> i. Datuk Liew Foo Heen; and ii. Wong Sai Kit. | <p>[Ordinary Resolution 3]
[Ordinary Resolution 4]</p> |
| 5. To re-appoint Grant Thornton Malaysia PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration. | <p>[Please refer to Explanatory Note 4 on Ordinary Business]
[Ordinary Resolution 5]</p> |

SPECIAL BUSINESS

To consider and, if deemed fit, to pass, with or without modifications, the following resolutions:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <p>6. ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</p> <p>“THAT the Directors of the Company be and are hereby authorised to allot and issue 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 discretion 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”).</p> | <p>[Please refer to Explanatory Note 1 on Special Business]</p> <p>[Ordinary Resolution 6]</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)



THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting 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 Malaysia Securities Berhad for the listing of and quotation for such New Shares on the ACE Market of Bursa Malaysia Securities Berhad.

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."

7. **ORDINARY RESOLUTION PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

***[Please refer to
Explanatory Note 2 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 ("**the Group**") 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 30 April 2024 provided that such transactions and/or arrangements are:

[Ordinary Resolution 7]

- 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**");

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)

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 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."

8. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

LAW MEE POO [SSM PC No.: 201908002275 (MAICSA 7033423)]

TAN LAI HONG [SSM PC No.: 202008002309 (MAICSA 7057707)]

Company Secretaries

Kuala Lumpur
30 April 2024

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 2nd 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 2nd 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 2nd AGM in order to participate remotely via RPV.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)

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 30 May 2024. 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 hard copy form or by electronic means 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 procedures as set out in the Administrative Guide for the electronic lodgement of the proxy form.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)

2. APPOINTMENT OF PROXY (CONT'D)

- (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 **Tuesday, 4 June 2024 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 2023

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 ("the Act"). 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 Act, 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 2nd AGM up to the next AGM to be held in 2025, 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.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON ORDINARY BUSINESS (CONT'D)

2. **Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Benefits (cont'd)**

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. 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 2nd AGM until the next AGM to be held in 2025.

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 4 – Re-election of Directors pursuant to Clause 76(3) of the Company's Constitution**

Datuk Liew Foo Heen and Mr Wong Sai Kit will retire at the 2nd AGM pursuant to Clause 76(3) of the Company's Constitution. Both of them are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

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 2023. 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. The justifications to support the Board's recommendation for re-election of the aforementioned Directors are as follows:

- (a) 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.
- (b) Mr Wong Sai Kit ("Mr Wong"), 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. Mr Wong also works closely with the project team to monitor progress and quality as well as site safety and budgeting of the construction projects.

Based on the above, the Board collectively agreed that the abovementioned Directors had met the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad 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 2nd AGM.

4. **Ordinary Resolution 5 – Re-appointment of Auditors**

The Board has through the Audit and Risk Management Committee, considered the re-appointment of Grant Thornton Malaysia PLT as the External Auditors of the Company for the financial year ending 31 December 2024. The factors considered by the ARMC in making the recommendation to the Board to table the re-appointment of Grant Thornton Malaysia PLT at the 2nd AGM, included an assessment on the Auditors' independence and objectivity, calibre and quality process/performance.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Ordinary Resolution 6 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act.**

The proposed Ordinary Resolution 6, 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 allot and issue 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, repayment of bank borrowings 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.

2. **Ordinary Resolution 7 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 7 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 30 April 2024 for further details.

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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 Second Annual General Meeting ("**2nd 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 Thursday, 6 June 2024 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 RM222,000.00 for the period immediately after the 2nd AGM until the next AGM of the Company to be held in 2025.	Ordinary 1		
To approve the payment of Directors' benefits of up to RM40,000.00 for the period immediately after the 2nd AGM until the next AGM of the Company to be held in 2025.	Ordinary 2		
To re-elect Datuk Liew Foo Heen as Director.	Ordinary 3		
To re-elect Wong Sai Kit as Director.	Ordinary 4		
To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary 5		
SPECIAL BUSINESS			
To grant authority to allot and issue shares pursuant to Sections 75 And 76 of the Companies Act 2016	Ordinary 6		
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary 7		

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 _____ 2024

Signature^
Member

[^]Manner of execution:

- If you are an individual member, please sign where indicated.
- 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.
- 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:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - 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 2nd 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 2nd 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 2nd 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 30 May 2024. 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 hard copy form or by electronic means 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 procedures 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 **Tuesday, 4 June 2024 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 BERHAD (1437863-M)

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SELANGOR, MALAYSIA

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