



**SINMAH CAPITAL
BERHAD**

Registration No.: 199401015973 (301653-V)



ANNUAL REPORT 2023



**Building
Tomorrow,
Today**





FREEHOLD

Designed for Business Success Unparalleled Opportunity

LIMITED UNITS ONLY



- Restaurant & Deli • Bakeries • Convenient Store • Optical Shops • Music Stores • Banks & Offices • Bridal Shops
- Book & Stationery Stores • Art & Curio Shops • Dental & Medical Clinic • Pharmacies • Beauty & Hair Salons

2 & 3 Storey Shop Office • 22' x 70'

Immerse yourself in a harmonious fusion of contemporary design and practicality. Our shop offices are thoughtfully crafted to exude elegance while maximizing functionality. Each space showcases modern aesthetics and flexible layouts, allowing you to create an environment that reflects your brand identity and accommodates your unique business requirements. From ample parking facilities to cutting-edge technology infrastructure, we have anticipated your needs, ensuring you can focus on achieving your business goals.



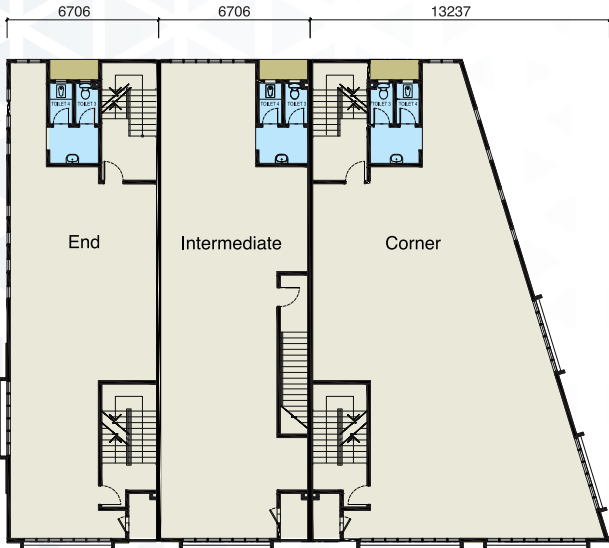
GREAT AMENITIES

- Next to Drive Thru Restaurant
- 1 KM to KTM Station
- Near to Kuala Kubu Bharu Town

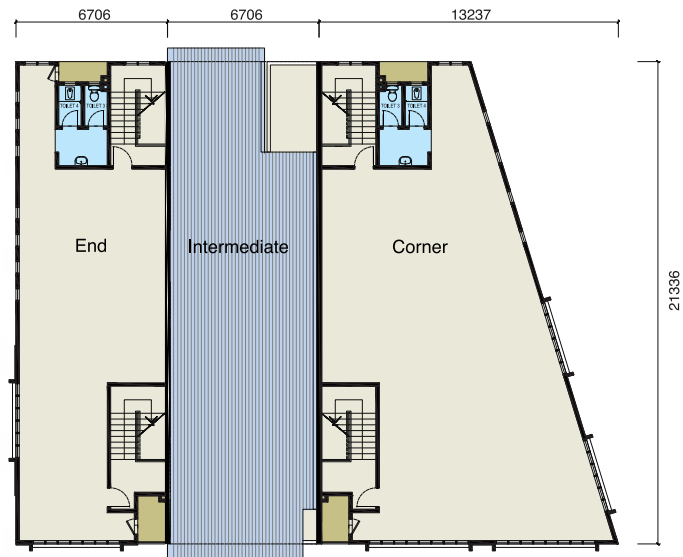
PRACTICAL INVESTMENT

- Excellent appreciation potential
- Spacious and liberal layout
- Ample Car Park spaces

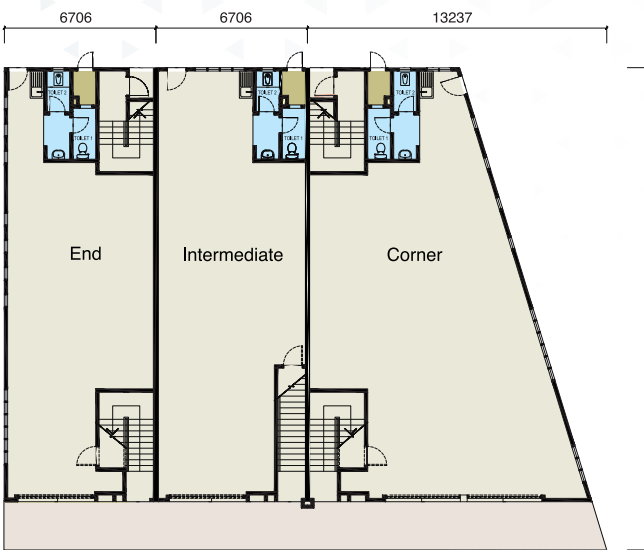
FLOOR PLAN



First Floor



Second Floor



Ground Floor



* All photos are artist impression only

Developer:



IRAMA SETIA SDN BHD
 (1452026-T) (A member of Sinmah Capital Berhad)
 A1-13A-15, Arcoris, No 10 Jalan Kiara, Mont Kiara,
 50480 Kuala Lumpur, Malaysia

www.sinmah.com.my

03-6414 3101
011-1126 2828



Alami Gaya Hidup Santai, Damai dan Tenang



HAK MILIK KEKAL



Rumah Teres Dua Tingkat 20' x 70' 4 Bilik Tidur / 3 Bilik Mandi

LAMAN LENTERA, bertemakan konsep senibina kontemporari dengan daya tarikan yang santai dan tenang, setiap rekabentuk direka dengan teliti bagi memenuhi setiap keperluan ruang kediaman.

Terletak di lokasi utama Bandar Kuala Kubu Bharu, rumah impian anda di **LAMAN LENTERA** menawarkan kediaman yang seimbang dan sempurna.

CIRI-CIRI:

- Suasana yang tenang dengan kepadatan yang rendah
- Ruang yang luas dan rekabentuk yang praktikal
- Gaya moden kontemporari dan estetika

KEMUDAHAN DAN FASILITI:

- Berhampiran kedai dan restoran pandu lalu
- Hanya 1 kilometer daripada Stesen Komuter
- Berdekatan dengan Bandar Kuala Kubu Bharu



PELAN LANTAI



Tingkat Atas



Tingkat Bawah

SPESIFIKASI

STRUKTUR : Konkrit Tetulang
 DINDING : Batu-Bata
 PERLINDUNGAN BUMBUNG : Jubin Bumbung / Bumbung Konkrit
 SILING : Lapisan Skim / Keplingan Siling
 TINGKAP : Tingkap Kaca Berbingkai Aluminium

PINTU
 Pintu Masuk : Pintu Kayu
 Bilik Tidur : Pintu Kayu
 Halaman Belakang : Pintu Kayu
 Bilik Mandi : Pintu Kayu
 Utilliti : Pintu Kayu
 Ruang Makan (Lot Tepi / Hujung Sahaja) : Pintu Gelangsar Berbingkai Aluminium

KUNCI : Set Kunci Berkualiti

KEMASAN DINDING
 Dinding Luaran : Cat
 Dinding Dalam : Cat
 Dapur / Bilik Mandi : Jubin Setinggi 1500mm / Cat
 Bilik Mandi Utama : Jubin Setinggi Siling / Cat

KEMASAN LANTAI
 Ruang Tamu / Makan / Dapur : Jubin
 Bilik Tidur (Ara Berwah) : Jubin
 Bilik Tidur (Ara Atas) : SPC
 Bilik Mandi : Jubin
 Tangga : SPC
 Bilik Utilliti / Apron : Lepa Simen
 Anjung kereta : Lepa Simen
 Teres (Lot Tepi / Hujung Sahaja) : Jubin

KELENGKAPAN SANITARI
 Mangkuk Tandas, Sinki Cuci Tangan, Pancur Mandi & Sinki Dapur

PEMASANGAN PUNCA ELEKTRIK
 Punca Kuasa Soket 13Amp, Punca Kuasa Lampu, Punca Kipas, Punca Penghawa Dingin, Punca Pemanas Air & Punca MATV

PEMASANGAN PUNCA TELEFON : Soket Dinding Fiber

PAGAR : Batu-bata / Pagar Dawai Berangkai



PELAN TAPAK

- Rumah Teres Dua Tingkat 20' x 70'
- Kedai Pojabat 22' x 70'
- Restoran Drive Thru

011-1126 2828 • 03-6414 3101 www.sinmah.com.my

PEMAJU:



IRAMA SETIA SDN BHD
 (1417298-1) (M) Kumpulan Sinmah Capital Berhad
 A1-13A-15, Ancoris, No 10 Jalan Kiara, Mont Kiara,
 50480 Kuala Lumpur, Malaysia

No. Istim Pemas: 3054308-7028722009 • Tempoh Sah: 24/06/2013 - 23/06/2018 • No. Pindah Bilan dan Jualan: 30543 1/12 2025/1-27791-11 • Tempoh Sah: 14/12/2013 - 13/12/2018 • Pengagihan Tanah: Bebas Selama-lamanya • Teres (Pojabat) Teres: Tidak • Teres Diopangka Saiz: Disember 2025 • Pihak Berkuasa: Majlis Perbandaran: Nilai Selangor (MBNS) • No. Kijang Bagi Pihak Berkuasa: 88/123/3-M MBNS: 431/015/012/2018-B • Jaminan Tanah: Boleh Teres 2 Tingkat (70' x 70') • Jumlah Lot: 22 Lot • Harga: RM 595,000.00 (Maj) - RM 699,250.00 (Maj)

CENTERPOINT SEREMBAN

EXPERIENCE THE LIFESTYLE

SHOPPING REDISCOVERED

Centerpoint Seremban is a new exciting retail and lifestyle mall designed to provide great exposure for retailers and convenience to shoppers.

Centerpoint Seremban facilitates multiple vehicular ingress/egress with two drop-off points to ensure a hassle-free entry to the mall.

- ✓ Entertainment
- ✓ Lifestyle
- ✓ Leisure
- ✓ Dining



Centerpoint Seremban is strategically located in the central business district of Seremban in one of the most vibrant hubs of the city, and is also the only shopping mall in Ampangan. It's an exciting place for the whole family to shop.



Contact Us

+606-763 9889

info@centerpointseremban.com

www.centerpointseremban.com



LEASING INQUIRIES:

+60 111 9300 000



 **PEGASUS HEIGHTS BERHAD**

1-40-2, Menara Bangkok Bank,
Berjaya Central Park, No. 105 Jalan Ampang,
50450, Kuala Lumpur.
Tel: +603-2181 3553
Email: info@pegasusheights.com



MALL ADDRESS:

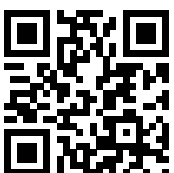
Centerpoint Seremban,
33, Jalan Dato Siamang Gagap,
Betarua Business Centre,
70100 Seremban, Negeri Sembilan.
Tel: +606-763 9889 | Fax: +606-763 9998
Email: info@centerpointseremban.com

Digital Platform **Solution**

- 📶 **Industry Platform**
- 📶 **Customers Platform**
- 📶 **Supplier Platform**
- 📶 **Knowledge based Platform**
- 📶 **Digital Content Platform**
- 📶 **E-Marketplace**
- 📶 **B2B Platform**
- 📶 **Big Data Platform**
- 📶 **Bank Confirmation Platform**

AI + Big Data + Cloud + Security

For your digital platform project with the advanced digital platform solutions





CONTENT DELIVERY & A.I. SOLUTIONS



CONNECT END USERS WITH DIGITAL EXPERIENCES ANYWHERE IN THE WORLD WITH OUR CDN

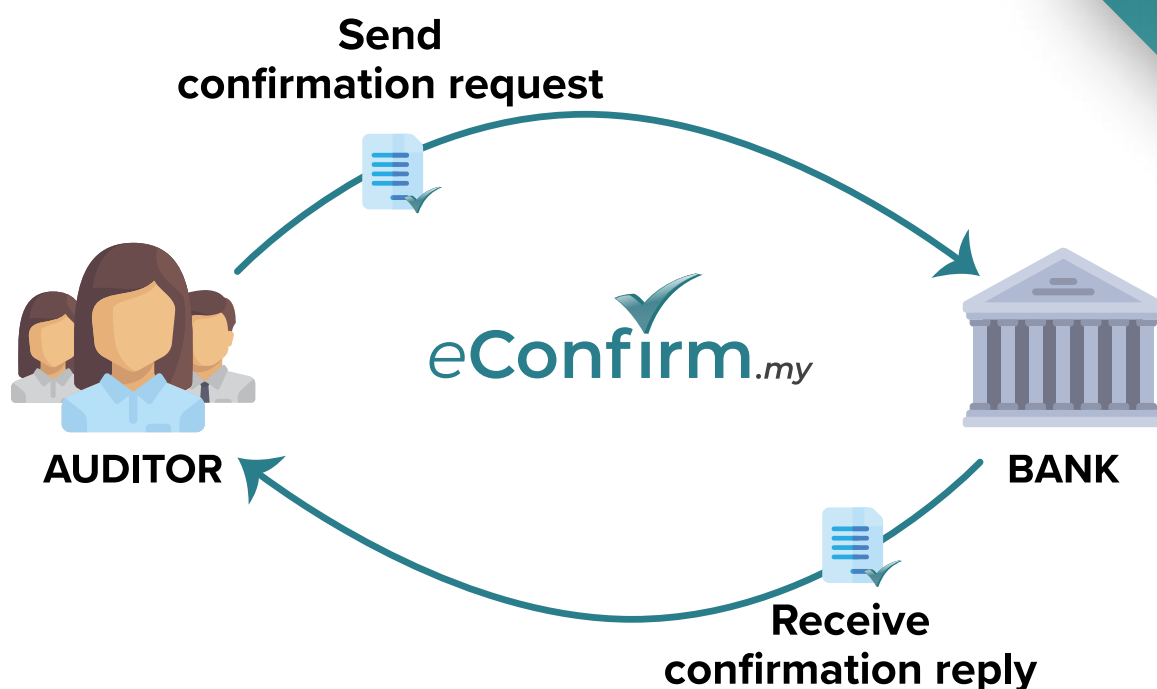
Use our robust connectivity and infrastructure to deliver highly personalized web content, multimedia, software packages and more!

- ✓ Proven technology and infrastructure
- ✓ Tailored for business growth
- ✓ Global coverage
- ✓ GDPR, CCPA, ISO/IEC Compliant

Contact Us

+603 2181 3666

www.appasia.com



Industry-wide Electronic Bank Confirmation Platform



Enhance Security



Reduce Fraud Risk



Minimise Human Error



Time Saving



Cost Saving

Developed by:



In collaboration with:

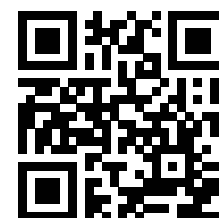


TABLE OF CONTENTS

02	Notice of Annual General Meeting
06	Corporate Structure
07	Corporate Information
08	Directors' and Key Senior Management Profile
11	Six Years Financial Highlights
13	Chairman's Statement and Management Discussion and Analysis
19	Sustainability Statement Appendix - ESG Performance Data
36	Corporate Governance Overview Statement
39	Corporate Governance Statement
53	Statement on Risk Management and Internal Control
58	Audit Committee Report
62	Directors' Responsibilities Statement
63	Financial Statements
168	Analysis of Shareholdings
171	List of Properties Owned by the Group
173	Additional Compliance Information
175	Administrative Details Proxy Form



RATIONALE

Building Tomorrow, Today

Our visionary management team envisages a future where everyone in our society can lead a meaningful and fulfilling life. We have already started to shape a better world today. Our plans are designed to meet the needs of tomorrow, and we believe that our legacy will last forever.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting (“**30th AGM**”) of Sinmah Capital Berhad (“**Sinmah**” or “**Company**”) will be conducted at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 1.00 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with Reports of the Directors’ and the Auditors’ thereon. | Please refer to Explanatory Note 1 |
| 2. | To re-elect Datuk Fong Kiah Yeow as Director in accordance with Clause 84 of the Constitution of the Company. | Ordinary Resolution 1 |
| 3. | To re-elect Toh Hong Chye as Director in accordance with Clause 84 of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect Dato’ Kevin Sathiaselvan A/L Ramakrishnan as Director in accordance with Clause 91 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. | To approve the payment of the Directors’ remuneration to Non-Executive Directors amounting to RM350,000.00 per annum until the next Annual General Meeting of the Company. | Ordinary Resolution 4 |
| 6. | To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

- | | | |
|----|---|------------------------------|
| 7. | AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS | Ordinary Resolution 6 |
|----|---|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company’s shares arising from any issuance of new Company’s shares pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

8. PROPOSED GRANT OF SHARE ISSUANCE SCHEME (“SIS”) OPTIONS TO DATO’ KEVIN SATHIASEELAN A/L RAMAKRISHNAN

Ordinary
Resolution 7

“THAT the Directors be and are hereby authorised to, from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws of the SIS, the Main Market Listing Requirements (“MMLR”) of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time throughout the duration of the SIS, offer and grant to Dato’ Kevin Sathiaselan A/L Ramakrishnan, being the Independent Non-Executive Director of the Company, SIS Options to subscribe for the Company’s Shares under the SIS, provided that not more than 10% of the total number of SIS Options shall be allocated to him, as long as he either singly or collectively through persons connected to him holds 20% or more of the total number of issued shares of the Company (excluding treasury shares).”

9. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI
(MAICSA 7069783) (SSM PC NO. 202008004409)
Company Secretary

Kuala Lumpur
Dated : 30 April 2024

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Items 2, 3 and 4 of the Agenda

The Nomination Committee (“NC”) have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election. Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Datuk Fong Kiah Yeow : Datuk Fong Kiah Yeow has been with Sinmah group since year 1980 and is very familiar with the Company’s business operations. Thus, the Board believes that with his vast experience, he is able to provide valuable input to steer the Company forward.

Datuk Fong Kiah Yeow has exercised his due care and carried out his professional duties proficiently during his tenure as Executive Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Toh Hong Chye : Toh Hong Chye had been involved in the successful implementation of several corporate exercises which include merger and acquisition and corporate debt restructuring exercises undertaken by private and public listed companies. The Board is of the view that his past experience enables him to bring essential insight to the Board.

Toh Hong Chye has exercised his due care and carried out his professional duties proficiently during his tenure as Executive Director of the Company.

Dato' Kevin Sathiaselalan A/L Ramakrishnan : Dato' Kevin Sathiaselalan A/L Ramakrishnan fulfils the requirements of independence set out in MMLR of Bursa Securities. With over 20 years of expertise in the academic and the legal industry, the Board believes his extensive experience are all hugely beneficial to the Company.

Dato' Kevin Sathiaselalan A/L Ramakrishnan has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

3. Item 7 of the Agenda

The Ordinary Resolution 6 proposed under item 7 of the agenda is to seek the shareholders' approval of a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

4. Items 8 of the Agenda

The SIS was implemented on 18 September 2018 following the shareholders' approval obtained at the Extraordinary General Meeting of the Company held on 2 May 2018.

The proposed Ordinary Resolution 7 if passed, will provide flexibility to the Directors to grant Dato' Kevin Sathiaselalan A/L Ramakrishnan, the Independent Non-Executive Director of the Company, SIS Options to subscribe for new shares, subject to the By-Laws of the SIS. The Board is also authorised to allot and issue the corresponding number of new shares of the Company arising from the exercise of the SIS Options that may be granted to him under the SIS.

Notes:

1. *The 30th AGM of the Company will be conducted at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 1.00 p.m., or at any adjournment thereof. (Please follow the procedures as stipulated in the Administrative Details).*
2. *A member of the Company who is entitled to attend, speak and vote at this 30th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*
3. *Where a member appoints more than one (1) proxy to attend and vote at the 30th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*

NOTICE OF ANNUAL GENERAL MEETING

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he/she may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

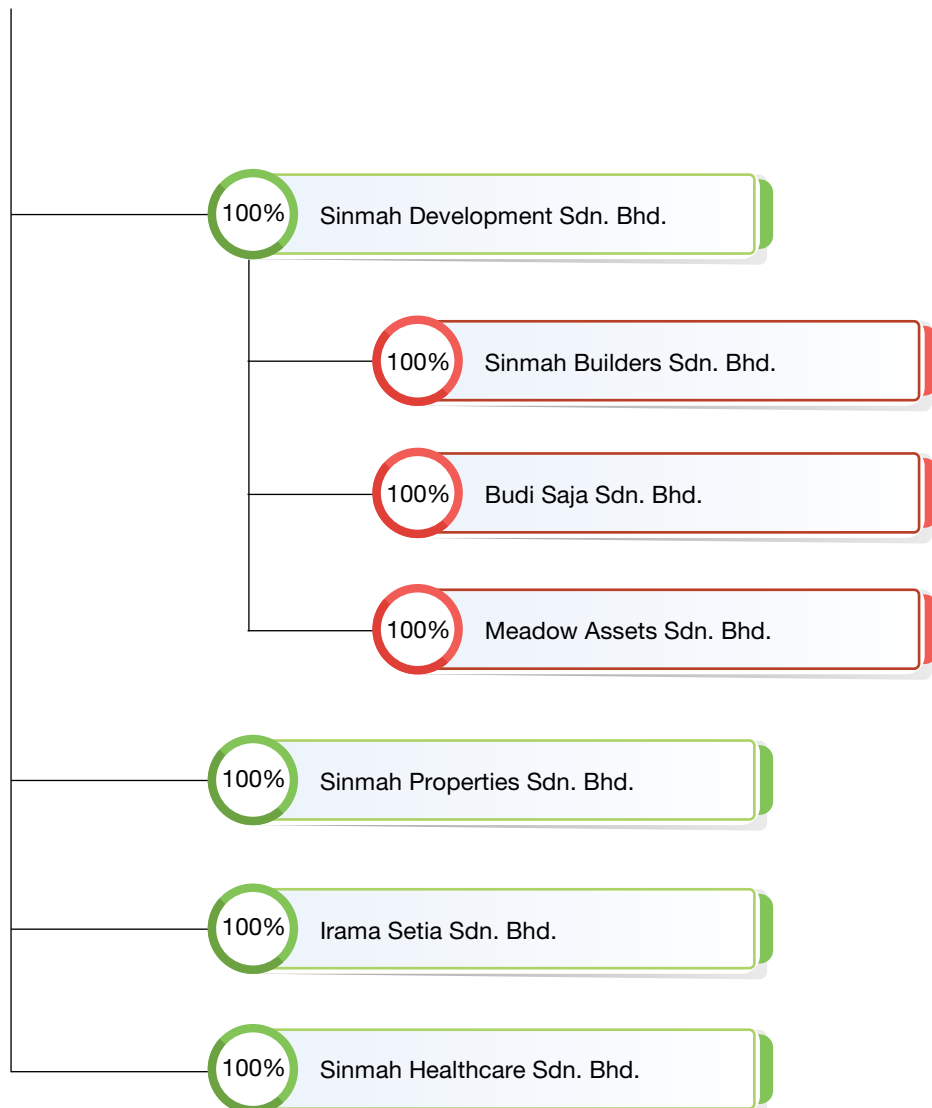
6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 30th AGM (no later than Tuesday, 11 June 2024 at 1.00 p.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 June 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 30th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolution set out in the Notice of 30th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 30th AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, usage and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 30th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 30th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

CORPORATE STRUCTURE



Dissolved under Section 550 of the Companies Act, 2016, gazetted on 20 March 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

**Datuk Seri Rahadian Mahmud
bin Mohammad Khalil**
(Executive Chairman)

Toh Hong Chye
(Executive Director)

Datuk Fong Kiah Yeow
(Executive Director)

Dato' Kevin Sathiasseelan A/L Ramakrishnan
(Independent Non-Executive Director)

Masleena binti Zaid
(Independent Non-Executive Director)

Yeong Siew Lee
(Independent Non-Executive Director)

AUDIT COMMITTEE

Yeong Siew Lee
(Chairperson)
**Dato' Kevin Sathiasseelan A/L
Ramakrishnan**
Masleena binti Zaid

REMUNERATION COMMITTEE

**Dato' Kevin Sathiasseelan A/L
Ramakrishnan**
(Chairman)
Yeong Siew Lee
Masleena binti Zaid

NOMINATION COMMITTEE

**Dato' Kevin Sathiasseelan A/L
Ramakrishnan**
(Chairman)
Yeong Siew Lee
Masleena binti Zaid

SHARE ISSUANCE SCHEME
COMMITTEE

Toh Hong Chye
(Chairman)
Datuk Fong Kiah Yeow
Kunju Kandan A/L K. Vasan

COMPANY SECRETARY

Chin Wai Yi
(SSM PC No. 202008004409/
MAICSA 7069783)

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 0516
Fax No. : +603-2181 0516
Website : www.gapadvisory.my
Email : office@gapadvisory.my

PRINCIPAL PLACE OF BUSINESS

No. 88, Jalan KU 4
Taman Krubong Utama
75260 Krubong Melaka
Malaysia
Tel No. : +606-335 3329
Fax No. : +606-335 1329
Website : www.sinmah.com.my

AUDITORS

Messrs TGS TW PLT (AF002345)
Unit E-16-2B, Level 16
Icon Tower (East)
No. 1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-9771 4326
Fax No. : +603-9771 4327

PRINCIPAL BANKERS

Malayan Banking Berhad
United Overseas Bank (Malaysia)
Berhad
CIMB Bank Berhad

SHARE REGISTRAR

GAP Advisory Sdn. Bhd.
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 0516
Fax No. : +603-2181 0516
Website : www.gapadvisory.my
Email : ir.shareregistry@
gapadvisory.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : SMCAP
Stock Code : 9776

DIRECTORS' AND KEY SENIOR MANAGEMENT PROFILE

DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

Executive Chairman

Age	: 51
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 1 August 2022
Board Committee Membership	: -

Qualification, Working Experience and Occupation

Datuk Seri Rahadian Mahmud bin Mohammad Khalil holds a Degree in Civil Engineering from Queen Mary College, University of London in 1996.

He has vast experience in businesses under various industries throughout his career with active participation in reforestation, construction, property development, timber and manufacturing sectors.

From 2005 to 2017 he was the Executive Chairman of Permaju Industries Berhad, an investment holding and provision of management services company.

He was a Non-Executive Director of Magna Prima Berhad from July 2007 to May 2011.

Subsequently, he was re-designated to Executive Director on 12 May 2011 and from 14 April 2014 to 15 July 2021 he was the Group Managing Director.

Directorship of public companies and listed issuers

- AppAsia Berhad (Independent Non-Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

TOH HONG CHYE

Executive Director

Age	: 49
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 13 January 2021
Board Committee Membership	: Chairman of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Toh Hong Chye holds a Master in Business Administration in Finance from the International Islamic University Malaysia. He is also a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

He founded H.C. Toh & Co., a non-audit firm involved in company secretary, accounting and business advisory services for companies from various industries. His experience covers audit and assurance engagements, corporate reporting and compliance, taxation and wide-ranging overseas exposures. He had been involved in the successful implementation of several corporate exercises which include merger and acquisition and corporate debt restructuring exercises undertaken by private and public listed companies.

Directorship of public companies and listed issuers

- AppAsia Berhad (Executive Director)
- Pegasus Heights Berhad (Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' AND KEY SENIOR MANAGEMENT PROFILE

DATUK FONG KIAH YEOW

Executive Director

Age	: 70
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 10 February 1995
Board Committee Membership	: Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Datuk Fong Kiah Yeow completed an accountancy course in 1975 from the Tottenham College of Technology, United Kingdom. He was also an associate member of the Chartered Association of Certified Accountants, United Kingdom. Immediately, upon completion of his studies, Datuk Fong Kiah Yeow joined his family business and was responsible for his family's rice wholesale business. He was later appointed to the Board of Sinmah Multifeed Sdn. Bhd. on 31 January 1980. He is presently responsible for the Group's corporate affairs and financial matters.

In October 2008, in recognition of his efforts and dedication, Datuk Fong Kiah Yeow was conferred the Darjah Mulia Seri Melaka (D.M.S.M.) by His Excellency, the Governor of Melaka.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DATO' KEVIN SATHIASEELAN A/L RAMAKRISHNAN

Independent Non-Executive Director

Age	: 50
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 30 May 2023
Board Committee Membership	: Chairman of the Nomination Committee : Chairman of the Remuneration Committee : Member of the Audit Committee

Qualification, Working Experience and Occupation

Dato' Kevin Sathiasseelan A/L Ramakrishnan holds an L.L.B. (Hons) from the University of London and a L.L.M from the University of Malaya, Malaysia.

He is currently the Managing Partner of Messrs Kevin & Co. with over 20 years of expertise in two worlds: the academic and the legal industry. He was admitted to the Malaysian Bar in 2001 and is a general litigator with vast experience in various areas of the law.

Dato' Kevin Sathiasseelan A/L Ramakrishnan areas of practice include administrative law disputes, banking, breach of fiduciary duties, corporate / shareholder disputes, criminal and civil litigation, construction, commercial and contract disputes, defamation, insolvency, infringement of intellectual properties rights and land disputes. He also represents and advises public listed companies, directors and other professionals in connection with regulatory, compliance, complex and high-value commercial disputes.

Dato' Kevin Sathiasseelan A/L Ramakrishnan appears regularly in the High Court of Malaya, Court of Appeal and Federal Court of Malaysia as well as in arbitration and tribunal proceedings, both on behalf of the firm and as senior counsel representing other firms of solicitors. He has been involved in a number of landmark cases which has shaped public discourse.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' AND KEY SENIOR MANAGEMENT PROFILE

MASLEENA BINTI ZAID

Independent Non-Executive Director

Age	: 49
Nationality	: Malaysian
Gender	: Female
Date of Appointment	: 24 August 2021
Board Committee Membership	: Member of the Audit Committee : Member of the Nomination Committee : Member of the Remuneration Committee

Qualification, Working Experience and Occupation

Masleena binti Zaid is an L.L.B. (Hons) graduate from Sheffield Hallam University, United Kingdom. She was admitted to the High Court of Malaya as an advocate and solicitor in 2001. She is also a registered Trade Mark Agent. Her predominant areas of practice are corporate, commercial and company law. Her portfolio includes providing advice to corporate clients which matters varies from liaising with relevant authorities for clients, dealing with human management issues, conveyancing matters and preparing agreements and on case-to-case basis.

Prior to founding Masleena, Yee & Partners, she was with the Securities Commission of Malaysia as Senior Prosecuting Officer and subsequently with the Companies Commission of Malaysia as Head of Interest Scheme Section and acting Head for the Insolvency Section.

Directorship of public companies and listed issuers

- ECA Integrated Solution Berhad (Independent Non-Executive Director)
- Gabungan AQRS Berhad (Independent Non-Executive Director)
- Meta Bright Group Berhad (Independent Non-Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

KEY SENIOR MANAGEMENT

The Key Senior Management consists of our Executive Directors, namely Datuk Seri Rahadian Mahmud bin Mohammad Khalil, Toh Hong Chye and Datuk Fong Kiah Yeow. The profiles of our Executive Directors are set out in the "Directors' and Key Senior Management Profile" in this Annual Report

YEONG SIEW LEE

Independent Non-Executive Director

Age	: 46
Nationality	: Malaysian
Gender	: Female
Date of Appointment	: 1 July 2022
Board Committee Membership	: Chairperson of the Audit Committee : Member of the Nomination Committee : Member of the Remuneration Committee

Qualification, Working Experience and Occupation

Yeong Siew Lee is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad (GHL), a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Assistant Accountant in 2003 and moved up the ranks and became Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer and architectural industry and was working as a finance adviser for SMR HR Group Sdn Bhd.

Directorship of public companies and listed issuers

- Pekat Group Berhad (Independent Non-Executive Director)
- TFP Solutions Berhad (Independent Non-Executive Director)
- AppAsia Berhad (Independent Non-Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

SIX-YEAR FINANCIAL HIGHLIGHTS

	FY 2023 RM'000	FY 2022 RM'000	FY 2021 RM'000	FY 2020 RM'000	FY 2019 RM'000	FY 2018 RM'000
FINANCIAL RESULTS						
Revenue	25,171	86,801	131,553	114,067	182,458	180,931
(Loss)/Profit before interest and taxation	(13,244)	(10,329)	1,782	(19,411)	5,576	(30,739)
(Loss)/Profit before taxation ("PBT")	(13,877)	(13,474)	(7,281)	(25,183)	1,426	(35,135)
(Loss)/Profit after taxation	(13,687)	(13,389)	(7,845)	(22,675)	(803)	(39,716)
Non-controlling interests	-	-	19	547	50	(538)
Loss attributable to owners of the parent ("PATAMI")	(13,687)	(13,389)	(7,826)	(22,128)	(853)	(39,178)
FINANCIAL POSITION						
Share capital	110,776	107,188	188,500	160,229	149,840	149,840
Warrants reserve	-	3,588	3,588	3,619	3,619	3,619
SIS reserve	1,820	1,838	-	-	-	-
Accumulated losses	(27,062)	(13,393)	(88,004)	(80,178)	(57,758)	(56,905)
Shareholders' funds	85,534	99,221	104,084	83,670	95,701	96,554
Non-controlling interests	-	-	-	(108)	186	958
TOTAL EQUITY	85,534	99,221	104,084	83,562	95,887	97,512
Property, plant & equipment	1,598	1,388	3,935	4,626	6,571	16,041
Right-of-use assets	1,247	1,353	2,085	4,793	3,832	21
Inventories	75,039	77,988	75,690	88,847	90,359	31,930
Investment properties	390	757	1,234	1,736	-	-
Other non-current assets	-	-	13,505	1,084	3,348	2,264
Trade receivables	4,899	7,509	33,816	39,587	44,155	35,123
Cash (including cash in Housing Development A/c)	5,161	11,524	47,559	21,133	32,625	35,086
Other current assets	15,663	24,560	17,029	10,835	18,430	28,011
TOTAL ASSETS	103,997	125,079	194,853	172,641	199,320	148,476
Borrowings	4,463	12,919	74,519	67,236	73,301	29,804
Non-current liabilities (excluding borrowings)	2,266	2,683	3,470	5,836	6,611	1,493
Current liabilities (excluding borrowings)	11,734	10,256	12,780	16,007	23,521	19,667
TOTAL LIABILITIES	18,463	25,858	90,769	89,079	103,433	50,964
NET ASSETS	85,534	99,221	104,084	83,562	95,887	97,512

SIX-YEAR FINANCIAL HIGHLIGHTS

	FY 2023 RM'000	FY 2022 RM'000	FY 2021 RM'000	FY 2020 RM'000	FY 2019 RM'000	FY 2018 RM'000
FINANCIAL RATIOS (%)						
PBT margin	(55.13)	(15.52)	(5.53)	(22.1)	0.8	(19.4)
PATAMI margin	(54.38)	(15.42)	(5.95)	(19.4)	(0.5)	(21.7)
Return on shareholders' fund	(16.00)	(13.49)	(7.52)	(26.5)	(0.9)	(40.6)
Gross gearing ratio	5.22	13.02	71.60	80.46	76.45	30.56
SHARE INFORMATION						
Basic earnings/(loss) per share (sen)	(3.49)	(3.67)	(2.45)	(10.3)	(0.4)	(34.7)
Dividend per share (sen)	-	-	-	-	-	-
Net assets per share (RM)	0.22	0.25	0.32	0.3	0.4	0.5

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear valued shareholders and stakeholders

On behalf of my fellow Board members, I am pleased to present to you the Annual Report and Audited Financial Statements of Sinmah Capital Berhad (“**SCB**” or “**the Company**”) and its subsidiaries (collectively referred to as “**the Group**”) for the financial year ended 31 December 2023 (“**FYE 2023**”), which is accompanied by this Management Discussion and Analysis.



The Group's housing development and construction operations are currently based in Melaka, Johor and Selangor only. Significant past, current and future development activities are as follows:

(i) **Tanjong Minyak**

Currently, the Group has two (2) pieces of freehold land in Tanjong Minyak measuring a total of 2.191 acres which are being held for future development of thirty-two (32) residential properties with a total gross development value of RM11.43 million. Construction of ten (10) units with a gross development value of RM3.50 million commenced construction in the second quarter of financial year ended 31 December 2022 (“**FYE 2022**”) and is expected to be completed at the end of the second quarter of the financial year ending 31 December 2024 (“**FYE 2024**”). The remaining twenty-two (22) units are expected to be launched in the FYE 2024.

(ii) **Durian Tunggal**

In 2019, the Group had acquired a piece of freehold land measuring approximately 11.169 acres in Mukim Durian Tunggal, Daerah Alor Gajah, Melaka, which is being held for future development of 162 units of residential properties with a gross development value of RM41.24 million.

A. **GROUP STRUCTURE**

The Group structure and principal activities are shown in the Annual Report of the Company. There are no associated companies in the Group.

B. **OVERVIEW OF SCB'S BUSINESS ACTIVITIES**

The Group has two (2) reportable segments, that being development and construction of residential and commercial properties (“**housing development activities**”) and others. Others comprises the Company and its dormant subsidiary companies.

The housing development activities of the Group are carried out by Irama Setia Sdn Bhd, Sinmah Development Sdn. Bhd., and its subsidiary companies, Sinmah Builders Sdn. Bhd., Budi Saja Sdn. Bhd. and Meadow Assets Sdn. Bhd..

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

(iii) Bukit Gambir

This project is located at Batu 17, Jalan Sengkang, Bukit Gambir, Muar, Johor with an aggregate area measuring approximately 55.24 acres and currently being developed into 446 units of mixed development with a gross development value of RM177.84 million. During the FYE 2023, RM24.43 million of gross development value was recognised in income statement compared to RM18.81 million of its gross development value recognised during the FYE 2022.

(iv) Bukit Katil

This project was the first of the Group's venture into the property development activity. It comprised 1,473 units of mixed development launched in 1995. Except for fifteen (15) units which have yet to be constructed by the Group, all the other units were completed and fully sold by the year 2007. The remaining fifteen (15) units of this project have a gross development value of approximately RM6.92 million. The Group has constructed two (2) units in 2020 with the hope that there will be demand for them and the construction works have been completed. Unfortunately, only one unit was sold in the FYE 2022. The unsold and completed unit has been taken to inventory while the remaining 13 units have been reclassified as non-current asset during the FYE 2023.

(v) Bukit Baru

In 2019, the Group had also acquired another subsidiary company that owns a piece of vacant freehold land located at Mukim of Bukit Baru, in the District of Melaka Tengah measuring approximately 3.1374 acres, being held for future development of 186 units of high-rise apartments with a gross development value of RM69.20 million. This piece of land is still classified as non-current asset during the FYE 2023.

(vi) Kuala Kubu Bharu

In 2022, the Group had acquired a piece of land located in Kuala Kubu Bharu in the District of Hulu Selangor measuring approximately 6.01 acres. The project ("**Laman Lentera**") will comprise of 2 drive through lots, 10 units of 2-storey shop offices, 2 units of 3-storey shop offices and 37 units of 2-storey terrace houses. The gross development value of Laman Lentera is estimated to be RM42.33 million.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

C. GROUP FINANCIAL PERFORMANCE AND POSITION REVIEW

The table below highlights the Group's key financial performance and position for FYE 2023 and FYE 2022:

	FYE 2023	FYE 2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	25,171	86,801	-61,630	-71
Expenses	16,258	23,210	-6,952	-30
Other operating income	1,319	8,365	-7,046	-84
Gross profit	1,695	4,516	-2,821	-62
Loss before taxation	(13,877)	(13,474)	-403	-3
Loss after taxation	(13,687)	(13,389)	-298	-2
Gross profit margin	6.7%	5.2%	+1.5	+29
Pre-tax margin	(55.1%)	(15.5%)	-39.6%	->100
Net loss margin	(54.4%)	(15.4%)	-39.0%	->100
Total assets	103,997	125,079	-21,082	-17
Total liabilities	18,463	25,858	-7,395	-29
Total equity	85,534	99,221	-13,687	-14
Total loans and borrowings	4,463	12,919	-8,456	-65
Gearing ratio (net)	-*	0.02	-0.02	-100
Cash and bank balances	5,161	11,524	-6,363	-55
Issued and fully paid-up capital	110,776	107,188	+3,588	+3
Net assets per share (sen)	21.80	25.28	-3.48	-14
Basic loss per share (sen)	(3.49)	(3.67)	+0.18	+5

* The gearing ratio is not applicable as the Group has sufficient cash and bank balances to settle the liabilities as at year end.

Revenue

The Group's revenue for FYE 2023 had decreased by RM61.63 million or 71% as compared to the FYE 2022. The decrease in revenue was mainly due to decrease in number of completed properties sold in the FYE 2023 compared to FYE 2022. Furthermore, the Group had ceased its poultry operations in the third quarter of the FYE 2022, which had contributed RM57.39 million in turnover for the FYE 2022.

Gross profit

Gross profit had decreased by RM2.82 million or 62% in the FYE 2023. This was mainly due to decrease in revenue recognised on a percentage of completion basis and lower sales value of properties sold in the FYE 2023 compared to FYE 2022.

Other operating income

Other operating income had decreased by RM7.05 million or 84% in the FYE 2023. The decrease is attributable to a gain on disposal of subsidiary companies of RM3.84 million and live bird subsidies of RM2.47 million recognised in the FYE 2022.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Expenses

Expenses had decreased by RM6.95 million or 30% in the FYE 2023. This was mainly due to a loss on its share issue scheme of RM1.84 million and write-down of inventories of RM0.92 million, which were both recognised in the FYE 2022. Furthermore, expenses from the poultry operations were no longer incurred. All these decreases were partially offset by an impairment on other receivables of RM5.50 million in connection with a joint-venture agreement for the proposed development of a piece of land located at Mukim Setapak, Negeri Wilayah Persekutuan, Kuala Lumpur measuring approximately 15,929 square meters recognised in the FYE 2023.

Loss after tax

During the FYE 2023, the Group's loss after taxation increased by RM0.30 million or 2%. This was mainly due to a lower profit from its property development operations.

Total assets

Total assets decreased by RM21.08 million or 17% mainly due to an impairment on other receivables of RM5.50 million, a net repayment on bank borrowings of RM 8.31 million and decrease in contract assets of RM3.03 million during the FYE 2023.

Total liabilities

Total liabilities decreased by RM7.40 million or 29% mainly due to net repayment on bank borrowings of RM 8.31 million during the FYE 2023.

D. OPERATIONS AND FINANCIAL PERFORMANCE

Housing Development Activities

The performance of the housing development activities for the FYE 2023 as compared to FYE 2022 is summarized below:

	2023 RM'000	2022 RM'000	VARIANCE RM'000, %
Total revenue	41,584	44,354	2,770, -6%
Inter-segment revenue	(16,413)	(14,945)	-1,468, -10%
External revenue	25,171	29,409	-4,238, -14%
Results			
Segment results	(3,912)	(911)	-3,001, ->100%
Interest income	79	49	-30, -61%
Operating loss	(3,833)	(862)	-2,971, ->100%
Finance costs	(629)	(1,423)	794, 56%
Other non-cash items	(5)	(1,286)	1,281, >100%
Loss before taxation	(4,467)	(3,571)	-896, -25%
Taxation	(248)	(27)	-221, ->100%
Loss for the year	(4,715)	(3,598)	-1,117, -31%

Revenue from the housing development division decreased by RM4.24 million or 14% mainly due to decrease in number of completed properties sold during the FYE 2023.

However, the loss generated from the housing development division had increased by RM1.12 million mainly due to the same above-mentioned reason.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Strategies

Our strategy is to continue sourcing for land banks and joint-venture opportunities in order to expand our housing development activities even further.

The site clearing and earthwork for the Laman Lentera project under a subsidiary of the Company, Irama Setia Sdn. Bhd., had already begun in FYE 2023. The Group foresees that the project will contribute positively to the Group's performance in the near future.

E. RISK MANAGEMENT

The Group has in place a risk management system to manage the risks of the Group. Among the risks managed by the Group are the following:

i) Fluctuations in commodity prices

The Group's housing development operations are affected by the risk of fluctuating building material prices, such as steel, timber, bricks and cement. This risk is mitigated through constant monitoring of commodity prices to ensure that building materials are purchased in advance of impending prices increases.

ii) Fluctuations in foreign currency exchange

The Group has not entered into any derivative instruments for hedging or trading purposes as the Group's exposure to foreign currency risk is minimal.

iii) Credit risk

The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks and financial institutions. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

iv) Liquidity risks

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

v) Interest rate risks

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to risk of change in the fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at banks and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risks by reviewing its debts portfolio to ensure favourable rates are obtained.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

F. CORPORATE GOVERNANCE

The Group is committed to implement the best practice of corporate governance to enhance and increase shareholders' value. The Group has its risk management and internal control procedures in place to ensure transparency, accountability and integrity are attained and maintained in managing the Group businesses.

Policies that the Group has officially adopted include Corporate Disclosure Policy, Fraud Policy, Whistleblowing Policy, Group Risk Management Policy, Succession Planning Policy, Sustainability Policy, Anti-Bribery and Anti-Corruption Policy, Code of Ethics Policy, Directors and Senior Management's Remuneration Policy, External Auditors' Assessment Policy, Diversity Policy and Directors' Fit and Proper Policy.

The Board of Directors' responsibilities for preparing the annual audited financial statements are disclosed in the Directors' Responsibilities Statement set out in this Annual Report 2023.

The audited financial statements of Sinmah Capital Berhad are not subject to any qualification as disclosed in the Independent Auditors' Report to the Members.

G. OUTLOOK

The Group is looking at ways to enhance its housing development operations. Efforts are being taken to increase its land banks in order to ensure the continuity of profitable operations. This includes looking for land deals or joint ventures that are profitable to the Group.

ACKNOWLEDGEMENT

Our appreciation goes to our business partners, consultants, customers, contractors, suppliers, financiers, and government agencies such as Ministry of Investment, Trade and Industry (MITI), Malaysian Investment Development Authority (MIDA), Immigration Department, Ministry of Housing, Real Estate and Housing Developers' Association Malaysia (REHDA) and Construction Industry Development Board (CIDB).

I also wish to extend my most heartfelt appreciation to my fellow Board members for their support, contribution and dedication in discharging their duties and responsibilities. We also wish to thank our dedicated workforce for their commitment, dedication, contribution and professionalism towards the performance of the Group. On behalf of the Board, I wish to express our utmost appreciation to them.

Lastly, I wish to thank you, our shareholders, for your unwavering support and we look forward to your continuing vote of confidence.

Thank you.

DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL
EXECUTIVE CHAIRMAN

SUSTAINABILITY STATEMENT

Sinmah Capital Berhad (“Sinmah” or “the Company”) and its subsidiaries’ (collectively referred to as the “Group” or “Sinmah Group”) objective is to generate a beneficial impact through our business activities by fostering long-term business value for our stakeholders, not only through achieving business growth and operational profitability but also via developing and safeguarding economic, environmental, and social (“EES” or “sustainability”) values. By overseeing and prioritising sustainability alongside our business objectives, we aim to contribute positively to the broader community and environment in which we operate and ensure the continuity of our operations.

The Group’s sustainable business management is governed by our four pillars of Basic Principles, serving as the cornerstone for our strategy towards business sustainability.

Social Harmony	People	Community	Customer
The Group’s operations are dedicated to the pursuit of social harmony and the promotion of well-being.	The Group respects human dignity and values personal relationships. Our people are our assets.	The Group is rooted in local community life and dedicated to making a continuing contribution to the community.	The Group practices its “Customer First” philosophy with its everlasting innovative spirit.

Reporting Standards

The Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”) which is aligned with the Group’s strategy and commitment to conducting our business operations in a sustainable, responsible, and ethical manner. This encompasses the identification and management of significant EES risks and opportunities during the financial year ended 31 December 2023 (“FYE 2023”). This Statement presents the progress of sustainability development in FYE 2023.

This Statement has been prepared in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Securities. This Statement incorporates the enhanced common indicators required by Bursa Securities, enabling a more holistic disclosure of our sustainability performance. Moreover, we continued to implement appropriate controls and initiatives to effectively manage Material Sustainability Matters (“MSMs”), particularly those MSMs significantly impact the Group.

The data and information presented in this Statement have been reviewed by our internal management team. No internal audit or independent parties have been engaged to review the sustainability data disclosed in this Statement.

Sustainable Development Goals

Additionally, Sinmah Group is supporting the Sustainable Development Goals (“SDGs”) which was adopted by United Nations Member States in 2005 towards the 2030 Agenda. The SDGs represent a worldwide initiative striving to foster peace and prosperity for both people and the planet, spanning present and future generations. Within pertinent sections, we highlight how the Group can actively contribute to multiple global development goals set in the SDGs, as relevant.



(Illustration 1: The 17 SDGs by the United Nations)

SUSTAINABILITY STATEMENT

Reporting Scope

This Statement covers the Group's sustainability management, approaches, and performance from 1 January 2023 to 31 December 2023. The scope of this Statement covers all of the Group's subsidiaries and operations in the Property Development Segment.

The Property Development Segment of the Group is managed by Irama Setia Sdn. Bhd. ("ISSB") and Sinmah Development Sdn. Bhd. ("SDSB") which oversees property development projects and construction activities. SDSB has three (3) subsidiaries, namely Sinmah Builders Sdn. Bhd. ("SBSB"), Budi Saja Sdn. Bhd. ("BSSB") and Meadow Assets Sdn. Bhd. ("MASB"). Active property development projects undertaken in FYE 2023 are as follows:

- Taman Gambir Perdana (developed by BSSB);
- Taman Tanjung Minyak (developed by SDSB); and
- Laman Lentera (developed by ISSB).

Details of the three (3) projects above are:

Project name	Project size (GDV)	Project details	Status as of 31 December 2023				
Gambir Perdana	RM177.84 million	446 units of mixed development comprising 419 units of residential homes of various sizes and designs and 27 units of commercial premises of various sizes and designs.	Residential				
			Status	Units			
			Completed	132			
			80% - 95%	19			
			50% - 80%	26			
			25% - 50%	115			
			≤ 25%	127			
Commercial							
Status	Units						
Completed	13						
25% - 50%	14						
Tanjung Minyak	RM3.50 million	10 units double-storey terrace houses.	<table border="1"> <thead> <tr> <th>Status</th> <th>Units</th> </tr> </thead> <tbody> <tr> <td>55% - 65%</td> <td>10</td> </tr> </tbody> </table>	Status	Units	55% - 65%	10
Status	Units						
55% - 65%	10						
Laman Lentera	RM42.33 million	10 units of 2-storey shop offices, 2 units of 3-storey shop offices, and 37 units of 2-storey terrace houses.	The site clearing and earthwork commenced in FY2023.				

SUSTAINABILITY STATEMENT

Sustainability Governance

Board	<ul style="list-style-type: none"> - Ultimately responsible for the Group's sustainability practices & performance - Reviewing and adopting the Group's strategy, plans, and directions, considering sustainability
Audit Committee	<ul style="list-style-type: none"> - Reviewing the MSMs of the Group - Reviewing the adequacy of sustainability initiatives and processes - Reviewing the effectiveness of the process in identifying, assessing, managing, and reporting MSMs
Risk Management Committee	<ul style="list-style-type: none"> - Performing materiality assessment on the Group's sustainability matters, focusing on MSMs - Overseeing the management of the Group's sustainability matters (including engagement with stakeholders), focusing on MSMs
Management	<ul style="list-style-type: none"> - Responsible for the management and performance of sustainability matters (including engagement with stakeholders), focusing on MSMs, within the respective operations

The Board leads the Group's business sustainability strategy and approaches and is tasked to review and oversee the implementation of the overall corporate strategy, plans, and directions, with a focus on sustainability aspects. The Board is also responsible for regularly reviewing the outcomes and performance of all the Group's MSMs.

To ensure effective management of sustainability issues, the Nomination Committee ("NC") periodically reviews and evaluates the performance of both the Board and relevant Senior Management in managing these matters.

The Audit Committee ("AC") supports the Board to oversee the Group's identified MSMs and ensure that the MSMs are aligned with the sustainability strategy established by the Board. The AC is also responsible for overseeing the effectiveness and adequacy of internal controls addressing the Group's sustainability risks.

The Risk Management Committee ("RMC"), a management-level committee headed by the Group's Executive Director ("ED") and composed of department heads from various business units of the Group, holds the responsibilities of supervising the management of sustainability risks and opportunities within the Group's operations. In addition to oversight of enterprise-wide risk management, the RMC ensures the effective, efficient, and synergistic management of the Group's sustainability efforts. The roles of the RMC, where the management of sustainability matters is concerned, include the following:

- to incorporate sustainability into Sinmah's risk management and corporate strategies;
- to oversee the stakeholder engagement processes of the Group;
- to perform materiality assessment on the Group's EES matters;
- to oversee the management of the Group's sustainability matters;
- to monitor and report the Group's MSMs to the AC; and
- to develop sustainability-related disclosures of the Group, including the Sustainability Statement required by the MMLR of Bursa Securities.

Under the leadership of the ED, Management is tasked with implementing processes and internal controls designed to address the Group's sustainability matters. This includes engaging with stakeholders, ensuring adherence to sustainability-related policies and procedures, and ensuring the key performance indicators ("KPIs") for managing MSMs are met and reported.

SUSTAINABILITY STATEMENT

Sustainability Policy and Management Approach

To develop a clear direction towards advancing sustainability within the Group's operations, a Sustainability Policy has been implemented. This Sustainability Policy states the Group's management philosophy concerning business sustainability and promotes guiding principles for managing sustainability-related risks and opportunities. Details of the Sustainability Policy is summarised as follows:

SUSTAINABILITY POLICY

- consider sustainability issues and integrate these considerations when considering business decisions
- promote and ensure all employees are aware of, and are committed to, implementing and measuring sustainability activities as part of the Group's strategy, taking into consideration the economic, environmental, social, and governance aspects
- strive to improve the Group's sustainability performance
- observe and comply with all relevant legislation, regulations, and codes of practice applicable and relevant to the Group

In alignment with the Sustainability Policy, alongside the Sustainability Reporting Guide and other sustainability reporting standards and guidelines, we have undertaken various activities during the financial year under review. These activities are aimed at facilitating the systematic management and reporting of the Group's sustainability.

In FYE 2023, the approaches undertaken are summarised as follows:

- limited review of the overall stakeholder engagement activities;
- comprehensive materiality assessment review; and
- management and reporting of MSMs and their performance.

Stakeholder Engagement

Understanding the expectations of stakeholders is important for the Group to develop long-term sustainability and deliver sustainable value to its stakeholders. In order to gain deeper insights into the feedback and concerns of our stakeholders, it is imperative that the relevant heads of departments take on the responsibility of actively engaging in communication with stakeholders. This proactive approach not only ensures that the Group remains attuned to the evolving needs and expectations of its stakeholders but also facilitates the development of strategies and initiatives that are aligned with their interests and contribute to the creation of sustainable value over time.

The Group strives to ensure that all our stakeholders are informed about the latest sustainability initiatives undertaken by communicating the latest outcomes of sustainability issues to them. The table below summarises our engagement channels with our key stakeholders.

SUSTAINABILITY STATEMENT

STAKEHOLDERS	ENGAGEMENT PLATFORMS	ENGAGEMENT AREAS	STAKEHOLDER CONCERNS	MANAGEMENT RESPONSE
Employees	<ul style="list-style-type: none"> - Code of Conduct - Training and learning programmes 	<ul style="list-style-type: none"> - Employee Engagement - Operational performance and issues - Code of Ethics - Health and safe working environment 	<ul style="list-style-type: none"> - Career development - Benefits - Employment equality - Working environment - Job performance 	<ul style="list-style-type: none"> - Training programmes - Employee engagements - Competitive remuneration package
Customer	<ul style="list-style-type: none"> - Letter of handover of keys - Face-to-face interactions or via telephone 	<ul style="list-style-type: none"> - Safe and quality products - Good governance practices - Regulatory compliances 	<ul style="list-style-type: none"> - Quality of products (such as houses) - Compliance with law 	<ul style="list-style-type: none"> - Customers' complaints forms
Contractor and Suppliers	<ul style="list-style-type: none"> - Interviews - Face-to-face interactions 	<ul style="list-style-type: none"> - Business continuity - Regulatory compliances 	<ul style="list-style-type: none"> - Shortage in supply - Quality of goods and services 	<ul style="list-style-type: none"> - Supplier assessment forms
Government and Regulators	<ul style="list-style-type: none"> - On-going meetings and interactions 	<ul style="list-style-type: none"> - Regulatory compliances - Responsible business practices 	<ul style="list-style-type: none"> - Compliance with laws and regulations 	<ul style="list-style-type: none"> - Continuous training on regulatory requirements and updates - Consultations with regulators to ensure compliance
Shareholders and Investors	<ul style="list-style-type: none"> - Annual General Meeting - Financial statements and quarterly reporting - Company announcements - Press releases 	<ul style="list-style-type: none"> - Financial reporting on performance - Good corporate governance 	<ul style="list-style-type: none"> - Activities carried out by the Group not disclosed - Any event leading to financial losses 	<ul style="list-style-type: none"> - Corporate Affairs Department to oversee the investor relationship function
Communities	<ul style="list-style-type: none"> - Online platforms - Corporate voluntary programmes 	<ul style="list-style-type: none"> - Indirect economic contribution - Responsible environment management 	<ul style="list-style-type: none"> - Activities carried out causing negative impact on the community - Affordable housing 	<ul style="list-style-type: none"> - Community programmes such as financial assistance for the needy - Participated in government programmes for affordable housing

SUSTAINABILITY STATEMENT

Materiality Assessment

During the financial year under review, a comprehensive materiality assessment review concerning the Group's sustainability matters has been conducted. This assessment review process aims to verify the continued relevance of the current MSMs to the Group while also ensuring that emerging sustainability risks and opportunities are duly acknowledged and incorporated. A material matter is identified as a matter if it:

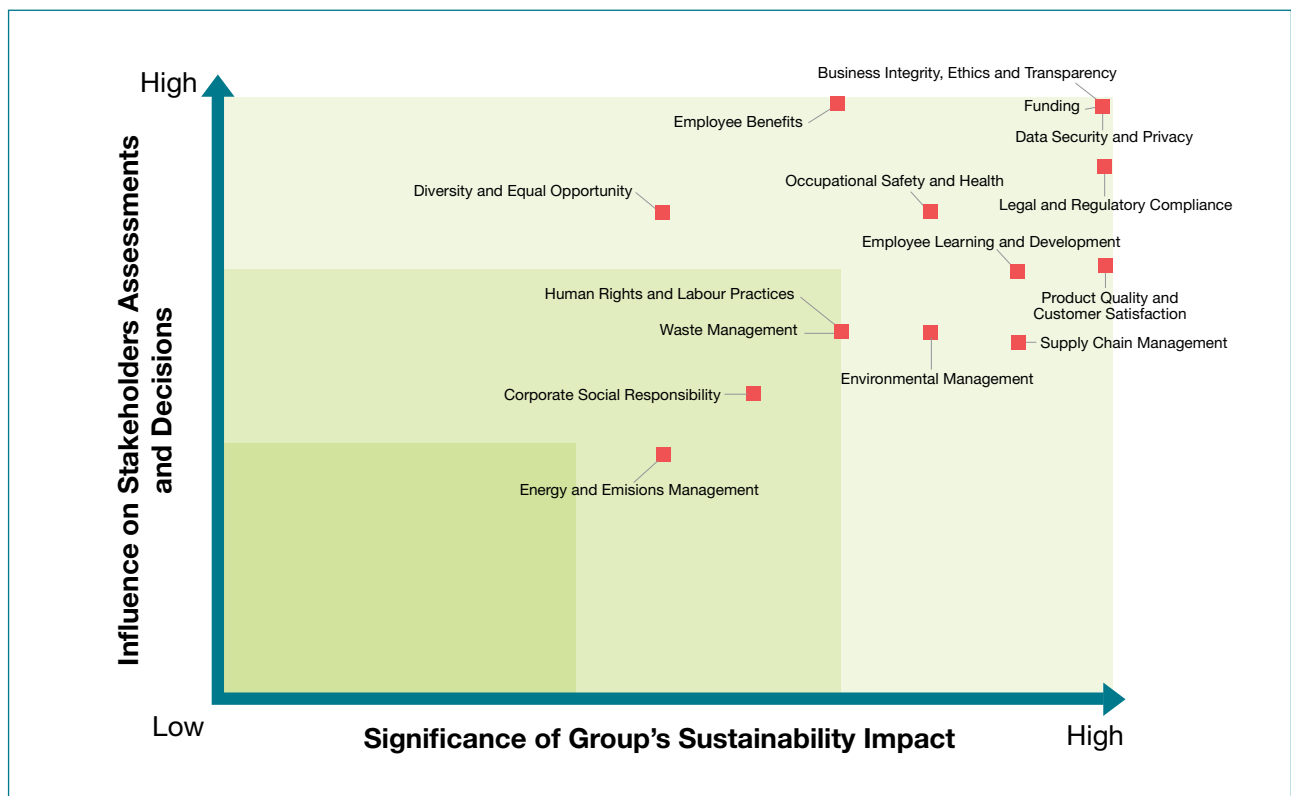
- reflects the Group's significant EES impacts; or
- substantively influences the assessments and decisions of stakeholders.

The materiality assessment has also considered the common sustainability matters prescribed in the MMLR.

The comprehensive materiality assessment review process was participated by the ED and the Senior Management of the Group's businesses. This assessment incorporated a range of factors, including internal and external factors within the business environment and industry, the perspectives of key stakeholders, assessment of EES aspects that could potentially influence or be influenced by the Group's operations. Both business-centric and stakeholder-centric viewpoints as well as the potential emerging risks impacting the Group or its stakeholders were taken into account during the materiality assessment review process. The summary of the materiality assessment review process is provided as follows:



Through the comprehensive materiality assessment review process conducted in FYE 2023, a Materiality Matrix illustrating the 15 MSMs is presented as follows:



SUSTAINABILITY STATEMENT

After considering the feedback from stakeholders and input from our internal Management team, the Group has identified 10 new MSMs. These include “**Funding**”, “**Supply Chain Management**”, “**Human Rights and Labour Practices**”, “**Diversity and Equal Opportunity**”, “**Employee Benefits**”, “**Corporate Social Responsibility**”, “**Data Security and Privacy**”, “**Environmental Management**”, “**Waste Management**” as well as “**Energy and Emissions Management**”.

Furthermore, one of the existing MSMs has been renamed from “Ensuring a Safe Workplace” in the FYE 2022 Sustainability Statement to “**Occupational Safety and Health**” in this Statement. The materiality assessment process and results are reported to the Board for their review and approval.

Driving Our Growth

Funding

At Sinmah Group, funding is one of the most material matters for the Group as it serves as the lifeblood that propels projects forward for property developers including Sinmah. Whether it is financing the construction of new developments or providing resources for prospective buyers to acquire properties, funding is integral at every stage of the property development process.

In terms of securing funding for Sinmah’s development projects, our projects are carefully crafted with diligent budgets. In addition, it is also important for us to have healthy financial positions and performance to attract financiers to support our project.

On the other hand, we work together with financial institutions to develop attractive financing packages for prospective buyers. We maintain relationships with a few financial institutions to provide alternatives to prospective buyers as well.

For detailed information regarding the projects undertaken by the Group in FYE 2023, please refer to the corporate website as well as the **Chairman’s Statement and Management Discussion and Analysis** section in the Annual Report FYE 2023.

Strengthening Our Supply Chain and Product

Product Quality and Customer Satisfaction

The Group places priority on its “Customer First” philosophy in providing products and services to our customers. To achieve this, we continue to create value for our customers via safe and quality products and services. We do not only aim to enhance customer satisfaction and brand reputation but also to foster long-term relationships with customers based on trust and confidence, aligning with our mission below:

OUR MISSION

- To continuously improve building quality houses and to achieve purchaser satisfaction
- Our commitment to quality, service and efficiency permeates every strata of our organisation
- As a responsible and reliable developer and contractor, we always believe in providing the best quality and service

To align with our mission, we actively engage with our customers to gather their feedback, comments, and suggestions regarding our products and services, as well as areas for improvement. We initiate these interactions at various stages, including pre-sale, post-sale, and during the defects liability period, ensuring comprehensive communication channels with our valued customers.

The spirit of striving for quality is integrated into our business operations and project quality planning is also considered as part of our Standard Operating Manual. Recognising the importance of our business partners in achieving quality products, we maintain close relationships with our business partners, including consultants, suppliers, contractors and sub-contractors through continuous engagement and collaboration.

As a responsible developer and contractor, we prioritise safety and quality from the inception of our projects, starting with the building design stage where we collaborate closely with architects and relevant consultants. Key considerations in this phase include creating spaces that are conducive to comfortable living, aligning with the lifestyles of our target demographics, and selecting materials that are both suitable and safe for use in our buildings.

SUSTAINABILITY STATEMENT

Throughout the construction phase, we maintain close collaboration with our suppliers, contractors, or subcontractors to oversee construction progress and address any challenges that may arise, while upholding safety and quality are not compromised. Additionally, we also organise regular sessions with consultants and contractors to facilitate the sharing of professional knowledge and experience, enhancing the capabilities of both us and our valued business partners.

Although we have not reached a project size that makes it economically feasible to obtain external QLASSIC quality assessment, the Group has implemented an internal quality assessment procedure. This internal process evaluates the quality standards of workmanship across different aspects of building construction, including architectural, mechanical, electrical, and external works. Following the Construction Industry Development Board's ("CIDB") push towards having more construction projects certified with QLASSIC, the Group will continue to oversee, evaluate, and consider efforts that can provide our customers and the market with enhanced quality assurance.

Recognising the transformative potential of technology and innovation within the property development industry, the Group remains vigilant in staying updated on developments in this area. We continually assess the feasibility of leveraging such technologies or innovations to enhance operational efficiencies, cost-effectiveness, and better safety and quality standards in our products. Besides, embracing certain innovative practices may contribute to environmental preservation, such as the adoption of reusable aluminium alloy formwork, which minimises waste compared to traditional timber formwork methods.

The Group implemented formal processes to record instances of unsatisfactory workmanship identified during the defects liability period, ensuring that these issues are promptly addressed. This documentation serves as a basis for analysing and assessing areas for potential improvement within our business processes, including the selection of sub-contractors or sourcing of materials. Furthermore, a structured process has been established for customers to lodge formal complaints. Valuable feedback gathered from customers through this channel contributes significantly to the enhancement of both our products and processes.

During the financial year under review, there were one hundred and two (102) house key handovers for the Group's project in Taman Gambir Perdana. A total of 20 complaint forms were received from homeowners during the financial year ended 31 December 2023. All complaints were minor and were duly rectified by the Management.

Supply Chain Management

In the property development industry, effective supply chain management is paramount to ensuring the delivery of high-quality, safe, and compliant projects. Central to this endeavour is a steadfast focus on product quality and safety throughout the entire supply chain process. To maintain the quality of the projects, our employees and workers will undertake the necessary training.

To ascertain that our suppliers, consultants, contractors, and sub-contractors' products and services meet our stringent requirements and standards, supplier/vendor assessments are conducted annually. The assessments cover not only the quality of the materials but also factors such as adherence to the Group's requirements such as standards of human rights and prohibiting any involvement in bribery or corruption, regulatory guidelines, and industry best practices. A written acknowledgement form is required from the relevant supplier or vendor to ensure that they fully understand and commit to upholding our standards for product quality, safety, and ethical conduct.

We ensure that only suppliers, consultants, contractors, and sub-contractors who consistently deliver satisfactory quality products and services are appointed for our projects. This approach not only safeguards the integrity of our developments but also mitigates risks associated with substandard materials or workmanship. Additionally, it also fosters a culture of accountability and continuous improvement in quality houses among our suppliers, consultants, contractors, and sub-contractors, driving them to consistently strive for excellence in their performance.

In addition to quality assurance and ethical standards, the Group's supply chain management strategy also prioritises local procurement, where possible. By sourcing materials and services locally, we do not only support the growth of local businesses but also contribute to the overall local economic growth.

During the financial year under review, 100% of the materials and services procured by the Group are from local suppliers, consultants, contractors, and sub-contractors.

Financial Year	2023
Sourcing from local suppliers, consultants, contractors, and sub-contractors (materials and services) (%)	100%

SUSTAINABILITY STATEMENT

Maintaining High Standards of Ethics and Integrity

Legal and Regulatory Compliance

To ensure that our operations align with legal and regulatory requirements aimed at safeguarding and preserving the EES, it is crucial for us to adhere to the relevant laws, regulations, standards and guidelines set by authorities and regulators pertaining to our business.

The Group is subject to a range of laws and regulations, amongst others, including those concerning publicly listed companies, financial reporting, construction law (such as the Construction Industry Development Board (“CIDB”) Act 520, the Housing Development (Control and Licensing) Act 1966, the Housing Development (Control and Licensing) Regulations 1989), labour law, and environmental laws. To address these legal laws and requirements, we have integrated compliance considerations into our group-wide risk management system, developed in accordance with ISO 31000:2018 – Risk Management – Guidelines. Within the organisation, risk owners are accountable for ensuring compliance with relevant laws and regulations in their respective areas of responsibility. Moreover, those risks identified through the group-wide risk management system, including those related to compliance, are regularly reviewed and managed at least annually.

The Group has also assigned its Corporate Affairs Division the responsibility of overseeing and evaluating compliance with relevant laws and regulations. This Corporate Affairs Division is also tasked with keeping the Group informed about any new developments pertaining to laws and regulations that affect the Group’s business operations.

At the Board level, qualified and competent Company Secretaries, who are members of the Malaysian Institute of Accountants and/or the Malaysian Institute of Chartered Secretaries and Administrators, provide assistance to the Board. The Company Secretaries are tasked with staying updated on the development of laws and regulations, particularly those concerning corporation laws, corporate governance, and MMLR, and advise the Board on compliance matters within these areas.

As one of the key aspects of the Group’s Sustainability Policy is adherence to all relevant legislation, regulations, and codes of practice relevant to the Group, the Group has consistently aimed to prevent any non-compliance or breach of any laws and regulations by the Group. During the financial year under review, the Group did not receive any fines related to non-compliance or breaches of laws or regulations.

Financial Year	2021	2022	2023
Fines (RM)	0	0	0

Business Integrity, Ethics and Transparency

The Group is committed to upholding high standards of integrity and ethical conduct in all our business dealings. Our primary goal is to generate long-term value for our stakeholders while developing transparent, open, and honest business relationships with them. This commitment extends to all parties involved in our operations, including employees, suppliers, contractors, sub-contractors, customers, etc.

Code of Ethics

To set clear expectations for our directors and employees as representatives of the Group, we have established a Directors’ Code of Ethics and the Group Code of Ethics. These documents are applicable to the Group’s directors and employees. Integrity stands as a cornerstone principle within the Directors’ Code of Ethics and the Group Code of Ethics, emphasising the importance of upholding a high degree of business ethics and professional conduct. It is expected that directors and employees alike adhere to these standards diligently while fulfilling their duties and obligations on behalf of the Group.

SUSTAINABILITY STATEMENT

In addition to the aforementioned measures, Sinmah Group has implemented various policies, procedures, and practices, guided by the Ministerial Guidelines on Adequate Procedures. These include, but are not limited to, the following:

- Anti-Bribery and Anti-Corruption Policy;
- Policies relating to Gift, Entertainment, Travel, Donation, Sponsorship, and Business Incentives;
- Conflict of Interest and Code of Conduct and Ethics declaration for Directors, Employees and persons performing services on behalf or for the Group; and
- Anti-Bribery and Anti-Corruption-related training for Directors, Employees and persons performing services on behalf or for the Group.

Anti-Bribery and Anti-Corruption

Sinmah Group does not tolerate corruption or bribery activities, and this is considered in the Anti-Bribery and Anti-Corruption Policy established by the Board. The policy is publicly available on Sinmah's corporate website. In addition, the Anti-Bribery and Anti-Corruption Policy provides guidance with respect to the use of higher-risk transactions such as gifts, entertainment, corporate sponsorship, donations, etc. The Group has taken significant steps, including raising awareness and implementing controls, to prevent such practices among its directors, employees, and third-party service providers acting on behalf of or for the Group.

The Group adopts a risk-based approach towards managing corruption. Corruption risk assessment is conducted and it is reviewed annually via the Group's risk management processes.

All key operations of the Group have been assessed for corruption risk as at 31 December 2023.

Financial Year	2023
----------------	------

Operations assessed for corruption-related risk (%)	100%
---	------

In order to ensure clear communication of the Group's stance, policies, and control measures regarding anti-bribery and corruption, training sessions were conducted regularly for Executive Directors, Non-Executive Directors and Managerial staff considering the risk exposure of their positions and work nature.

During the financial year under review, the Group has organised anti-bribery and corruption training for our employees, to provide a refresher on the anti-bribery and corruption policy and measures of the Group.

Percentage of employees who have attended training on corruption

Financial Year	2023
----------------	------

Senior Management (including EDs and C-suite)	11 (69%)
Middle Management	3 (23%)
Executives	0 (0%)
Non-Executives	0 (0%)

Total	14 (30%)
--------------	-----------------

Apart from that, the Group is pleased to report that there have been no incidents of corruption and bribery or serious breaches against business ethics noted or reported throughout the year.

Financial Year	2021	2022	2023
----------------	------	------	------

No. of incidents of bribery and corruption	0	0	0
--	---	---	---

SUSTAINABILITY STATEMENT

Data Security and Privacy

A comprehensive policy or procedure related to data security and privacy has been developed to safeguard our customer's data and information. The policy and procedures are in place to ensure that data is handled responsibly, with access restricted to authorised personnel and encryption employed.

Besides, the Group also adheres strictly to the Personal Data Protection Act 2010 ("PDPA"), ensuring lawful and transparent handling of personal data. Regular security assessments and audits are conducted to further identify and mitigate vulnerabilities, supported by ongoing employee training programmes to promote awareness and accountability.

The performance of these controls is regularly assessed by monitoring any substantiated complaints concerning breaches of customer privacy or losses of customer data and this allows us to continuously improve our data security and privacy practices.

During the financial year under review, there were zero substantiated complaints concerning breaches of customer privacy or losses of customer data.

Financial Year	2023
No. of substantiated complaints concerning breaches of customer privacy or losses of customer data	0

Whistleblowing Mechanism

In order to encourage the reporting of misconduct or unethical behaviour in a transparent and safe manner, the Group has implemented a whistleblowing mechanism in accordance with our Whistleblowing Policy. This mechanism allows employees, third parties associated with the Group, and the general public to report any unethical practices or wrongdoing without fear of retaliation. To ensure impartial handling of whistleblowing cases, all reports will be directed to the AC Chairman, who is a Senior Independent Non-Executive Director appointed by the AC. The Whistleblowing Policy is available on our corporate website.

All whistleblowing cases received by the Group are handled with utmost seriousness and thorough investigations are conducted to the best of our ability. Upon the conclusion of each investigation, appropriate actions, including disciplinary actions, are taken as necessary. In FYE 2023, there were no whistleblowing cases related to integrity or ethics reported.

Financial Year	2021	2022	2023
No. of whistleblowing cases related to integrity or ethics	0	0	0

The implementation of policies, procedures, and controls aimed at bolstering business integrity and ethics, and combating corruption are in line with goal 16 of the SDG, "peace, justice and strong institutions", with the objective of reducing corruption and bribery in all their forms.



SUSTAINABILITY STATEMENT

Empowering Our Workforce

In our pursuit of fostering a culture of integrity and ethical conduct, we actively promote open communication with our employees which allows them to share and express any divergent views and raise concerns. Through an open-door policy, we provide a safe space for employees to share diverse perspectives and voice any concerns that they may have. This transparent exchange of ideas between the Group's leadership and employees enables us to gain deeper insights into employees' aspirations and cultivates mutual trust, thereby aligning our collective vision towards achieving long-term value creation for all stakeholders, including our employees.

Diversity and Equal Opportunity

As of 31 December 2023, the Group employed a total of 46 full-time permanent employees. Being in the property development industry, our project also relies on workers from our subcontractors and service providers.

As of 31 December 2023	Gender	
	Male	Female
Board of Directors	4 (67%)	2 (33%)
Employee Category		
Senior Management (including EDs and C-suite)	14 (88%)	2 (12%)
Middle Management	5 (38%)	8 (62%)
Executives	2 (20%)	8 (80%)
Non-Executives	5 (71%)	2 (29%)
Total	26 (57%)	20 (43%)

As of 31 December 2023	Age		
	<30	30 – 50	>50
Board of Directors	0 (0%)	3 (50%)	3 (50%)
Employee Category			
Senior Management (including EDs and C-suite)	0 (0%)	7 (44%)	9 (56%)
Middle Management	1 (8%)	9 (69%)	3 (23%)
Executives	1 (10%)	9 (90%)	0 (0%)
Non-Executives	1 (14%)	2 (29%)	4 (57%)
Total	3 (6%)	27 (59%)	16 (35%)

Human Rights and Labour Practices

The Group respects the fundamental human rights of all people, including its employees and the people it works with. We prohibit the use of child labour and forced labour in all our operations. We also do not restrict our employees with regard to their rights to freedom of association and collective bargaining, as per local laws and regulations.

Furthermore, ensuring compliance with relevant laws and regulations is essential for promoting fair labour practices within the property development industry. Contractors and subcontractors engaged in development projects are required to adhere strictly to relevant labour laws, including those pertaining to minimum wages, working hours, and workplace safety standards. By doing so, developers can foster environments where workers are treated fairly and afforded the protections they are entitled to under the law and regulations.

SUSTAINABILITY STATEMENT

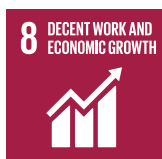
In FYE 2023, the Group is pleased to present that there were no substantiated complaints concerning human rights violations noted.

Financial Year

2023

No. of substantiated complaints concerning human rights violations	0
--	---

The adherence of the Group practices to laws and regulations pertaining to human rights and labour standards is in line with goal 8 of the SDG, “decent work and economic growth”, with the aim to promote decent work and economic growth by preventing child labour and forced labour.



Employee Benefits

In the market, employee benefits are not just viewed as an obligatory expense but as a strategic investment in talent retention. We recognise the importance of offering competitive benefits packages to attract and retain skilled employees. Providing employee benefits such as health insurance, retirement plans, and accommodation assistance, enables the Group to demonstrate our commitment to employee well-being and job satisfaction, as well as to attract talent.

The Group ensures that the provision of basic employee benefits, including contributions to Social Security Organisation (SOCSO), Employees' Provident Fund (EPF), annual leaves, and sick leaves, among others are provided in accordance with the applicable laws and regulations. Apart from that, accommodation assistance is also provided to our employees, especially for roles that require on-site presence or relocation.

Employee turnover and new hire numbers often serve as indicators of the effectiveness of the benefits offered by a company. In FYE 2023, the turnover and new hire numbers are summarised as follows.

As of 31 December 2023	Turnover no.	New hires no.
Senior Management (including EDs and C-suite)	0	0
Middle Management	0	1
Executives	1	0
Non-Executives	0	0
Total	1	1

Employee Learning and Development

In addition to prioritising the safety and well-being of our employees, we also focus on fostering their personal and professional development and growth. We recognise that having a skilled workforce is essential for the long-term sustainability of our business. Furthermore, creating long-term value for employees also includes promoting mutual growth where the business and our employees develop and improve together. By providing learning and development opportunities, we not only empower our employees to better contribute to the operation of our business but also ensure their satisfaction and fulfilment as they progress and reach their full potential.

The growth and development of our employees go hand-in-hand with their performance review and evaluation. Our leadership maintains continuous engagement with employees on a transparent and open basis, enabling employees to discuss their career aspirations and paths with their superiors and managers, including requesting specific training to enhance themselves, where relevant. Additionally, annual performance reviews are conducted to identify areas for improvement, ensuring that employees can effectively fulfil their roles and responsibilities. The Group conducts training needs assessment at least once a year. Through these processes, the training plan and focus for the year will be developed.

SUSTAINABILITY STATEMENT

During the financial year under review, various training sessions were provided to our employees to address specific skill gaps, and the training topics are summarised as follows:

- MFRS 15 and MFRS 16 – Disclosures and Best Practices;
- Ensuring Your Employee Handbook & HR Practices Complies with Malaysia’s Amended Employment Act & Industrial Relations Act;
- Taxation of Property Developers and Contractors;
- Advanced Corporate tax Issues and Strategies – Inclusive of latest tax developments and updates on Budget 2023;
- Efficient Accounts Payable Operations;
- Creative Thinking & Problem Solving Techniques for Accounts and Finance Professionals;
- Shared Responsibility in Strengthening AML/CFT Compliance: Risks, Challenges and Collaborations;
- Tax Issues and Law Relating to Property Developers, JMB/MC and Investors;
- Accounting for Cryptocurrency Assets;
- Recent Transfer Pricing Developments and Its Impact on Taxpayers;
- Statutory Records Update Under the Companies Act 2016 and Foreign Companies;
- Digital Technology and Artificial Intelligence as Productivity Tools for Accounting and Finance Professionals;
- Seminar Percukaian Kebangsaan 2024 (Bajet 2024);
- Building A Culture of Good Governance & Sustainability: The Role of Board and Management;
- BDO Tax Seminar on Budget 2024: Empowering Financial Sustainability; and
- Anti-Bribery and Anti-Corruption.

The total hours of training attended by employees broken down by employee category are provided in the table below.

Financial Year	2023
Senior Management (including EDs and C-suite)	194
Middle Management	0
Executives	0
Non-Executives	880
Total	1,074

Occupational Safety and Health

We view our employees as our most valuable asset to achieve the long-term sustainability of the Group’s business. Therefore, a Safety, Health, and Environment Policy for SBSB, our primary construction arm of the Group is established to protect the safety and well-being of our employees. This policy serves as a guide for best practices and setting clear priorities to ensure the safety of our employees throughout all construction operations.

Within our business governance structure, we have integrated the responsibility for workplace safety via the establishment of a Safety and Health Committee (“SHC”). This SHC is tasked with overseeing a robust process aimed at safeguarding the well-being of our employees and workers across our construction sites. The SHC consists of representatives from both contractors and the Group’s management team, and it also includes a qualified and competent Safety and Health Officer whose responsibility is to ensure relevant occupational safety and health laws and regulations are complied with, at the construction site. Periodic visits by the Safety and Health Officer allow for thorough assessments and recommendations for enhancements to safety and health processes, ensuring continuous improvement and adherence to best practices.

Addressing safety and health-related recommendations within specified deadlines is of paramount importance to the Group. The Group prioritise these recommendations based on the advice of the Safety and Health Officer, ensuring that urgent matters are promptly attended to. Thus, the Management will continuously rectify and implement all recommendations put forth by the Safety and Health Officer, thereby ensuring a proactive approach to maintaining a safe and healthy work environment for our employees and workers.

SUSTAINABILITY STATEMENT

Better practices for safety and health have also been incorporated into the Safety, Health and Environment Manual. Beyond mere compliance with occupational safety and health laws and regulations, the Safety and Health Officer also oversees adherence to safety and health-related controls and procedures provided in the Safety, Health and Environment Manual. This diligent oversight serves to raise awareness and uphold standards for maintaining a safe work environment. A process for Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) has been implemented to assess and determine key hazards within our operations. By identifying key hazards and assessing associated risks, we can allocate additional resources and attention to these areas, thereby minimising safety risks. The process, including the key hazards, is formally documented to ensure a conscious and systematic approach to hazard management. The Safety and Health Committee, in addition to its other responsibilities, is also tasked with monitoring the management of key hazards identified through the HIRARC process.

Training stands as a pivotal component in equipping our employees and workers with the necessary knowledge to prevent and mitigate workplace hazards, thereby fostering a safe work environment and enabling effective emergency responses. To this end, we regularly conduct safety and health-related training, including safety briefings, to employees and workers, particularly targeting those actively engaged in on-site operations.

During the financial year under review, our employees and workers attended training on Safety Toolbox Talk which covered the topics of health and safety, housekeeping, and security.

In FYE 2023, the number of employees trained on health and safety standards are as follows:

Financial Year	2021	2022	2023
No. of employees trained	22	22	22
Total no. of employees required to be trained	22	22	22
Percentage of employees trained	100%	100%	100%

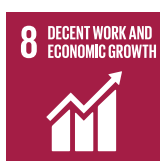
Despite the meticulous implementation of controls, policies, and procedures, accidents may still occur in our operations. To ensure comprehensive oversight, the Safety and Health Officer at each site records work safety records, including the man-hours worked, any accidents or incidents that occurred, and the lost-time injury monthly. The monthly safety records empower the SHC to closely monitor the management of safety and health risks at our construction sites. By looking at these records, SHC can promptly identify any gaps or weaknesses in our safety and health-related controls. Subsequently, appropriate mitigative actions, such as process improvement or strengthening enforcement, can be swiftly implemented to address identified shortcomings.

During the financial year under review, no work-related injuries and fatalities were reported, aligning with the Group’s target of zero work-related injuries and fatalities.

Financial Year	2021	2022	2023
Work-related fatality (no.)	0	0	0
Serious Injury Cases (no.)	0	0	0
Minor Injury Cases (no.)	0	0	0
Lost time injury (no.)	0	0	0
Lost time incident rate*	0.0	0.0	0.0

Note: * (lost time injury / total hours worked) x 200,000

The Group is committed to ensuring a safe and conducive working environment for our employees and workers and this commitment is in line with goal 8 of the SDG, “decent work and economic growth”, where the Group promotes a safe and secure working environment for all workers.



SUSTAINABILITY STATEMENT

Corporate Social Responsibility

Corporate social responsibility (“CSR”) is ingrained in the basic principles of the Group, reflecting its commitment to ongoing contributions to the community. Hence, the Group will actively engage in CSR activities and contribute to initiatives aimed at fostering sustainable development, supporting education, promoting healthcare access, and addressing other pressing social and environmental issues within the community.

Financial Year	2023
Amount invested in the community*	RM25,000
No. of beneficiaries of the investment in communities	7

Note: * exclude target beneficiaries that are external to the company

Protecting Our Environment

Environmental Management

Environmental management in the property development industry is critical for ensuring sustainable growth and minimising ecological impact. Property developers will navigate a complex landscape of regulations, stakeholder expectations, and environmental considerations to create projects that are both profitable and environmentally responsible.

One key aspect of environmental management in property development is conducting environmental assessments before beginning any construction, as relevant. These assessments evaluate the potential impact of the development on surrounding ecosystems, water sources, air quality, and so on. Identifying potential risks earlier enables us to implement mitigation measures to minimise harm and preserve sensitive areas.

During the construction of our projects, we monitor and address various environmental issues including minimising water pollution, noise and vibrations which may create a nuisance for the local community. In this regard, we employ measures such as silt traps, site cleanliness management, sound insulation, ensuring our equipment is maintained regularly, as well as only doing work during hours permitted by the local authority.

The Group is pleased to report that, during the financial year under review, no complaints were received from the community pertaining to our ongoing projects and there were no cases of non-compliance with environmental laws and regulations which resulted in significant fines or penalties.

Financial Year	2023
No. of complaints from the community related to our ongoing projects	0
No. of cases of non-compliance with environmental laws and regulations which resulted in significant fines or penalties	0

Energy and Emissions Management

At Sinmah, we rely on electricity usage which is used for powering construction machinery, lighting up buildings, or maintaining essential utilities. We currently measure our energy usage from electricity usage as it represents our main source of energy. Diesel usage may not be a prevalent concern for the Group as no diesel is consumed in our operations. During the financial year under review, we have consumed 127 MWh of electricity.

Financial Year	2023
Electricity usage (MWh)	127
Energy consumption* (MWh)	127

Note: * energy consumption includes the electricity purchased from TNB

SUSTAINABILITY STATEMENT

Waste Management

Effective waste management is another critical component of environmental management in property development, enabling the Group to manage the waste generated, including construction waste, food waste, and occasional hazardous materials. In addition to complying with relevant waste management laws and regulations, various approaches are undertaken to ensure we responsibly manage the various types of waste. One of the key initiatives is to engage in proactive waste reduction and recycling efforts throughout the construction and operation phases of a development project. This includes implementing strategies to minimise waste generation, such as sourcing sustainable materials, optimising construction processes, and encouraging recycling and composting practices among tenants and occupants. Licensed waste management contractors are engaged in facilitating the proper disposal of waste generated by property development projects. The licensed contractors are equipped with the necessary expertise, equipment, and regulatory knowledge to ensure compliance with relevant waste disposal regulations and environmental standards.

Water Management

Water management has a lower priority compared to other sustainability matters. The Group does not operate in regions considered as water-stressed areas. However, the Group will continue to use water effectively and minimise any wastage. In FYE 2023, a total of 6.676 MI of water were used within our operations.

Financial Year	2023
Water used (MI)	6.676

ESG PERFORMANCE DATA

APPENDIX

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	30.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	2.17
Management Between 30-50	Percentage	34.78
Management Above 50	Percentage	26.09
Executive Under 30	Percentage	2.17
Executive Between 30-50	Percentage	19.57
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	2.17
Non-executive/Technical Staff Between 30-50	Percentage	4.35
Non-executive/Technical Staff Above 50	Percentage	8.70
Gender Group by Employee Category		
Management Male	Percentage	41.30
Management Female	Percentage	21.74
Executive Male	Percentage	4.35
Executive Female	Percentage	17.39
Non-executive/Technical Staff Male	Percentage	10.87
Non-executive/Technical Staff Female	Percentage	4.35
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Between 30-50	Percentage	50.00
Above 50	Percentage	50.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	194
Non-executive/Technical Staff	Hours	880
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.35
Bursa C6(c) Total number of employee turnover by employee category		
Executive	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	22
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	25,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	127.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	6.676000

Assurance Statement

This Sustainability Statement has not been subjected to an assurance process.

Internal assurance

External assurance

No assurance

(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“**the Board**”) of Sinmah Capital Berhad (“**the Company**”) recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) are observed and practised throughout the Company and its subsidiaries (collectively referred to as “**the Group**”) so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value.

This statement is prepared in compliance with Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in MCCG for the financial year ended 31 December 2023 (“**FYE2023**”), a copy of which is available on the Company’s website.

The Board will continue to take measures to improve compliance with the principles and recommended best practices in the ensuing years.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the financial year ended 31 December 2023, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group’s values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

The Board has a formal schedule of matters reserved for deliberation set out in the Board Charter to ensure good governance is in place for the Group.

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee (“**NC**”) takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution and performance, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates’ ability to discharge their responsibilities and should bring in their independent judgement, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

The Board currently has two (2) female Directors, representing 33.3% of the total Board members. With the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. REMUNERATION

The Board has in place a Directors' Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee ("RC") is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate, and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the RC and subsequently approved by the Board for implementation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("AC") plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to ensure health, safety and business continuity of the Group.

The AC with the assistance of the Internal Auditors had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management process are in place:

- Letter of awards, contracts & related documentation
- Budget planning and monitoring
- Policies & compliances
- Invoicing system, progress billing and official receipts
- Procurement and payment processing
- Accounting treatments and records
- Filing system
- Sales & Purchase Agreement and related documents with customers

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for their approval. With the view to maintain an independent and effective AC, the NC ensures that only Independent Non-Executive Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making was supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management were also critical in ensuring that appropriate monitoring and mitigations were embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management approach and ensure that the Group's employees have a good understanding on the application of risk management principles in order to work towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group sustainability.

II. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("**AGM**") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Company, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least twenty-eight (28) days before the AGM date and the AGM is conducted through an electronic polling system. The Company will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Company.

PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors

Sinmah Capital Berhad (“**the Company**”) and its subsidiaries (“**the Group**”) acknowledge the pivotal role played by the Board of Directors (“**the Board**”) in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders’ value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board’s responsibilities, amongst others include the following:

- a) Develop, review and monitor the Group’s strategic plan and direction and ensure that resources are available to meet its objectives.
- b) Identify and review principal risks and ensure the implementation of appropriate systems to manage these risks.
- c) Supervise the operation of the Group to evaluate whether established targets are achieved.
- d) Monitor the compliance with legal, regulatory requirements and ethical standards.
- e) Promote better investor relations and shareholder communications.
- f) Ensure that the Group’s core values, vision and mission; and shareholders’ interests are met.
- g) Review the adequacy and the integrity of the Group’s internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- h) Establish such committees, policies and procedures to effectively discharge the Board’s roles and responsibilities.
- i) Initiate a Board self-evaluation program and follow up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board deems appropriate.
- j) Implement and ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Nomination Committee (“**NC**”)
- (ii) Remuneration Committee (“**RC**”)
- (iii) Audit Committee (“**AC**”)
- (iv) Share Issuance Scheme (“**SIS**”) Committee

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

CORPORATE GOVERNANCE STATEMENT

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Group Managing Director

The positions of Chairman and Group Managing Director (“**GMD**”) are separately held in ensuring balance of power, accountability and division of roles and responsibilities of the Board and Management, whereby, the leadership and effectiveness of the Board are integrated into management through the GMD. Board authority conferred to management is delegated to the GMD. The Board Charter sets out formal position descriptions for the Chairman and GMD outlining their respective roles and responsibilities.

At the moment, the Company does not have a GMD. However, the Chairman of the Board, Datuk Seri Rahadian Mahmud bin Mohammad Khalil, the Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chairman’s key responsibility, amongst others, includes the following:

- a) Leadership of the Board;
- b) Overseeing the effective discharge of the Board’s supervisory role;
- c) Facilitating the effective contribution of all Directors;
- d) Conducting the Board’s function and meetings;
- e) Briefing all Directors in relation to issues arising at meetings;
- f) Scheduling regular and effective evaluations of the Board’s performance; and
- g) Promoting constructive and respectful relations between Board members and between the Board and the Management.

The Board is assisted by the Executive Directors, Datuk Seri Rahadian Mahmud bin Mohammad Khalil, Toh Hong Chye and Datuk Fong Kiah Yeow to oversee the day-to-day operations to ensure the smooth and effective running of the Group. They also implement the policies, strategies, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and Management in ensuring the success of the Group’s governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilisation of corporate resources and expertise by all the business divisions and at the same time achieve the Group’s long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group’s day-to-day business.

In line with the recommendation of the Malaysian Code on Corporate Governance (“**MCCG**”), the Chairman of the Board is not a member of the NC, RC or AC.

CORPORATE GOVERNANCE STATEMENT

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. This is to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanation to facilitate informed decision-making. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board recognises that it is necessary for all Directors to allocate sufficient time to effectively discharge their duties. This includes attending meetings, being able to review Board papers prior to meetings and providing constructive viewpoints.

The Board would meet at least five (5) times a year, at quarterly intervals which are scheduled in advance to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas and due notice given. Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

The Board met five (5) times during the financial year ended 31 December 2023 ("FYE2023"). The attendance of each Director at the Board Meeting held during the FYE2023 are as follow:

Directors	Number of meetings attended	%
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4/5	80%
Toh Hong Chye	5/5	100%
Datuk Fong Kiah Yeow	5/5	100%
Masleena binti Zaid	5/5	100%
Yeong Siew Lee	5/5	100%
Dato' Kevin Sathiaseelan A/L Ramakrishnan ^[1]	2/2	100%
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	1/2	50%

Notes:

^[1] Appointed as an Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 30 May 2023. Only two (2) meetings held after his appointment.

^[2] Resigned as a Non-Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 26 May 2023. Only two (2) meetings held prior to his resignation.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

CORPORATE GOVERNANCE STATEMENT

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the MMLR where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. During the financial year under review, the Board have attended individually or collectively seminar(s), conference(s) and/or training(s) to continuously upgrade their skills and to keep abreast with current developments.

Details of training programmes attended by the Directors during the financial year under review are as follows:

- Mandatory Accreditation Programme Part II
- Anti-Bribery and Anti-Corruption
- Share Buy Back: A Regulatory Perspective
- MFRS 15 and MFRS 16 - Disclosures and Best Practices
- Statutory Records Update Under the Companies Act 2016 and Foreign Companies
- Recent Transfer Pricing Developments and Its Impact on Taxpayers
- Digital Technology & Artificial Intelligence as Productivity Tools

In addition, the Directors receive regular briefings and updates on the Group's businesses, operations, risk management activities, MMLR and relevant law updates. The Company Secretary also highlight the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

AC

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The members of the AC are as follows:

Director	Designation
Yeong Siew Lee	Chairperson
Masleena binti Zaid	Member
Dato' Kevin Sathiaseelan A/L Ramakrishnan ^[1]	Member
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	Member

Notes:

^[1] Appointed as an Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 30 May 2023.

^[2] Resigned as a Non-Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 26 May 2023.

A copy of the AC's Terms of Reference can be found in the Company's website at www.sinmah.com.my.

The activities undertaken by the AC during FYE2023 are spelt out in the AC's Report within this Annual Report.

CORPORATE GOVERNANCE STATEMENT

NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the NC are as follows:

Director	Designation
Dato' Kevin Sathiaselvan A/L Ramakrishnan ^[1]	Chairman
Masleena binti Zaid	Member
Yeong Siew Lee	Member
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	Chairman

Notes:

^[1] Appointed as an Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 30 May 2023.

^[2] Resigned as a Non-Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 26 May 2023.

During the FYE2023, the NC held one (1) meeting. Below are the summary of the key activities undertaken by the NC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy.
- (b) Determined the Directors who stand for re-election by rotation and determined their eligibility upon conducting assessment based on the Directors' Fit and Proper Policy.
- (c) Assessed the effectiveness and performance of the Board and its committees. This is carried out through a self-assessment document that is completed by each Director. The assessment criteria include the following:
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors
- (d) Reviewed the term of office and performance of the AC and each of its members to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference.
- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors.
- (f) Reviewed the Terms of Reference of the NC.

All recommendations of the NC were reported by the NC Chairman at the Board Meeting and approved by the Board.

A copy of the NC's Terms of Reference can be found in the Company's website at www.sinmah.com.my.

CORPORATE GOVERNANCE STATEMENT

RC

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the RC are as follows:

Director	Designation
Dato' Kevin Sathiaselvan A/L Ramakrishnan ^[1]	Chairman
Masleena binti Zaid	Member
Yeong Siew Lee	Member
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	Chairman

Notes:

- ^[1] Appointed as an Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 30 May 2023.
- ^[2] Resigned as a Non-Independent Non-Executive Director, Member of the AC, Chairman of the NC and RC of the Company with effect from 26 May 2023.

During the FYE2023, the RC held one (1) meeting. Below is a summary of the key activities undertaken by the RC in discharge of its duty:

- Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Key Senior Management within the Group.
- Reviewed and recommended the payment of Directors' Fees and Benefits payable to the Non-Executive Directors.
- Reviewed the Terms of Reference of the RC.
- Reviewed the Directors' and Senior Management Remuneration Policy.

All recommendations of the RC were reported at the Board Meeting and approved by the Board.

A copy of the RC's Terms of Reference can be found in the Company's website at www.sinmah.com.my.

SIS Committee

The SIS Committee was established on 18 September 2018. The SIS Committee is primarily responsible for administering the Company's SIS Option in accordance with the approved SIS By-Laws and regulations. The present members of the SIS Option Committee are as follows:

Officers	Designation
Toh Hong Chye	Chairman
Datuk Fong Kiah Yeow	Member
Kunju Kandan A/L K. Vasan	Member

The SIS Committee meets as and when required. No meeting was held during the financial year. Approval on matter requiring the sanction of the SIS Committee was sought by way of written resolution.

CORPORATE GOVERNANCE STATEMENT

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- a) Appointment and recommendation for removal of Directors.
- b) Appointment and removal of Company Secretary(ies).
- c) Establishment of Board Committees, their members and the specific terms of reference.
- d) Recommendation of Directors' fees for Non-Executive Directors to be approved by shareholders.
- e) Approval of remuneration packages, including service contracts for Executive Directors.
- f) Review and approval of Company strategic plan and annual budget (including capital expenditure budget).
- g) Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- h) Approval of investment or divestment in a company, business, property or undertaking.
- i) Approval of investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities.
- j) Approval of major changes in the activities of the Company.
- k) Approval of treasury policies and bank mandates of the Company.
- l) Approval of limits of authority for the Company.
- m) Approval of financial statements and their release (including financial reports for announcement to Bursa Securities or the Securities Commission).
- n) Approval of any corporate announcement to the regulators like Bursa Securities and Securities Commission.
- o) Approval of any transactions that require shareholders' approval.
- p) Approval of Directors' Report, Corporate Governance Statement and Internal Control Statement for inclusion in the Company's Annual Report.
- q) Approval of interim dividends for payment and the recommendation of final dividend or other distribution for shareholders' approval.
- r) Adoption of accounting policies in line with the Malaysian Financial Reporting Standards.
- s) Review the effectiveness of the Group's system of risk management and internal controls via the AC.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.sinmah.com.my.

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and Ethics which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct and Ethics is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct and Ethics and general workplace behavior to ensure they continuously uphold high standard of conduct when performing their duties.

CORPORATE GOVERNANCE STATEMENT

The Board is provided guidance through the Code of Conduct and Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

Details of the Code of Conduct and Ethics can be found in the Company's website at www.sinmah.com.my.

9. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy that covers all employees and third parties in making disclosure of any improper conduct or irregularities without any risk of reprisals. The platform, accessibility and channels of reporting are user-friendly to facilitate the submission of disclosure. The Chairman of the AC was designated to be responsible for the effective implementation of this Policy.

A copy of the Whistleblowing Policy can be found in the Company's website at www.sinmah.com.my.

The Company has also adopted an Anti-Bribery and Anti-Corruption ("ABAC") Policy to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct in relation to the business activities.

The ABAC Policy is designed to provide guidance on practices that are appropriate for employees. The Group will continue to behave with integrity and in accordance with the new Corporate Liability Provisions under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

A copy of the ABAC Policy can be found in the Company's website at www.sinmah.com.my.

10. Company Secretaries

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's Constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

CORPORATE GOVERNANCE STATEMENT

In addition, the Company Secretaries are also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the MMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of six (6) members, where three (3) of the Directors are Independent Non-Executive Directors and three (3) are Executive Directors, wherein at least half of the Board comprises Independent Directors. The Board is satisfied with the current composition of the Board in providing a check and balance in the Board, with appropriate representation of minority interest through the composition of Independent Non-Executive Directors on the Board.

The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

The Board has limited the tenure of the Independent Directors to twelve (12) years and they may continue to serve on the Board subject to their re-designation as Non-Independent Directors.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of twelve (12) years. As part of good governance practices, the Board Charter of the Company limits the tenure of Independent Directors to a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Board would justify and seek annual shareholders' approval to retain the Independent Directors after the ninth (9th) year through a two-tier voting process.

CORPORATE GOVERNANCE STATEMENT

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability and the fitness and propriety of the candidates based on criteria set out in the Fit and Proper Policy before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("AGM") of the Company.

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

As of FYE2023, the Board comprises of two (2) women Directors, representing approximately 33.3% of the total numbers of the Board which is in line with the MCCG of at least 30% representation of women on Board. In addition, the Board composition is in compliance with Paragraph 15.02(1)(b) of the MMLR, whereby a listed corporation must ensure that at least one (1) Director of the listed corporation is a woman.

5. Identifying Suitable Candidates

Any proposed appointment of a new Member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NC on the necessity for reviewing the fit and proper, qualifications and experience of the proposed director. The NC would be guided by an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

During the FYE2023, the Company had appointed Dato' Kevin Sathiaselalan A/L Ramakrishnan, via the recommendation by the management. Despite the recommendation was made by the management, the Board had also utilised independent sources when identifying suitable candidates. Ultimately, the NC, being responsible for assessing the suitability of the above mentioned Director for appointment, opined that the nominated Director is of suitable calibre and have the necessary knowledge, experience, diverse range of skills, competence and independency to enable him to discharge his duties and responsibilities effectively.

6. Chairman of the NC

The NC is led by Dato' Kevin Sathiaselalan A/L Ramakrishnan, the Independent Non-Executive Director, appointed on 30 May 2023 replacing Datuk Ng Peng Hong @ Ng Peng Hay who resigned on 26 May 2023. The Chairman of the NC directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

CORPORATE GOVERNANCE STATEMENT

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretaries via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/ her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and senior management in order for the Company to attract and retain Board and senior management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and senior management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and senior management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and senior management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind-and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the AC, RC or NC receiving a higher fee in respect of his service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

CORPORATE GOVERNANCE STATEMENT

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2023 are set out in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Presently, the AC consists of three (3) Independent Non-Executive Directors and all of them have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FYE2023, no former key audit partner of the Company's Auditors is appointed as a member of AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the AC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

On an annual basis, the AC considers the re-appointment of the external auditors and their remuneration and makes recommendations to the Board. The external auditors are subject to re-appointment each year at the AGM.

The external auditors met the AC without the presence of the executive Board members and Management on regular basis pertaining to matters relating to the Group and its audit activities. During such meetings, the external auditors highlighted and discussed the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

CORPORATE GOVERNANCE STATEMENT

For the financial year ended 31 December 2023, fees paid to the external auditors, Messrs TGS TW PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Total Audit fees	115,000	38,000
Non-Audit:		
Review of the Statement on Risk Management and Internal Control	5,000	5,000
Total Non-audit fees	5,000	5,000

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the AC Report section of the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks (where possible) to achieve business objectives and provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. This covers all material controls including financial, operational, compliance and risk management systems. The AC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third party service provider of the internal audit services for the FYE2023 was S F Chang Corporate Services Sdn. Bhd., which reported directly to the AC as specified in the Terms of Reference of the AC. The Internal Auditors are free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function. The Internal Auditors carries out its function in accordance with the approved annual Internal Audit Plan approved by the AC.

S F Chang Corporate Services Sdn. Bhd. has approximately three (3) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	:	Chang Siew Foong
Qualification	:	C.A.(M), FCCA, ACTIM
Independence	:	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

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

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the MMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group.

II. Conduct of General Meetings

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. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having "question and answer" session during the AGM during which the Directors (inclusive of the Chairman of the AC, NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the MMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the Statement on Risk Management and Internal Control (“**Statement**”), which outlines the nature and scope of risk management and internal control of Sinmah Capital Berhad (“**the Company**”) and its subsidiaries (collectively referred to as “**the Group**”) during the financial year ended 31 December 2023 (“**FYE2023**”).

This Statement is made by the Board of Directors pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and after taking into consideration of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**Guidelines**”) and taking into consideration the recommendations of the Malaysian Code on Corporate Governance.

BOARD’S RESPONSIBILITY

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Group’s business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit Committee (“**AC**”) has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the AC on a periodic basis.

Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators, employees and the Group’s assets.

RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group’s management system as the Board believes that risk management is critical for the Group’s sustainability and enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic Management Meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group’s strategic and business plans, if any, to the Board at their scheduled meetings.

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group’s business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group appointed independent professional firm, S F Chang Corporate Services Sdn. Bhd. (“SFC”) to assist the Board and Audit Committee in performing regular and systematic review and provide independent assessment on the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system. SFC is free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function.

The total costs incurred in respect of the outsourced internal audit function for FYE2023 was RM15,000.

During the FYE2023, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented to the Audit Committee.

In addition, follow up review will be conducted to ensure that corrective actions have been implemented on a timely manner. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

INTERNAL CONTROL SYSTEM

Details of some key elements of the Group’s internal control system are described below:

- *Control environment*

To provide a proper control environment, focus is directed towards the qualities and abilities of the Group’s employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Continuing education and training include internal briefings and external seminars for selected employees to enhance the level of awareness and knowledge on matters relating to risk management and internal controls.

Integrity and ethical values expected from the employees are incorporated in the Human Resource Policy whereby the ethical behaviours expected with the customers, suppliers, employees, society and environment are stated. Codes of conduct expected from employees to carry out their duties and responsibilities assigned are also established and formalised in Human Resource Policy.

To further enhance the ethical value throughout the Group, Anti-Bribery and Anti-Corruption Policy had been put in place by the Board to prevent and manage the bribery risks within the Group with Whistleblowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

- *Control structure*

The role, functions, composition, operation and processes of the Board are guided by Board Charter whereby roles and responsibilities of the Board, the Chairman and the Group Managing Director are specified to preserve the independence of the Board from the Management.

Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective. Business plans and business strategies are proposed by the Group’s Executive Directors for the Board’s review and approval, after taking into account risk consideration and responses.

On the other hand, the Board and Management have established a formal organizational structure with clearly defined lines of accountability and delegated authority within the Group. This includes well-defined responsibilities of Board committees and various management levels, including authorization levels for all aspects of the business.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

- *Control structure (Cont'd)*

The key elements of the Group's control structure are as follows:

Management

- Through the Group's Business and Financial Policies and Procedures manual, Management has introduced well-established standard operating procedures that cover key aspects of the Group's business processes. These policies and procedures deal with, inter-alia, controls for financial accounting and reporting, treasury management, asset security, information technology, etc. The policies and procedures are subject to regular reviews to cater for process changes, changing risks or further improvements;
- The Group has a well-defined organisation structure in place with clear lines of reporting and accountability. The Group is committed to employing suitably qualified staff so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staff to ensure operational efficiency. Authority limits are established to provide a functional framework of authority in approving revenue and capital expenditure;
- Comprehensive guidelines on the human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently;
- Succession Planning Policy and Emergency Succession Policy is put in place to reduce the impact of abrupt departure of key personnel to the minimum possible by ensuring key roles within the Group are supported by competent and calibre second-in-line; and
- Regular informal meetings with Heads of division which provide a platform for the Heads of division to communicate with and provide feedback to Management.

Audit Committee

The Audit Committee reviews and notes the internal audit observations reported by the outsourced internal audit function, including follow-up on the status of Management-agreed action plans to address observations reported in preceding cycles of internal audit. Internal audits are carried out by the outsourced internal audit functions (which reports directly to Audit Committee) on key risk areas identified based on the key risk registers of the Group. The outsourced internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control structure and processes and highlights potential risks and implications of its observations that may impact the Group as well as recommends improvements on the observations made to minimise the risks. The results of the internal audits carried out are reported to Audit Committee.

The Audit Committee Report set out in the Annual Report contains further details on the activities undertaken by the Audit Committee during the financial year under review.

Board

The Board holds regular discussions with Audit Committee and Management and considers their reports on matters relating to internal controls and deliberates on their recommendation for implementation.

- *Risk Assessment and Control Activities*

Risk assessment (including fraud and bribery risk) is performed by risk owners at scheduled interval or when there is change in internal and/or business context. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board, i.e. the risk appetite.

The Group has standard operating procedures that are regularly reviewed and updated to ensure its relevance to support the Group's business activities in achieving the Group's business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

- *Reporting and information system*

The Group has in place the following reporting and information structure:

- The Group has in place a budgeting process that provides for a responsibility accounting framework; and
- The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerized systems, secured intranet, electronic mail system and modern telecommunication, so that operation data and management information can be communicated timely and securely to dedicate personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection.

- *Monitoring and review*

At the operational level, monitoring activities are embedded in the policies and procedures established by the Management. Incidents of non-compliance and exceptions that are noted are escalated to appropriate level of management.

Management reports are generated on a regular and consistent basis to facilitate the Board and the Group's Management to perform financial and operational reviews on the various operating subsidiaries. The reviews encompass areas such as financial and non-financial key performance indicators and variances between budget and operating results and explanation of significant variances.

Executive Directors review the monthly management accounts of all major operating companies in the Group and conduct monthly meetings with Management from all significant business units within the Group to discuss the various aspects of the business, financial and operational performance of the Group.

The internal control system is reviewed on an ongoing basis by the Board through Audit Committee, which is also responsible for monitoring compliance with policies, procedures and guidelines.

In addition to the internal audits, significant control issues highlighted by the external auditors as part of their statutory audits serve as the fourth-line-of-defense.

ASSURANCE BY EXECUTIVE DIRECTOR (FINANCE) ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In line with the Guidelines, the Board has received written assurance from the Group's Executive Director (Finance), being highest ranking executive in the Company and the person primarily responsible for the management of the financial affairs of the Company, stating that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, for the financial year under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD'S OPINION ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, through Audit Committee, has reviewed the adequacy and effectiveness of the risk management and system of internal controls, and that relevant actions have been or are being taken, as the case may be, to remedy the internal control weaknesses identified from the review, which was largely based on the outcome of observations raised by the outsourced internal audit function and external auditors directly to Audit Committee as described above.

With the above review and the assurance provided by the Executive Director (Finance) coupled with the review of the risk management results and process, results of the internal audit activities and monitoring and review mechanism stipulated above, the Board is of the opinion that the system of risk management and internal control is satisfactory and there have been no weaknesses in the system of risk management and internal control that resulted in material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report 2023. The Board continues to take measures to strengthen the internal control environment from time to time based on the recommendations of the outsourced internal audit function as well as the External Auditors.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed the Statement of Risk Management and Internal Control. Their review has been conducted to assess whether the Statement of Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in assessing the risks faced by the Group and also in reviewing the adequacy and effectiveness of the risk management and the internal control system of the Group.

Based on the review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the risk management and the internal control of the Group.

This statement is issued in accordance with a resolution of the Board dated 25 March 2024.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 31 December 2023 (“**FYE2023**”) in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

MEMBERS OF THE AC

The Audit Committee (“**AC**”) comprises of three (3) members, all of whom are Independent Non-Executive Directors (“**INED**”). All the INEDs satisfy the test of independence under Paragraph 1.01 of the MMLR of Bursa Securities.

During the financial year, the members of the AC are as follows:

Name of the ARMC Member	Position
Yeong Siew Lee	Chairperson, Independent Non-Executive Director
Masleena binti Zaid	Member, Independent Non-Executive Director
Dato’ Kevin Sathiaselalan A/L Ramakrishnan ^[1]	Member, Independent Non-Executive Director
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	Member, Non-Independent Non-Executive Director

Notes:

^[1] Appointed as the Member of the AC of the Company with effect from 30 May 2023.

^[2] Resigned as the Member of the AC of the Company with effect from 26 May 2023.

The AC Chairperson, Yeong Siew Lee is a Chartered Accountant and also a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities. The AC Chairperson is also not the Chairman of the Board which is in line with Practice 9.1 of the Malaysian Code on Corporate Governance (“**MCCG**”).

All members of the AC are financially literate and are able to analyze and interpret financial statements to effectively discharge their duties, roles and responsibilities for the Company.

MEETINGS

During the FYE2023, the AC held five (5) meetings and the records of the attendance of AC members are as follow:

Directors	Designation	Number of meetings attended	%
Yeong Siew Lee	Chairperson	5/5	100%
Masleena binti Zaid	Member	5/5	100%
Dato’ Kevin Sathiaselalan A/L Ramakrishnan ^[1]	Member	2/2	100%
Datuk Ng Peng Hong @ Ng Peng Hay ^[2]	Member	1/2	50%

Notes:

^[1] Only two meetings held after his appointment as an AC member.

^[2] Only two meetings held prior to his resignation as an AC member.

The Chairperson of the AC undertakes a continuing process of engagement with senior executives of the Company as well as the external auditors and the internal auditors so that the AC is kept up-to-date with all important issues including key audit issues and concerns affecting the Company.

All deliberations at the AC meetings were properly recorded. The minutes of the AC meetings were tabled to the AC for confirmation at the meetings that followed and subsequently presented to the Board for notation. The Chairman of the AC highlighted on key issues discussed in the AC Meeting at each Board meeting.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The scope of duties and responsibilities of the AC stated in the Terms of Reference (“**TOR**”) is made available on the Company’s website at www.sinmah.com.my. The Board has reviewed and assessed the performance of the AC and is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the FYE2023, the activities undertaken by the AC are as follows:

Financial Reporting

- a) Reviewed the quarterly financial and operational reports of the Group before recommending to the Board for approval.
- b) Reviewed the external auditors’ reports in relation to audit and accounting issues arising from the audit; and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board prior to submission to Board of Directors for approval. The review was to ensure the financial reporting and disclosures requirements are in compliance with:
 - Provision of the Companies Act 2016;
 - MMLR of Bursa Securities;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

In the review of the annual audited financial statements, the AC discussed with Management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

AC also reviews and provides advice on whether the financial statements taken as a whole provide a true and fair view of the Company’s financial position and performance.

- c) Reviewed the variation in results between the draft audited and unaudited fourth quarterly report of the Company before recommending to the Board for approval.

Internal Audit

- a) Assessed the performance of the internal auditors.
- b) Reviewed the annual internal audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group.
- c) Reviewed and discussed the internal audit reports which were tabled during the meetings, the audit issues, root causes, potential risks, implications and recommendations made and management’s response to these recommendations.
- d) Reviewed the Enterprise Risk Management processes, risk profiles and updated the risk register periodically.
- e) Monitoring and ensuring corrective actions have been taken to rectify the weaknesses highlighted and all the key risks and control lapses have been addressed.
- f) Reviewed and assessed the resources, experience, competency and continuous professional development of the outsourced internal audit function for adequacy.
- g) Discussed and reviewed the sustainability framework of the Group and the Company.
- h) Held two (2) private sessions with the Internal Auditors without the presence of Executive Board members and management of the Company.

AUDIT COMMITTEE REPORT

External Audit

- a) Reviewed and discussed external auditors' audit planning memorandum, audit strategy and scope of the year.
- b) Reviewed annual audited financial statements of the Group and Company prior to submission to Board for approval.
- c) Reviewed and discussed external auditors' observations, the results of the annual audit, audit report and letter of representation together with management's response to the findings before recommending to the Board of Directors for approval.
- d) Assessed and discussed the performance and effectiveness of the external auditors, including the independence, objectivity and professional skepticism, communication interaction, audit finalization, the quality of skills and capabilities of audit team, sufficiency of resources and terms of engagement. The AC is satisfied with the performance of the external auditor and recommended the audit fee payable for the Board approval as well as recommending them to be re-appointed at the forthcoming Annual General Meeting.
- e) Met three (3) times during FYE2023 with external auditors. This included private sessions without the presence of Executive Board members and management of the Company.
- f) Reviewed and approved the non-audit services provided/to be provided by the external auditors to ensure the provision of the non-audit services does not impair their independence or objectivity as external auditors of the Group and the Company.
- g) Reviewed and discussed the draft Key Audit Matters (KAM) with the external auditors to ensure that issues that are significant in the audit are disclosed and to address the issues highlighted by external auditors with management and determine whether such issues should be addressed in the AC Report to the shareholders.

Risk Management

The Board and Management have embarked on the risk management culture and endeavour to ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board undertakes to conduct regular risk awareness sessions at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.

The Statement on Risk Management and Internal Control, set out in this Annual Report further details on the activities undertaken by the AC during the FYE2023.

Related Parties Transactions

Reviewed any inter-company transactions, any related/interested party transactions and conflict of interest situation that may arise within the Group and/or the Company to ensure compliance with Malaysian Accounting Standards Board and MMLR of Bursa Securities and that the transactions were carried out on arm's length basis. The AC has concluded that there were no related party transactions other than recurrent related party transactions, which did not exceed the threshold for an announcement to be made to Bursa Securities.

During the FYE 2023, there was no insider trading reported.

Annual Reporting

Reviewed the AC Report, Statement of Risk Management and Internal Control, the Corporate Governance Overview Statement and the Corporate Governance Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

AUDIT COMMITTEE REPORT

Others

- a) Reviewed the Board policy and procedures of the Group;
- b) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;
- c) Reviewed the Company's compliance with the MMLR, applicable Approved Accounting Standards and other relevant legal and regulatory requirements; and
- d) Reviewed and verify the allocation of share issuance scheme (SIS) options in accordance with MMLR.

Evaluation and Assessment of the AC

The performance and effectiveness of AC would be assessed annually through AC evaluation, as well as self and peer evaluation conducted by the AC. The Nomination Committee would then review the results of such assessments. The NC reviews the term of office and performance of the AC members annually. During the year, the Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the AC.

INTERNAL AUDIT FUNCTION

The Group has appointed an established external professional Internal Audit firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC.

The AC approves the Internal Audit Planning Memorandum during the first AC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the AC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

During the FYE2023, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- a. The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- b. Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- c. Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- d. Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- e. Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

The AC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

This AC Report was approved by the Board of Directors on 25 March 2024.

DIRECTORS' RESPONSIBILITIES STATEMENT

In accordance with the Companies Act, 2016 in Malaysia ("Act") and under Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed issuer is required to issue a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements and about the state of risk management and internal control of the listed issuer as a group in the annual report.

The Directors are in the opinion and responsible for the preparation of financial statements that the financial statements set out in this Annual Report 2023 are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the Act so as to give a true and fair view of the states of affairs of the Group and of the Company as at 31 December 2023 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The Directors are responsible for the state of risk management and internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Directors have adopted appropriate accounting policies and applied them consistently, made reasonable and prudent judgments and estimates and prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy and to enable them to comply with the provisions of the Act.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

The Auditors' Responsibilities are stated in their Independent Auditors' Report to the Members.

FINANCIAL STATEMENTS



64	Directors' Report
71	Statement By Directors
72	Statutory Declaration
73	Independent Auditors' Report to the Members
80	Statements of Financial Position
82	Statements of Profit Or Loss and Other Comprehensive Income
84	Statements of Changes in Equity
86	Statements of Cash Flows
90	Notes to the Financial Statements

DIRECTORS' REPORT

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

Principal Activities

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

Financial Results

	Group RM'000	Company RM'000
Loss for the financial year	<u>13,687</u>	<u>16,565</u>
Attributable to:		
Owners of the Company	<u>13,687</u>	<u>16,565</u>

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Warrants Reserve

Warrants 2018/2023 (“Warrants C”)

The Warrants C were constituted under the Deed Poll dated 25 July 2018.

The exercise period of the warrants expired on 29 August 2023. Total number of Warrant C that remain unexercised and lapsed were 37,851,000.

The salient terms of the Warrants C are disclosed in Note 16 to the financial statements.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme (“SIS”).

At the Extraordinary General Meeting held on 2 May 2018, the Company’s shareholders approved the establishment of SIS of not more than 15% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group.

The SIS is to be in force for a period of 5 years effective from 18 September 2018 to 18 September 2023 and extended for another 5 years until 18 September 2028 in accordance with the terms of the By-Laws.

The salient features and other terms of the SIS are disclosed in the Note 16 to the financial statements.

The exercise price and the movement of the options granted are as follows:

Date of offer	Exercise price (RM)	Number of options over ordinary shares				At 31.12.2023
		At 1.1.2023	Granted	Exercised	Lapsed	
22 June 2022	0.0962	50,640,000	-	-	(500,000)	50,140,000

DIRECTORS' REPORT

Directors

The Directors in office during the financial year until the date of this report are:

Datuk Fong Kiah Yeow *	
Toh Hong Chye *	
Masleena Binti Zaid	
Yeong Siew Lee	
Datuk Seri Rahadian Mahmud Bin Mohammad Khalil *	
Dato' Kevin Sathiaseelan A/L Ramakrishnan	(Appointed on 30 May 2023)
Datuk Ng Peng Hong @ Ng Peng Hay	(Resigned on 26 May 2023)

* *Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Dato' Fong Kok Yong	
Fong Ngan Teng	
Liew Seng Aun	
Low Yen Hoon	
Wong Kean Hoong	
Kow Keng Yam	(Resigned on 19 February 2024)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Bought	Sold	
Interests in the Company				
<i>Direct interests</i>				
Datuk Fong Kiah Yeow	14,302,200	-	-	14,302,200
Toh Hong Chye	30,700,000	-	-	30,700,000

DIRECTORS' REPORT

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of ordinary shares			
	At	Bought	Sold	At
	1.1.2023			31.12.2023
Interests in the Company (Cont'd)				
<i>Indirect interest</i>				
Datuk Fong Kiah Yeow *	21,253	-	-	21,253

	Number of options over ordinary shares			
	At	Granted	Lapsed	At
	1.1.2023			31.12.2023
Interests in the Company				
<i>Direct interests</i>				
Datuk Fong Kiah Yeow	18,000,000	-	-	18,000,000
Datuk Ng Peng Hong @				
Ng Peng Hay #	500,000	-	(500,000)	-
Toh Hong Chye	20,000,000	-	-	20,000,000

* *Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in F.C.H. Holdings Sdn. Bhd..*

Until the date of resignation.

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

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

Directors' Benefits (Cont'd)

The details of the Directors' remuneration for the financial year ended 31 December 2023 are disclosed below:

	Group RM'000	Company RM'000
Salaries, fees and other emoluments	2,194	363
Defined contribution plans	246	26
Social security contributions	6	2
Other benefits	40	-
	<u>2,486</u>	<u>391</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the issue of Warrants and Employees Share Option Scheme.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM1,000,000 and RM10,200 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

Other Statutory Information

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

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) 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.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) 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 when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) 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 the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

Auditors

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and for the Company are disclosed in Note 25 to the financial statements are RM115,000 and RM38,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2024.

TOH HONG CHYE

DATUK FONG KIAH YEOW

MELAKA

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 80 to 167 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of 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 25 March 2024.

TOH HONG CHYE

DATUK FONG KIAH YEOW

MELAKA

STATUTORY DECLARATION

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

I, NOLAN JOHN FELIX (MIA 18938) (NRIC No.: 650802-04-5265), being the Officer primarily responsible for the financial management of Sinmah Capital Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 80 to 167 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Melaka in the State of)
Melaka on 25 March 2024)

NOLAN JOHN FELIX

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sinmah Capital 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 policies information, as set out on pages 80 to 167.

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

Basis for Opinion

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Basis for Opinion (Cont'd)

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.

Key Audit Matters	How we addressed the key audit matters
<p>Recognition of revenue and costs for construction and property development activities</p> <p>The Group is involved in construction and property development activities which span more than one reporting period. The revenue and costs of construction and property development activities are recognised over the period using the input method to measure the progress towards complete satisfaction of the performance obligation, based on the proportion of total costs incurred for works performed up to the end of the reporting period as a percentage of the estimated total costs of the construction and property development contracts.</p>	<p>We evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>We performed a range of audit procedures which included reviewing contract documents, variation orders and inquiring key personnel regarding status of on-going contracts, adjustments in project budgets and potential impairment losses.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Recognition of revenue and costs for construction and property development activities (Cont'd)</p> <p>We identified recognition of revenue, construction and property development costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction and property development costs.</p> <p>Key management judgements applied in:</p> <ul style="list-style-type: none"> • Estimating the budgeted costs to complete of each project; • Determining the future profitability of each project; and • Evaluating the percentage of completion at the end of the reporting period. <p>Changes in these key judgements could lead to a material change in the value of revenue to be recognised in the profit or loss.</p>	<p>In relation to construction and property development revenue and costs, we, amongst others and where applicable, agreed to the original signed contracts, sale and purchase agreements, letter of awards and approved variation orders. We evaluated the project progress and recovery of cost to supporting evidences include but not limited to verifying third party surveyors' certificates, progress report and interviewing the project team.</p> <p>In assessing management's assumptions in estimating the costs to completion for contracts, we verified the approved budgeted cost to sub-contractors' contracts. We verified the construction and property development costs incurred to-date to sub-contractors' progress claims and recalculating the percentage of completion at the reporting date.</p> <p>We have considered the adequacy of the Group's disclosures regarding this revenue stream and whether they are in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINMAH CAPITAL BERHAD

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

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINMAH CAPITAL BERHAD

Other Matters

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

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

TEOH CHEY YEAT
03447/08/2025 J
Chartered Accountant

KUALA LUMPUR
25 March 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	4	1,598	1,388	73	5
Right-of-use assets	5	1,247	1,353	28	-
Inventories	6	17,470	19,365	-	-
Investment properties	7	390	757	-	-
Investment in subsidiary companies	8	-	-	9,394	9,144
Goodwill	9	-	-	-	-
		<u>20,705</u>	<u>22,863</u>	<u>9,495</u>	<u>9,149</u>
Current Assets					
Inventories	6	57,569	58,623	-	-
Trade receivables	10	4,899	7,509	-	-
Contract assets	11	13,917	16,943	-	-
Other receivables	12	1,659	7,204	10	545
Amount due from subsidiary companies	13	-	-	82,061	96,157
Tax recoverable		87	413	54	41
Deposits, cash and bank balances	14	5,161	11,524	561	2,872
		<u>83,292</u>	<u>102,216</u>	<u>82,686</u>	<u>99,615</u>
Total Assets		<u>103,997</u>	<u>125,079</u>	<u>92,181</u>	<u>108,764</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY					
Share capital	15	110,776	107,188	110,776	107,188
Reserves	16	(25,242)	(7,967)	(18,691)	1,462
Total Equity		<u>85,534</u>	<u>99,221</u>	<u>92,085</u>	<u>108,650</u>
LIABILITIES					
Non-current Liabilities					
Loans and borrowings	17	763	3,915	-	-
Lease liabilities	18	427	406	-	-
Deferred tax liabilities	19	1,839	2,277	-	57
		<u>3,029</u>	<u>6,598</u>	<u>-</u>	<u>57</u>
Current Liabilities					
Loans and borrowings	17	3,700	9,004	-	-
Lease liabilities	18	255	181	29	-
Trade payables	20	9,694	7,257	-	-
Other payables	21	1,755	2,251	67	57
Amount due to Directors	22	-	2	-	-
Tax payable		30	565	-	-
		<u>15,434</u>	<u>19,260</u>	<u>96</u>	<u>57</u>
Total Liabilities		<u>18,463</u>	<u>25,858</u>	<u>96</u>	<u>114</u>
Total Equity and Liabilities		<u>103,997</u>	<u>125,079</u>	<u>92,181</u>	<u>108,764</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	23	25,171	86,801	-	-
Cost of sales		<u>(23,476)</u>	<u>(82,285)</u>	<u>-</u>	<u>-</u>
Gross profit		1,695	4,516	-	-
Other income		1,319	8,365	41	1,393
Administrative expenses		(10,758)	(23,210)	(1,649)	(12,553)
Net loss on impairment of financial assets		<u>(5,500)</u>	<u>-</u>	<u>(15,012)</u>	<u>-</u>
Loss from operation		(13,244)	(10,329)	(16,620)	(11,160)
Finance costs	24	<u>(633)</u>	<u>(3,145)</u>	<u>(2)</u>	<u>(331)</u>
Loss before tax	25	(13,877)	(13,474)	(16,622)	(11,491)
Taxation	26	<u>190</u>	<u>85</u>	<u>57</u>	<u>(35)</u>
Loss for the financial year, representing total comprehensive loss for the financial year		<u>(13,687)</u>	<u>(13,389)</u>	<u>(16,565)</u>	<u>(11,526)</u>

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss for the financial year attributable to:					
Owners of the Company		<u>(13,687)</u>	<u>(13,389)</u>	<u>(16,565)</u>	<u>(11,526)</u>
Total comprehensive loss attributable to:					
Owners of the Company		<u>(13,687)</u>	<u>(13,389)</u>	<u>(16,565)</u>	<u>(11,526)</u>
Loss per share					
Basic loss per share (sen)	27(a)	<u>(3.49)</u>	<u>(3.67)</u>		
Diluted loss per share (sen)	27(b)	<u>(3.42)</u>	<u>(3.48)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to Owners of the Company				Total Equity RM'000
		Non-distributable			Distributable	
		Share Capital RM'000	Warrant Reserve RM'000	SIS options Reserve RM'000	Accumulated Losses RM'000	
Group						
At 1 January 2023		107,188	3,588	1,838	(13,393)	99,221
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(13,687)	(13,687)
Transactions with owners:						
Lapsed of warrant reserve upon expiration	16	3,588	(3,588)	-	-	-
SIS options to employees: - lapsed	16	-	-	(18)	18	-
Total transactions with owners		3,588	(3,588)	(18)	18	-
At 31 December 2023		110,776	-	1,820	(27,062)	85,534
At 1 January 2022		188,500	3,588	-	(88,004)	104,084
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(13,389)	(13,389)
Transactions with owners:						
Issue of ordinary shares	15	6,688	-	-	-	6,688
Share capital reduction	15	(88,000)	-	-	88,000	-
Share options granted under SIS	16	-	-	1,838	-	1,838
Total transactions with owners		(81,312)	-	1,838	88,000	8,526
At 31 December 2022		107,188	3,588	1,838	(13,393)	99,221

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	<u>Attributable to Owners of the Company</u>				Total Equity RM'000
		<u>Non-distributable</u>			<u>Distributable</u>	
		Share Capital RM'000	Warrant Reserve RM'000	SIS options Reserve RM'000	Accumulated Losses RM'000	
Company						
At 1 January 2023		107,188	3,588	1,838	(3,964)	108,650
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(16,565)	(16,565)
Transactions with owners:						
Lapsed of warrant reserve upon expiration	16	3,588	(3,588)	-	-	-
SIS options to employees: - lapsed	16	-	-	(18)	18	-
Total transactions with owners		3,588	(3,588)	(18)	18	-
At 31 December 2023		<u>110,776</u>	<u>-</u>	<u>1,820</u>	<u>(20,511)</u>	<u>92,085</u>
At 1 January 2022		188,500	3,588	-	(80,438)	111,650
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(11,526)	(11,526)
Transactions with owners:						
Issue of ordinary shares	15	6,688	-	-	-	6,688
Share capital reduction	15	(88,000)	-	-	88,000	-
Share options granted under SIS	16	-	-	1,838	-	1,838
Total transactions with owners		(81,312)	-	1,838	88,000	8,526
At 31 December 2022		<u>107,188</u>	<u>3,588</u>	<u>1,838</u>	<u>(3,964)</u>	<u>108,650</u>

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'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Loss before tax	(13,877)	(13,474)	(16,622)	(11,491)
Adjustments for:				
Amount due from subsidiary companies written off	-	-	711	-
Bad debts written off	16	5	-	5
Depreciation of:				
- property, plant and equipment	306	389	17	6
- investment properties	16	320	-	-
- right-of-use assets	332	382	28	64
Impairment losses on:				
- amount due from subsidiary companies	-	-	15,012	-
- other receivables	5,500	-	-	-
Property, plant and equipment written off	27	7	-	7
Inventories written down	-	918	-	-
Interest expenses	633	3,145	2	331
Interest income	(121)	(322)	(41)	(228)
(Gain)/Loss on disposal of:				
- property, plant and equipment	(22)	(412)	-	(388)
- investment properties	(723)	(293)	-	-
- right-of-use assets	(348)	-	-	-
- subsidiary companies	-	(3,841)	-	9,100
Share-based payment expenses	-	1,838	-	1,838
Gain on termination of lease contracts	(13)	(66)	-	(66)
Operating loss before working capital changes	(8,274)	(11,404)	(893)	(822)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities (Cont'd)					
Operating loss before					
working capital changes (Cont'd)		(8,274)	(11,404)	(893)	(822)
Change in working capital:					
Inventories		2,695	(3,216)	-	-
Receivables		2,639	15,459	535	791
Contract assets		3,026	(4,730)	-	-
Payables		1,941	3,542	10	(268)
Cash generated from/(used in)					
operations		2,027	(349)	(348)	(299)
Interest received		121	322	41	228
Interest paid		(633)	(3,145)	(2)	(331)
Tax paid		(566)	(476)	(17)	(44)
Tax refund		109	68	4	37
Net cash from/(used in) operating activities		1,058	(3,580)	(322)	(409)
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment		(314)	(123)	(85)	(5)
- right-of-use assets	5(a)	(12)	(113)	-	-
Net cash outflows from disposal					
of subsidiary companies	8(c)	-	(4,962)	-	-
Balance carried forward		(326)	(5,198)	(85)	(5)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities (Cont'd)					
Balance brought forward		(326)	(5,198)	(85)	(5)
Proceeds from disposal of:					
- property, plant and equipment		54	664	-	606
- investment properties		1,074	450	-	-
- right-of-use assets		500	-	-	-
- subsidiary company, net of cash disposed	8(c)	-	-	-	2,900
Net cash from/(used in) investing activities		<u>1,302</u>	<u>(4,084)</u>	<u>(85)</u>	<u>3,501</u>
Cash flows from financing activities					
Net movement of short-term borrowings		-	(9,636)	-	(11,000)
Repayment of term loans		(8,312)	(14,766)	-	(1,401)
Payment of lease liabilities		(265)	(348)	(27)	(57)
Repayment to Directors		(2)	(7)	-	(7)
Proceeds from issue of shares capital	15(a)	-	6,688	-	6,688
(Placement)/Withdrawal of fixed deposits with licensed banks		(233)	18,536	-	8,312
Advance to subsidiary companies		-	-	(1,877)	(21,066)
Net cash (used in)/from financing activities		<u>(8,812)</u>	<u>467</u>	<u>(1,904)</u>	<u>(18,531)</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net decrease in cash and cash equivalents		(6,452)	(7,197)	(2,311)	(15,439)
Cash and cash equivalents at the beginning of the financial year		8,410	15,607	2,872	18,311
Cash and cash equivalents at the end of the financial year		1,958	8,410	561	2,872
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	14	1,866	8,295	561	2,872
Housing Development Accounts	14	2,012	2,179	-	-
Fixed deposits with licensed banks	14	1,283	1,050	-	-
Bank overdrafts	17	(1,854)	(1,998)	-	-
		3,307	9,526	561	2,872
Less: Debt Service Reserve account	14	(65)	(65)	-	-
Less: Revenue Collection account	14	(1)	(1)	-	-
Less: Fixed deposits pledged with licensed banks	14	(1,283)	(1,050)	-	-
		1,958	8,410	561	2,872

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Corporate Information

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

The principal place of business of the Company is located at 88, Jalan KU 4, Taman Krubong Utama, 75260 Krubong, Melaka.

The registered office of the Company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

(i) New MFRSs adopted during the financial year

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(i) New MFRSs adopted during the financial year (Cont'd)

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year: (Cont'd)

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new MFRSs and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

(ii) New MFRSs issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(ii) New MFRSs issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above amendments to MFRSs when they become effective.

The initial application of the above-mentioned amendments to MFRSs are not expected to have any material financial impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

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

Useful lives/depreciation of property, plant and equipment, right-of-use (“ROU”) asset and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU asset and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU asset and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU asset and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU asset and investment properties are disclosed in Notes 4, 5 and 7 respectively.

Deferred tax assets

Deferred tax assets are recognised for all unutilised business losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised business losses, unutilised capital allowances and other 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. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 19.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods, sale of completed units and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Revenue from property development contracts

Revenue is recognised when the control of the asset is transferred to the 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, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgements are used to estimate these total property development costs to complete the contracts. In making these estimates, management relies on past experience, the work of specialists and a continuous monitoring mechanism.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Notes 6 and 11.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contracts in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the proportion of construction costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of the construction contract. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved 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 the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables and amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 10, 12, and 13.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 16(b).

Income taxes

Judgement is involved in determining the 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 recognises liabilities for expected tax issues 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 differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2023, the Group has tax recoverable and payable of approximately RM87,000 (2022: RM413,000) and RM30,000 (2022: RM565,000) respectively. The Company has tax recoverable of approximately RM54,000 (2022: RM41,000).

3. Material Accounting Policies Information

The Group adopted the Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure of Accounting Policies* effective from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments did not result in any changes to the accounting policy information disclosed in the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in this financial statements unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Group has power over another entity. Subsidiary companies are fully consolidated from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See Note 3(m)(i) for accounting policy on impairment of non-financial assets.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of new subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

The initial accounting for the acquisition of the new subsidiary company is incomplete by the end of the reporting period, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amount recognised at that date.

The contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

When the Group loses control of a subsidiary company, it derecognises the assets and liabilities of the former subsidiary company, including any goodwill, and non-controlling interests and other components of equity related to the former subsidiary company from the consolidated statement of financial position. Any resulting gains or loss recognised in profit or loss. If the Group retains any interest in the former subsidiary company, then such interest is remeasured at fair value when control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(iv) Goodwill on consolidation

Goodwill is initially recognised at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable net assets acquired and liabilities assumed). If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation (Cont'd)

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See Note 3(m)(i) for accounting policy on impairment of non-financial assets.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for freehold land is stated at cost less impairment losses and not depreciated. See Note 3(m)(i) for accounting policy on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. For qualifying assets, borrowing costs recognised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(b) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	10 to 50 years
Motor vehicles	5 years
Other assets	5 to 10 years

Other assets consist of furniture, fixtures and fittings, office equipment, computers and software, and renovations.

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

(iv) Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between net disposal proceeds, if any, and the net carrying amount recognised in profit or loss.

(c) Leases

(i) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. See Note 3(m)(i) for accounting policy on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(c) Leases (Cont'd)

(i) As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold buildings	Over the remaining lease period
Buildings	Over the remaining lease period
Motor vehicles	5 years

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rates is used. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments exclude variable lease payments that are dependent on future performance or usage of the underlying assets from the lease liability. These payment recognised as expense in profit or loss in the period in which the performance or use occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets at less than RM20,000 each when purchased new. The Group recognises the lease payments associated with these leases as an expense on straight-line basis over the lease term.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(c) Leases (Cont'd)

(ii) As lessor (Cont'd)

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

Rental income from operating lease recognised as income on a straight-line basis over the lease term. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(d) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation, or for both, are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. During the financial year, the Group changed the depreciation rates for the following assets:

Office	Over the remaining lease period
Shoplot	From 5 years per annum to 50 years per annum

The change in the depreciation rate arose from a review of useful lives of the assets concerned.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See Note 3(m)(i) for accounting policy on impairment of non-financial assets.

Investment properties are derecognised upon disposal, with the resulting gains and losses recognised in the profit or loss.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset, except for trade receivable without financing component, is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company determine the classification of their financial assets at initial recognition as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(e) Financial assets (Cont'd)

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, deposits, cash and bank balances.

Financial asset are derecognised where the contractual rights to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received for financial instrument is recognised in profit or loss.

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

The Group and the Company classify their financial liabilities measured at amortised cost.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Group's financial liabilities designated as amortised cost comprise trade and other payables, amount due to Directors, lease liabilities and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(f) Financial liabilities (Cont'd)

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

(g) Intra-group financial guarantees in the separate financial statements

Financial guarantees are instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for a loss it incurs when the specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instruments.

Financial guarantee issued are initially measured as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance in accordance with the principles of MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

Expected credit losses (“ECLs”) are a probability weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantee are included within borrowings.

(h) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(i) Inventories

(i) Land held for property development

Land held for property development is stated at lower of cost and net realisable value. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are stated at the lower of cost and net realisable value. The portion of property development costs where significant development work has been undertaken and which expected to be completed within the normal operating cycle is considered as a current asset.

The cost of land and related development costs common to whole projects and direct building costs less cumulative amounts recognised as expenses in profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss when the control of the asset is transferred to the customer.

Property development cost of unsold units is transferred to completed properties held for sale once the development is completed.

(iii) Completed properties

Completed property is stated at the lower of cost and net realisable value. The cost of completed property include cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. Cost is determined on a specific identification basis.

(j) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(j) Construction contracts (Cont'd)

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceed billings to contract customers, the balance is shown as contract assets. When billings to contract customers exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities.

(k) Contract assets and contract liabilities

Contract assets represent the Group's right to consideration for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are subject to impairment assessment in accordance of MFRS 9.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received the consideration, or the amount is due, from the customers. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and bank overdrafts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(m) Impairment of assets

(i) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of non-financial assets, other than inventories and contract assets, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs and pro-rated to the asset by reference to the cost of the asset to the cost of the cash-generating unit.

Impairment loss is recognised in profit or loss. Any impairment losses recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

Reversal of impairment losses recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the asset no longer exists, except for impairment loss on goodwill is not reversed. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation or amortisation), had no impairment loss been recognised. Reversal of impairment losses are credited to profit or loss.

(ii) Impairment of financial assets and contract assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, contract assets, financial guarantee contracts. ECLs is estimated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies the simplified approach to provide for ECLs for all trade receivables, other receivables, inter-company balances and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(n) Share capital

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

Dividends on ordinary shares are recognised as a liability in the period they are declared.

(o) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contributions to statutory pension funds are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Equity-settled Share-based Payment Transaction

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase share option reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(q) Revenue recognition

(i) Revenue from contracts with customers

The Group recognises revenue from the following major sources:

(a) Revenue from property development

The Group develops and sells commercial and residential properties under contract with customers. Such contracts are entered into before construction of the commercial and residential properties begins.

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

Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from property development is therefore recognised over period of the contract using input method based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total contract costs.

Revenue from sales of completed properties is recognised at a point in time, when the control of the properties has been passed to the purchaser, being when the properties have been completed and delivered to the customers.

Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

The Group only provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under MFRS 137.

(b) Revenue from construction contracts

The Group recognises revenue from contracts with customers from its construction contracts, when or as it transfers control over the goods or services to the customers.

The Group's contract with customers mainly contains one performance obligation where the Group is contracted to construct a specific asset for a customer. The Group considers whether there are other promises in the contract with customers that denote separate performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(q) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(b) Revenue from construction contracts (Cont'd)

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates and enhances an asset that the customer controls as the asset is created and enhanced. Revenue is recognised over the period of the contract using the input method to measure the progress towards completion of the performance obligations by reference to the proportion of physical completion based on the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs.

Revenue from construction contracts is measured at the transaction price agreed under the construction contracts comprises the initial amount of consideration agreed in contract, variation in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(c) Sale of goods

The Group is involved in contract farming of live broilers and trading of live broilers, day-old-chicks and feeds. Revenue from sale of goods is recognised when control of the products has transferred, being at the point the customer purchases the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Payment of the transaction price is due immediately at the point the customer purchases the goods.

(d) Rendering of services

Revenue from services are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(q) Revenue recognition (Cont'd)

(ii) Interest income

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

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(r) Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred and reported in finance costs.

(s) Income taxes

(i) Current tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies Information (Cont'd)

(s) Income taxes (Cont'd)

(ii) Deferred tax (Cont'd)

The carrying amount of deferred tax asset are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be allowable to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items related to the underlying transactions are recognised either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if there is a legally enforceable rights exist to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same tax authority.

(t) Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group					
2023					
Cost					
At 1 January 2023	-	84	899	2,458	3,441
Additions	-	-	-	314	314
Transfer from inventories	13	241	-	-	254
Transfer from right-of-use assets	-	-	85	-	85
Disposals	-	-	(144)	(45)	(189)
Written off	-	-	-	(226)	(226)
At 31 December 2023	<u>13</u>	<u>325</u>	<u>840</u>	<u>2,501</u>	<u>3,679</u>
Accumulated depreciation					
At 1 January 2023	-	79	435	1,539	2,053
Transfer from right-of-use assets	-	-	78	-	78
Charge for the financial year	-	2	116	188	306
Disposals	-	-	(144)	(13)	(157)
Written off	-	-	-	(199)	(199)
At 31 December 2023	<u>-</u>	<u>81</u>	<u>485</u>	<u>1,515</u>	<u>2,081</u>
Carrying amount					
At 31 December 2023	<u>13</u>	<u>244</u>	<u>355</u>	<u>986</u>	<u>1,598</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment (Cont'd)

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group					
2022					
Cost					
At 1 January 2022	1,042	1,278	1,077	3,199	6,596
Additions	-	-	106	17	123
Transfer from right-of-use assets	-	-	70	-	70
Disposal of subsidiary companies	(1,042)	(785)	(280)	(493)	(2,600)
Disposals	-	(409)	(74)	(25)	(508)
Written off	-	-	-	(240)	(240)
At 31 December 2022	-	84	899	2,458	3,441
Accumulated depreciation					
At 1 January 2022	-	332	452	1,877	2,661
Charge for the financial year	-	31	140	218	389
Transfer from right-of-use assets	-	-	40	-	40
Disposal of subsidiary companies	-	(86)	(155)	(307)	(548)
Disposals	-	(198)	(42)	(16)	(256)
Written off	-	-	-	(233)	(233)
At 31 December 2022	-	79	435	1,539	2,053
Carrying amount					
At 31 December 2022	-	5	464	919	1,388

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment (Cont'd)

Company	Buildings	Office equipment	Renovation	Total
	RM'000	RM'000	RM'000	RM'000
2023				
Cost				
At 1 January 2023	-	5	-	5
Additions	-	41	44	85
At 31 December 2023	-	46	44	90
Accumulated depreciation				
At 1 January 2023	-	-	-	-
Charge for the financial year	-	8	9	17
At 31 December 2023	-	8	9	17
Carrying amount				
At 31 December 2023	-	38	35	73
2022				
Cost				
At 1 January 2022	410	261	-	671
Additions	-	5	-	5
Disposals	(410)	(21)	-	(431)
Written off	-	(240)	-	(240)
At 31 December 2022	-	5	-	5
Accumulated depreciation				
At 1 January 2022	192	248	-	440
Charge for the financial year	5	1	-	6
Disposals	(197)	(16)	-	(213)
Written off	-	(233)	-	(233)
At 31 December 2022	-	-	-	-
Carrying amount				
At 31 December 2022	-	5	-	5

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment (Cont'd)

- (a) Other assets consist of furniture, fixtures and fittings, office equipment, computers and software, and renovations.
- (b) Assets pledged as security to licensed banks

Freehold land and buildings of the Group with an aggregate carrying amount of RM254,000 (2022: RMNil) are pledged as securities for bank borrowings as disclosed in Note 17.

5. Right-of-use Assets

	Leasehold buildings RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group				
Cost				
2023				
At 1 January 2023	1,169	239	754	2,162
Additions	-	340	144	484
Transfer to property, plant and equipment	-	-	(85)	(85)
Termination of lease contracts	-	(239)	-	(239)
Disposals	(363)	-	-	(363)
At 31 December 2023	<u>806</u>	<u>340</u>	<u>813</u>	<u>1,959</u>
Accumulated depreciation				
At 1 January 2023	452	114	243	809
Charge for the financial year	41	115	176	332
Transfer to property, plant and equipment	-	-	(78)	(78)
Termination of lease contracts	-	(140)	-	(140)
Disposals	(211)	-	-	(211)
At 31 December 2023	<u>282</u>	<u>89</u>	<u>341</u>	<u>712</u>
Carrying amount				
At 31 December 2023	<u>524</u>	<u>251</u>	<u>472</u>	<u>1,247</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. Right-of-use Assets (Cont'd)

	Leasehold buildings RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group				
Cost				
2022				
At 1 January 2022	1,169	1,078	988	3,235
Additions	-	-	483	483
Transfer to property, plant and equipment	-	-	(70)	(70)
Termination of lease contracts	-	(659)	-	(659)
Disposal of subsidiary companies	-	(180)	(647)	(827)
At 31 December 2022	<u>1,169</u>	<u>239</u>	<u>754</u>	<u>2,162</u>
Accumulated depreciation				
At 1 January 2022	357	388	405	1,150
Charge for the financial year	95	121	166	382
Transfer to property, plant and equipment	-	-	(40)	(40)
Termination of lease contracts	-	(320)	-	(320)
Disposal of subsidiary companies	-	(75)	(288)	(363)
At 31 December 2022	<u>452</u>	<u>114</u>	<u>243</u>	<u>809</u>
Carrying amount				
At 31 December 2022	<u>717</u>	<u>125</u>	<u>511</u>	<u>1,353</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. Right-of-use Assets (Cont'd)

	2023 RM'000	2022 RM'000
Company		
Buildings		
Cost		
At 1 January	-	659
Additions	56	-
Termination of lease contracts	-	(659)
At 31 December	56	-
Accumulated depreciation		
At 1 January	-	256
Charge for the financial year	28	64
Termination of lease contracts	-	(320)
At 31 December	28	-
Carrying amount		
At 31 December	28	-

(a) Acquisition of right-of-use assets

The aggregate costs for the right-of-use assets of the Group and of the Company during the financial year under leases and cash payment are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Aggregate costs	484	483	56	-
Less: Lease liabilities	(472)	(370)	(56)	-
Cash payments	12	113	-	-

(b) Assets held under lease contracts

Included in the above, motor vehicles of the Group are pledged as securities for the related lease liabilities as disclosed in Note 18.

(c) Assets pledged as security to licensed banks

Leasehold buildings of the Group with an aggregate carrying amount of RM261,000 (2022: RM270,000) are pledged as securities for bank borrowings as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. Right-of-use Assets (Cont'd)

(d) Leasehold buildings

The remaining lease term of leasehold buildings of the Group are ranged from 52 to 82 years (2022: 53 to 83 years). There are no lease liabilities associated with this leasehold land as the payment were prepaid at inception.

6. Inventories

	Group	
	2023	2022
	RM'000	RM'000
Non-current		
Land held for property development (Note a)	17,470	19,365
Current		
Property development costs (Note b)	53,594	55,612
Completed units (Note c)	3,975	3,011
	<u>57,569</u>	<u>58,623</u>
	<u>75,039</u>	<u>77,988</u>

(a) Land held for property development

	Freehold land RM'000	Development costs RM'000	Total RM'000
Non-current			
Group			
2023			
Cost			
At 1 January 2023	13,985	5,380	19,365
Additions	-	254	254
Transfer to current assets (b)	(2,400)	(424)	(2,824)
Transfer from current assets (b)	341	334	675
At 31 December 2023	<u>11,926</u>	<u>5,544</u>	<u>17,470</u>
2022			
At 1 January 2022	12,033	1,927	13,960
Additions	2,400	3,661	6,061
Transfer to current assets (b)	(448)	(208)	(656)
At 31 December 2022	<u>13,985</u>	<u>5,380</u>	<u>19,365</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Inventories (Cont'd)

(a) Land held for property development (Cont'd)

The freehold land held for property development of the Group amounting to RM10,716,000 (2022: RM10,536,000) have been pledged as securities for bank borrowings granted to the Group as disclosed in Note 17.

(b) Property development costs

	Freehold land RM'000	Development costs RM'000	Total RM'000
Current Group 2023			
Cumulative property development cost			
At 1 January 2023	43,713	52,029	95,742
Cost incurred during the financial year	353	20,174	20,527
Transfer to property, plant and equipment	(13)	(241)	(254)
Transfer to completed units (c)	(71)	(1,253)	(1,324)
Transfer to non-current assets (a)	(341)	(334)	(675)
Transfer from non-current assets (a)	2,400	424	2,824
Reversal of completed projects	(1,408)	(19,756)	(21,164)
At 31 December 2023	<u>44,633</u>	<u>51,043</u>	<u>95,676</u>
Cumulative costs recognised in profit or loss			
At 1 January 2023	(8,498)	(31,632)	(40,130)
Recognised during financial year	(6,342)	(16,774)	(23,116)
Reversal of completed projects	1,408	19,756	21,164
At 31 December 2023	<u>(13,432)</u>	<u>(28,650)</u>	<u>(42,082)</u>
Carrying amount			
At 31 December 2023	<u>31,201</u>	<u>22,393</u>	<u>53,594</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Inventories (Cont'd)**(b) Property development costs (Cont'd)**

	Freehold land RM'000	Development costs RM'000	Total RM'000
Current Group 2022			
Cumulative property development cost			
At 1 January 2022	43,265	31,635	74,900
Cost incurred during the financial year	-	20,186	20,186
Transfer from non-current assets (a)	448	208	656
At 31 December 2022	<u>43,713</u>	<u>52,029</u>	<u>95,742</u>
Cumulative costs recognised in profit or loss			
At 1 January 2022	(2,032)	(19,409)	(21,441)
Recognised during financial year	(6,466)	(12,223)	(18,689)
At 31 December 2022	<u>(8,498)</u>	<u>(31,632)</u>	<u>(40,130)</u>
Carrying amount			
At 31 December 2022	<u>35,215</u>	<u>20,397</u>	<u>55,612</u>

The freehold land held for property development of the Group amounting to RM49,700,000 (2022: RM51,719,000) are pledged as securities for bank borrowings as disclosed in Note 17.

During the financial year, the following costs are capitalised to property development costs:

	Group	
	2023 RM'000	2022 RM'000
Sales commission	<u>1,126</u>	<u>51</u>

The Company capitalised sales commission in relation to the property development contracts entered into as incremental costs of obtaining contracts with customers in property development costs. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue are recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Inventories (Cont'd)

(c) Completed units

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,011	8,271
Transfer from property development costs	1,324	-
Inventories written down	-	(918)
Disposals during the financial year	(360)	(4,342)
At 31 December	3,975	3,011

The certain completed properties amounting to RM2,015,000 (2022: RM1,310,000) have been pledged as securities for bank borrowings granted to the Group as disclosed in Note 17.

7. Investment Properties

	Shoplot RM'000	Office RM'000	Total RM'000
Group			
2023			
Cost			
At 1 January 2023	1,339	431	1,770
Disposals	(644)	(431)	(1,075)
At 31 December 2023	695	-	695
Accumulated depreciation			
At 1 January 2023	582	431	1,013
Charge for the financial year	16	-	16
Disposals	(293)	(431)	(724)
At 31 December 2023	305	-	305
Carrying amount			
At 31 December 2023	390	-	390
Fair value of investment properties	1,729	-	1,729

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Investment Properties (Cont'd)

	Shoplot RM'000	Office RM'000	Total RM'000
Group			
2022			
Cost			
At 1 January 2022	1,580	431	2,011
Disposals	(241)	-	(241)
At 31 December 2022	<u>1,339</u>	<u>431</u>	<u>1,770</u>
Accumulated depreciation			
At 1 January 2022	346	431	777
Charge for the financial year	320	-	320
Disposals	(84)	-	(84)
At 31 December 2022	<u>582</u>	<u>431</u>	<u>1,013</u>
Carrying amount			
At 31 December 2022	<u>757</u>	<u>-</u>	<u>757</u>
Fair value of investment properties	<u>3,715</u>	<u>-</u>	<u>3,715</u>

(a) Fair value basis of investment properties

The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable input used.

<u>Description of valuation technique</u>	<u>Significant unobservable input</u>	<u>Inter-relationship between significant unobservable input and fair value measurement</u>
The Group estimates the fair value of the investment property by comparing to investment properties that were listed for sale within the same locality or other comparable localities.	Market price of property per square feet ("sq ft") in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of properties were higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Investment Properties (Cont'd)

(a) Fair value basis of investment properties (Cont'd)

The fair value of investment property was estimated by the management using above valuation technique. The fair value is within Level 3 of the fair value hierarchy.

There were no transfers between levels during current and previous financial years.

Highest and best use

The Group's investment property represents two-storey shoplots. The highest and best use of this property is for rental income generation as it is located in the vicinity of the commercial area.

(b) Change in estimates

During the financial year, the Group revised the expected useful lives of certain investment properties. The revision was accounted for prospectively as a change in accounting estimates and the effect of these changes on depreciation expenses had decreased the loss before tax of the Group by RM195,000 for the current financial year.

(c) Income and expenses recognised in profit or loss

	Group	
	2023	2022
	RM'000	RM'000
Rental income	66	106
Direct operating expenses:		
- Income generating investment properties	9	9
	<u> </u>	<u> </u>

(d) Investment properties pledged as securities to licensed banks

Investment properties of the Group amounting to RM390,000 (2022: RM757,000) have been pledged as securities for bank borrowings granted to the Group as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Investment in Subsidiary Companies

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost		
In Malaysia		
At 1 January	9,144	21,144
Additions	250	-
Disposals	-	(12,000)
At 31 December	9,394	9,144

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023	2022	
		%	%	
Sinmah Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Sinmah Healthcare Sdn. Bhd. #	Malaysia	100	100	Investment holding company and healthcare related activities
Sinmah Properties Sdn. Bhd.	Malaysia	100	100	Property management and construction of buildings
Irama Setia Sdn. Bhd.	Malaysia	100	100	Investment holding company, general trading and construction of buildings
Held by Sinmah Development Sdn. Bhd.				
Sinmah Builders Sdn. Bhd.	Malaysia	100	100	Building and general contractors and provision of management services
Budi Saja Sdn. Bhd.	Malaysia	100	100	Property development
Meadow Assets Sdn. Bhd.	Malaysia	100	100	Property development

On 20 March 2024, the subsidiary company had been struck off from the register pursuant to Section 550 of the Companies Act, 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Investment in Subsidiary Companies (Cont'd)

(a) Acquisition of a subsidiary company

In the previous financial year

On 7 April 2022, the Company acquired 100% issued and paid-up share capital in Irama Setia Sdn. Bhd. for a total cash consideration of RM1. Consequently, Irama Setia Sdn. Bhd. become a 100% owned subsidiary company of the Company.

There is no acquisition during the current financial year.

(b) Additional investment in a subsidiary company

On 7 July 2023, the Company had subscribed for additional 249,999 new ordinary shares issued by Irama Setia Sdn. Bhd. for a total cash consideration of RM249,999 settled by way of offset against amount due from Irama Setia Sdn. Bhd..

(c) Disposal of subsidiary company

In the previous financial year

On 20 April 2022, the Company had entered into a share sale agreement with F.C.H. Holdings Sdn. Bhd. for the disposal of 12,000,000 ordinary shares, representing 100% of the equity interest in SM Broilers Sdn. Bhd., a wholly-owned subsidiary company of the Company for a total consideration of RM2,900,000. The disposal was deemed completed on 30 September 2022.

The effect of the above disposal on the financial position of the Group as at the date of disposal was as follows:

	Group 2022 RM'000
Property, plant and equipment	2,052
Right-of-use assets	464
Trade receivables	13,770
Other receivables	7,722
Cash and bank balances	10,734
Trade payables	(3,743)
Other payables	(1,712)
Bank overdrafts	(2,872)
Tax payable	(12)
Lease liabilities	(448)
Bank borrowings	(26,896)
Net liabilities	(941)
Gain on disposal	3,841
Proceeds from disposal	2,900
Less: Cash and bank balances disposed	(7,862)
Net cash outflows from disposal	(4,962)

There is no disposal during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Goodwill

	Group	
	2023	2022
	RM'000	RM'000
Cost		
At 1 January/At 31 December	<u>3,348</u>	<u>3,348</u>
Accumulated impairment losses		
At 1 January/At 31 December	<u>3,348</u>	<u>3,348</u>
Carrying amount		
At 1 January/At 31 December	<u>-</u>	<u>-</u>

10. Trade Receivables

	Group	
	2023	2022
	RM'000	RM'000
Trade receivables	<u>4,899</u>	<u>7,509</u>

Trade receivables are non-interest bearing and are generally on 30 days (2022: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables was an amount of RM18,000 (2022: RM18,000) retained by stakeholders which are due upon the expiry of retention period as stipulated in the sales and purchase agreements. The retention periods ranged from 8 to 24 months (2022: 8 to 24 months).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Trade Receivables (Cont'd)

The following table provide information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:

	Group	
	2023	2022
	RM'000	RM'000
Not past due	14,242	17,888
Past due:		
Less than 30 days	1,606	1,513
31 to 60 days	732	628
61 to 90 days	864	1,242
More than 90 days	1,372	3,181
	<u>4,574</u>	<u>6,564</u>
	<u>18,816</u>	<u>24,452</u>
Trade receivables	4,899	7,509
Contract assets (Note 11)	13,917	16,943
	<u>18,816</u>	<u>24,452</u>

11. Contract Assets

	Group	
	2023	2022
	RM'000	RM'000
Current		
<u>Contract assets</u>		
Property development activities (a)	<u>13,917</u>	<u>16,943</u>

(a) Property development activities

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	16,943	11,757
Consideration payable to customers	193	-
Revenue recognised during the financial year	24,811	20,156
Less: Progress billings during the financial year	<u>(28,030)</u>	<u>(14,970)</u>
At 31 December	<u>13,917</u>	<u>16,943</u>
Presented as:		
Contract assets	<u>13,917</u>	<u>16,943</u>

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****11. Contract Assets (Cont'd)****(a) Property development activities (Cont'd)**

Contract assets in relation to property development activities is the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

(b) Contract value yet to be recognised as revenue

Revenue expected to be recognised within the next 3 years in relating to performance obligations that were unsatisfied at the reporting date amounting to RM20,861,000.

12. Other Receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables	78	643	-	540
Deposits	7,061	6,156	8	-
Prepayments	20	405	2	5
	<u>7,159</u>	<u>7,204</u>	<u>10</u>	<u>545</u>
Less: Accumulated impairment losses	<u>(5,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,659</u>	<u>7,204</u>	<u>10</u>	<u>545</u>

Included in other receivables is an amount of RM50,000 (2022: RMNil) being bank guarantee paid to authority in relation to the development project.

Included in deposits of the Group is an amount of RM5,500,000 (2022: RM5,500,000) being deposits paid to enter into a Joint Venture Agreement between Sinmah Properties Sdn, Bhd., a wholly-owned subsidiary company of the Company with Persatuan Bolasepak Kuala Lumpur ("KLFA") to develop lands into a mix development for a total sum of RM60,000,000.

During the financial year, this deposit has been individually determined to be impaired due to its recoverability was uncertain.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12. Other Receivables (Cont'd)

Movements in the allowance for impairment losses of other receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	-	1,422
Charge for the financial year	5,500	-
Disposal of subsidiary companies	-	(1,422)
At 31 December	5,500	-

13. Amount Due from Subsidiary Companies

	Company	
	2023 RM'000	2022 RM'000
Amount due from subsidiary companies		
<u>Non-trade related</u>		
Non-interest bearing	97,073	96,157
Less: Accumulated impairment losses	(15,012)	-
	82,061	96,157

Amount due from subsidiary companies are unsecured and repayable on demand.

Movement in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	-	-
Charge for the financial year	15,012	-
At 31 December	15,012	-

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****14. Deposits, Cash and Bank Balances**

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	1,866	8,295	561	2,872
Housing Development Accounts	2,012	2,179	-	-
Deposits with licensed banks - Conventional	1,283	1,050	-	-
Total cash and bank balances	<u>5,161</u>	<u>11,524</u>	<u>561</u>	<u>2,872</u>

Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

Included in cash and bank balances of the Group which are deposits maintained in a designated Debt Service Reserve Account and Revenue Collection Account amounting to RM65,000 (2022: RM65,000) and RM1,000 (2022: RM1,000) respectively are pledged as securities for bank borrowings granted to the Company as disclosed in Note 17.

Deposits with licensed banks of the Group amounting to RM1,283,000 (2022: RM1,050,000) are pledged as securities for bank borrowings as disclosed in Note 17.

The effective interest rate and maturities of deposits with licensed banks of the Group at the end of the reporting period are range from 2.10% to 2.70% (2022: 1.55% to 2.40%) per annum and 6 to 12 months (2022: 6 to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Share Capital

	Note	Group and Company			
		Number of Shares		Amount	
		2023	2022	2023	2022
		Units'000	Units'000	RM'000	RM'000
Ordinary shares issued and fully paid:					
At 1 January		392,426	324,905	107,188	188,500
Issuance of shares	(a)	-	67,521	-	6,688
Share capital reduction	(b)	-	-	-	(88,000)
Expiration of warrants	16(a)	-	-	3,588	-
At 31 December		<u>392,426</u>	<u>392,426</u>	<u>110,776</u>	<u>107,188</u>

In the previous financial year, the Company:

- (a) issued 67,521,100 new ordinary shares arising from private placement for a total cash consideration of RM6,687,856 for future viable investments.
- (b) completed a capital reduction exercise announced on 4 October 2021, to reduce its issued share capital by RM88 million which is lost and unrepresented by available assets pursuant to Section 116(1)(b) of the Companies Act 2016 in Malaysia. The corresponding credit of RM88 million was utilised to eliminate the accumulated losses of the Company.

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Reserves

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Warrant reserve	(a)	-	3,588	-	3,588
SIS options reserve	(b)	1,820	1,838	1,820	1,838
Accumulated losses		(27,062)	(13,393)	(20,511)	(3,964)
		<u>(25,242)</u>	<u>(7,967)</u>	<u>(18,691)</u>	<u>1,462</u>

(a) Warrant reserve

	Group and Company	
	2023 RM'000	2022 RM'000
Non-Distributable		
At 1 January	3,588	3,588
Expiration of Warrant C	(3,588)	-
At 31 December	<u>-</u>	<u>3,588</u>

Warrant reserve represents reserve allocated to free detachable warrants issued with existing and new issue of Company's shares.

Warrants C (Warrants 2018/2023)

The Rights Warrants are constituted by a Deed Poll dated 25 July 2018. The salient features of the Warrants are as follows:

- (a) Each Warrant entitles the registered holder to subscribe for one new ordinary share at the exercise price, to be determined at a price fixing date later, subject to adjustments in accordance with the provisions of the Deed Poll;
- (b) The Warrants may be exercised at any time within 5 years commencing on and including the date of first issuance of the Warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid. All Warrants shall mature on 11 September 2023; and
- (c) The Warrant holders are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to date of allotment and issuance of new ordinary shares in the Company upon the exercise of the Warrants. The Warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into new ordinary shares in the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Reserves (Cont'd)

(a) Warrant reserve (Cont'd)

The exercise period of warrants expired on 29 August 2023. The total number of Warrants C that remain unexercised and lapsed were 37,851,000.

(b) SIS options reserve

	Group and Company	
	2023	2022
	RM'000	RM'000
Non-Distributable		
At 1 January	1,838	-
SIS options granted	-	1,838
Lapsed	(18)	-
At 31 December	1,820	1,838

Share Issuance Scheme (“SIS”) Options reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The SIS of the Company is governed by the SIS By-laws and was approved by shareholders on 2 May 2018. The SIS By-laws sets out the basis upon which the Company shall allocate the SIS Options to eligible person of the Company to subscribe for new ordinary shares in the Company.

The SIS is to be in force for a period of 5 years effective from 18 September 2018 to 18 September 2023 and extended for another 5 years until 18 September 2028 in accordance with the terms of the By-Laws.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Reserves (Cont'd)

(b) SIS options reserve (Cont'd)

The salient features of the SIS Options are as follows: (Cont'd)

- (a) any employee of the Group shall be eligible if as at the date of offer, the employee:
 - (i) has attained at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is employed on a full-time basis and is on the payroll of a company in the Group which is not dormant and has not served a notice to resign and has not received a notice of termination;
 - (iv) must have been confirmed in service and have served at least six (6) months in the employment of the eligible company (unless the Option Committee under certain circumstances and at its sole discretion reduces the period of six (6) months to a lesser period as it deems fit);
 - (v) where the employee is under an employment contract, the contract is for a duration of at least (1) year and has not expired within three (3) months from the Date of Offer; and
 - (vi) fulfills any other criteria that the Option Committee may from time to time determine at its discretion.
- (b) any Director of the Group shall be eligible if as at the date of offer, the Director:
 - (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) has been appointed as a Director of a company within the Group, which is not dormant and has not served a notice to resign and has not received a notice of termination; and
 - (iv) fulfills any other criteria that the Option Committee may from time to time determine at its discretion.
- (c) an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.
- (d) the Option Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the SIS Offer. In the event that any Eligible Persons are a member of the Option Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation of SIS Offers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Reserves (Cont'd)

(b) SIS options reserve (Cont'd)

The salient features of the SIS Options are as follows: (Cont'd)

- (e) any eligible Employee who holds more than one (1) position within the Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of any one (1) category. The Option Committee shall be entitled at its discretion to determine the applicable category.
- (f) an Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- (g) eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in the Scheme or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the SIS Offers unless a SIS Offer has been made by the Option Committee in writing to the Eligible Person and the Eligible Person has accepted the SIS Offer in accordance with By-Law 8 hereof.
- (h) for the avoidance of doubt, subject to the By-Laws and compliance with the Vesting Conditions, unless otherwise stated in the SIS Offer as determined by the Option Committee from time to time, the SIS Options are not subject to any vesting period or to the satisfaction of any performance targets to be achieved by the Eligible Persons.
- (i) the maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Shares shall not exceed fifteen percent (15%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.
- (j) the options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.
- (k) the SIS shall be in force for a period of five (5) years. On 3 March 2023, the Company announced to extend its existing SIS which is expired on 18 September 2023 for another five (5) years until 18 September 2028 in accordance with the terms of the By-Laws.
- (l) the options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****16. Reserves (Cont'd)****(b) SIS options reserve (Cont'd)**

Movements in the number of share options and weighted average exercise prices are as follows:

Date of offer	Exercise price (RM)	Number of options over ordinary shares			At 31.12.2023
		At 1.1.2023	Exercised	Lapsed	
22 June 2022	0.0962	50,640,000	-	(500,000)	50,140,000

There are no share options exercised during the financial year.

The fair value of services received in return for share options granted during the previous financial year is based on the fair value of share options granted, estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	2023	2022
Fair value of share options granted (RM)	0.0363	0.0363
Weighted average share price at grant date	0.1069	0.1069
Weighted average exercise price	0.0962	0.0962
Expected volatility (%)	66.39	66.39
Expected life (years)	5 years	5 years
Risk free rate (%)	3.531	3.531
Expected dividend yield (%)	Nil	Nil

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Loans and Borrowings

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured				
Bank overdrafts	1,854	1,998	-	-
Term loans	2,609	10,921	-	-
	<u>4,463</u>	<u>12,919</u>	<u>-</u>	<u>-</u>
Non-current				
Term loans	<u>763</u>	<u>3,915</u>	<u>-</u>	<u>-</u>
Current				
Bank overdrafts	1,854	1,998	-	-
Term loans	1,846	7,006	-	-
	<u>3,700</u>	<u>9,004</u>	<u>-</u>	<u>-</u>
	<u>4,463</u>	<u>12,919</u>	<u>-</u>	<u>-</u>

The loans and borrowings are secured by the following:

- (i) Legal charged over the land and buildings, development land, completed properties and investment properties of the Group as disclosed in Notes 4, 5, 6 and 7 respectively;
- (ii) Fixed deposits of the Group as disclosed in Note 14;
- (iii) Deposits which are maintained in the designated Debt Service Reserve Account and Revenue Collection Account with licensed banks as disclosed in Note 14;
- (iv) Against debentures over the Group's present and future fixed and floating assets;
- (v) Assignment of future income;
- (vi) Corporate guarantees by the Company;
- (vii) Joint and several guarantee by certain Directors of the subsidiary company and third party; and
- (viii) Personal guarantee by one of the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****17. Loans and Borrowings (Cont'd)**

The average effective interest rates per annum are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Bank overdrafts	7.40 to 7.75	6.85 to 6.90	-	-
Term loans	5.50 to 8.25	5.25 to 7.35	-	-

18. Lease Liabilities

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current	427	406	-	-
Current	255	181	29	-
	<u>682</u>	<u>587</u>	<u>29</u>	<u>-</u>

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Within 1 year	289	211	30	-
Between 1 to 2 years	152	220	-	-
Between 2 to 5 years	313	220	-	-
More than 5 years	9	-	-	-
	<u>763</u>	<u>651</u>	<u>30</u>	<u>-</u>
Less: Future				
finance charges	<u>(81)</u>	<u>(64)</u>	<u>(1)</u>	<u>-</u>
Present value of				
lease liabilities	<u>682</u>	<u>587</u>	<u>29</u>	<u>-</u>

The Group and the Company lease various buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum for lease liabilities of the Group and of the Company are ranged from 3.69% to 7.50% (2022: 3.69% to 8.99%) and 5.20% (2022: Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. Deferred Tax Liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	2,277	2,425	57	57
Recognised in profit or loss	(381)	(148)	-	-
Over provision in prior years	(57)	-	(57)	-
At 31 December	<u>1,839</u>	<u>2,277</u>	<u>-</u>	<u>57</u>

Deferred tax liabilities of the Group and of the Company arised from property development costs and accelerated capital allowances.

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

	Group	
	2023 RM'000	2022 RM'000
Unutilised business losses	16,399	11,080
Unutilised capital allowances	375	229
Lease liabilities	258	139
Right-of-use assets	(251)	(125)
Property, plant and equipment	(168)	(203)
	<u>16,613</u>	<u>11,120</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

20. Trade Payables

	Group	
	2023 RM'000	2022 RM'000
Trade payables	7,579	5,038
Retention sum payables	2,115	2,219
	<u>9,694</u>	<u>7,257</u>

Credit terms of trade payables of the Group ranged from 30 to 90 days (2022: 30 to 90 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

21. Other Payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	1,096	1,593	7	10
Accruals	564	544	60	47
Deposit received	95	114	-	-
	<u>1,755</u>	<u>2,251</u>	<u>67</u>	<u>57</u>

22. Amount Due to Directors

Amount due to Directors are non-interest bearing, non-trade in nature, unsecured and repayable on demand.

23. Revenue

	Group	
	2023 RM'000	2022 RM'000
Revenue from contracts with customers:		
- Sales of goods and services	-	57,392
- Property development	24,811	19,588
- Sales of completed units	360	4,342
- Construction contracts	-	5,479
	<u>25,171</u>	<u>86,801</u>

Breakdown of the Group's revenue from contracts with customers:

Group	Poultry	Housing	Total
	RM'000	development RM'000	RM'000
2023			
Major goods and services			
Property development	-	24,811	24,811
Sales of completed units	-	360	360
Total revenue from contracts with customers	<u>-</u>	<u>25,171</u>	<u>25,171</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers: (Cont'd)

	Poultry	Housing	Total
	RM'000	development	RM'000
		RM'000	RM'000
Group			
2023			
Timing of revenue recognition:			
At a point in time	-	360	360
Over time	-	24,811	24,811
Total revenue from contracts with customers	-	25,171	25,171
2022			
Major goods and services			
Sales of goods and services	57,392	-	57,392
Property development	-	19,588	19,588
Sales of completed units	-	4,342	4,342
Construction contracts	-	5,479	5,479
Total revenue from contracts with customers	57,392	29,409	86,801
Timing of revenue recognition:			
At a point in time	57,392	9,253	66,645
Over time	-	20,156	20,156
Total revenue from contracts with customers	57,392	29,409	86,801

24. Finance Costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Bank overdrafts	153	504	-	158
- Bankers' acceptance	-	1,057	-	-
- Term loans	431	1,285	-	30
- Lease liabilities	47	58	2	21
- Revolving credits	-	238	-	122
- Others	2	3	-	-
	633	3,145	2	331

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****25. Loss Before Tax**

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit	115	120	38	38
- non-audit services	5	5	5	5
Amount due from subsidiary companies written off	-	-	711	-
Bad debts written off	16	5	-	5
Impairment losses on:				
- other receivables	5,500	-	-	-
- amount due from subsidiary companies	-	-	15,012	-
Depreciation of:				
- property, plant and equipment	306	389	17	6
- investment properties	16	320	-	-
- right-of-use assets	332	382	28	64
Lease expenses relating to:				
- short-term leases (a)	130	58	-	-
- low value of assets (a)	6	9	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(22)	(412)	-	(388)
- investment properties	(723)	(293)	-	-
- right-of-use assets	(348)	-	-	-
- subsidiary companies	-	(3,841)	-	9,100
Non-executive Directors' remuneration	132	215	132	215
Wages subsidies (b)	-	(13)	-	-
Live bird subsidies (c)	-	(2,470)	-	-
Property, plant and equipment written off	27	7	-	7
Inventories written down	-	918	-	-
Share-based payment expenses	-	1,838	-	1,838
Gain on termination of lease contracts	(13)	(66)	-	(66)
Rental income	(66)	(129)	-	(23)
Interest income	(121)	(322)	(41)	(228)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

25. Loss Before Tax (Cont'd)

- (a) The Group leases building and equipment with contract terms of not more than one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.
- (b) Certain subsidiary companies of the Group were entitled to wage subsidy programme introduced by the government of Malaysia in respond to the COVID-19 pandemic during the previous financial year.
- (c) A subsidiary company of the Group received live bird subsidy for broiler and egg-producing hen breeders from government.

26. Taxation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax expenses recognised in profit or loss				
Current tax:				
- Current year	-	94	-	-
- Under/(Over) provision in prior years	248	(31)	-	35
	<u>248</u>	<u>63</u>	<u>-</u>	<u>35</u>
Deferred tax:				
- Origination and reversal of temporary differences	(381)	(148)	-	-
- Over provision in prior years	(57)	-	(57)	-
	<u>(438)</u>	<u>(148)</u>	<u>(57)</u>	<u>-</u>
	<u>(190)</u>	<u>(85)</u>	<u>(57)</u>	<u>35</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

26. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to loss before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	<u>(13,877)</u>	<u>(13,474)</u>	<u>(16,622)</u>	<u>(11,491)</u>
At Malaysian statutory tax rate of 24% (2022: 24%)	(3,330)	(3,234)	(3,989)	(2,758)
Income not subject to tax	(241)	(282)	-	(274)
Expenses not deductible for tax purposes	1,872	1,781	3,989	3,032
Deferred tax assets not recognised	<u>1,318</u>	<u>1,681</u>	<u>-</u>	<u>-</u>
	(381)	(54)	-	-
Under/(Over) provision of current tax in prior years	248	(31)	-	35
Over provision of deferred tax in in prior years	<u>(57)</u>	<u>-</u>	<u>(57)</u>	<u>-</u>
	<u>(190)</u>	<u>(85)</u>	<u>(57)</u>	<u>35</u>

The Group has the following estimated unutilised business losses and unutilised capital allowances available for carried forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group	
	2023 RM'000	2022 RM'000
Unutilised business losses	16,399	11,080
Unutilised capital allowances	375	229
	<u>16,774</u>	<u>11,309</u>

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

27. Loss Per Share

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2023	2022
Loss attributable to owners of the Company (RM'000)	<u>(13,687)</u>	<u>(13,389)</u>
Weighted average number of ordinary shares in issue (in thousands of shares):		
Issued ordinary shares at 1 January	392,426	324,905
Effect of ordinary shares issued during the financial year	<u>-</u>	<u>40,161</u>
Weighted average number of ordinary shares at 31 December	<u>392,426</u>	<u>365,066</u>
Basic loss per ordinary share (in sen)	<u>(3.49)</u>	<u>(3.67)</u>

(b) Diluted loss per share

Diluted loss per share are calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2023	2022
Loss attributable to owners of the Company (RM'000)	<u>(13,687)</u>	<u>(13,389)</u>
Weighted average number of ordinary shares used in the calculation of basic loss per share	392,426	365,066
Effect of share options on issue	<u>7,482</u>	<u>19,703</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u>399,908</u>	<u>384,769</u>
Diluted loss per ordinary share (sen)	<u>(3.42)</u>	<u>(3.48)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

28. Staff Costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and other emoluments	5,466	6,204	363	211
Defined contribution plans	619	716	26	10
Social security contributions	41	35	2	-
Other benefits	69	46	-	-
	6,195	7,001	391	221

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive Directors				
<u>Existing Directors of the Company</u>				
Salaries and other emoluments	1,497	1,684	231	6
Defined contribution plans	178	202	26	-
Social security contributions	3	1	2	-
Estimated money value of benefit-in-kind	32	32	-	-
	1,710	1,919	259	6
<u>Existing Directors of subsidiary companies</u>				
Salaries and other emoluments	565	1,278	-	-
Defined contribution plans	68	147	-	-
Social security contributions	3	2	-	-
Estimated money value of benefit-in-kind	8	16	-	-
	644	1,443	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM'000	Financing cash flows (i) RM'000	Disposal of subsidiary companies RM'000	New leases RM'000	Termination of lease contracts RM'000	At 31 December RM'000
Group						
2023						
Term loans	10,921	(8,312)	-	-	-	2,609
Lease liabilities	587	(265)	-	472	(112)	682
Amount due to Directors	2	(2)	-	-	-	-
	11,510	(8,579)	-	472	(112)	3,291
2022						
Term loans	25,687	(14,766)	-	-	-	10,921
Other bank borrowings	36,532	(9,636)	(26,896)	-	-	-
Lease liabilities	1,418	(348)	(448)	370	(405)	587
Amount due to Directors	9	(7)	-	-	-	2
	63,646	(24,757)	(27,344)	370	(405)	11,510

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

29. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM'000	Financing cash flows (i) RM'000	New lease RM'000	Termination of lease term RM'000	At 31 December RM'000
Company					
2023					
Lease liabilities	-	(27)	56	-	29
2022					
Term loans	1,401	(1,401)	-	-	-
Other bank borrowings	11,000	(11,000)	-	-	-
Lease liabilities	462	(57)	-	(405)	-
Amount due to Directors	7	(7)	-	-	-
	12,870	(12,465)	-	(405)	-

- (i) The cash flows from term loans, other bank borrowings, lease liabilities and amount due to Directors make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

30. Related Party Disclosures

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

30. Related Party Disclosure (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Company	
	2023	2022
	RM'000	RM'000
Transactions with subsidiary companies		
Waiver of debts	711	-
	711	-

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, fees and other emoluments	2,194	3,852	363	211
Defined contribution plans	246	440	26	10
Social security contributions	6	8	2	-
Estimated money value of benefit-in-kind	40	69	-	-
	2,486	4,369	391	221

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

31. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

Housing development	This consists of development and construction of residential and commercial properties.
Poultry	This consists of manufacturing and wholesale of animal feeds, poultry breeding, hatchery operations, contract farming, poultry processing and trading of feeds, day-old chicks, medications and vaccines.
Other business segments	This includes investment holding, provision of management services, development of hospitals, running of hospitals, clinics, laboratories and related healthcare activities. None of which are of a sufficient size to be reported separately.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Housing development RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Group				
2023				
Revenue				
External sales	25,171	-	-	25,171
Inter-segment sales	16,413	-	(16,413)	-
Total revenue	<u>41,584</u>	<u>-</u>	<u>(16,413)</u>	<u>25,171</u>
Results				
Segment results	(3,912)	(2,697)	(1,665)	(8,274)
Interest income	79	42	-	121
Interest expenses	(629)	(4)	-	(633)
Other non-cash items	(5)	(20,684)	15,598	(5,091)
Loss before tax	<u>(4,467)</u>	<u>(23,343)</u>	<u>13,933</u>	<u>(13,877)</u>
Taxation	(248)	57	381	190
Segment loss	<u>(4,715)</u>	<u>(23,286)</u>	<u>14,314</u>	<u>(13,687)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

31. Segment Information (Cont'd)

	Housing development RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Group				
2023				
Assets				
Included in the measurement of segment assets are:				
Capital expenditure	668	150	(20)	798
Segment assets	<u>111,834</u>	<u>92,504</u>	<u>(100,341)</u>	<u>103,997</u>
Liabilities				
Segment liabilities	<u>103,275</u>	<u>14,632</u>	<u>(99,444)</u>	<u>18,463</u>
Other non-cash items				
Bad debts written off	(16)	(1,797)	1,797	(16)
Depreciation	(501)	(152)	(1)	(654)
Gain/(Loss) on disposal of:				
- property, plant and equipment	35	-	(13)	22
- investment properties	644	-	79	723
- right-of-use assets	348	-	-	348
Gain on termination of lease contracts	8	5	-	13
Impairment losses on:				
- other receivables	-	(5,500)	-	(5,500)
- amount due from subsidiary companies	-	(15,012)	15,012	-
- amount due from related company	(521)	-	521	-
Property, plant and equipment written off	(2)	(25)	-	(27)
Waiver of debts	-	1,797	(1,797)	-
	<u>(5)</u>	<u>(20,684)</u>	<u>15,598</u>	<u>(5,091)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

31. Segment Information (Cont'd)

	Housing development RM'000	Poultry RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Group					
2022					
Revenue					
External sales	29,409	57,392	-	-	86,801
Inter-segment sales	14,945	-	-	(14,945)	-
Total revenue	<u>44,354</u>	<u>57,392</u>	<u>-</u>	<u>(14,945)</u>	<u>86,801</u>
Results					
Segment results	(911)	(2,199)	(7,147)	(1,147)	(11,404)
Interest income	49	45	228	-	322
Interest expenses	(1,423)	(1,383)	(339)	-	(3,145)
Other non-cash items	(1,286)	(206)	(10,696)	12,941	753
Loss before tax	(3,571)	(3,743)	(17,954)	11,794	(13,474)
Taxation	(27)	-	(36)	148	85
Segment loss	<u>(3,598)</u>	<u>(3,743)</u>	<u>(17,990)</u>	<u>11,942</u>	<u>(13,389)</u>
Assets					
Included in the measurement of segment assets are:					
Capital expenditure	434	65	112	(5)	606
Segment assets	<u>165,608</u>	<u>34,743</u>	<u>121,151</u>	<u>(196,423)</u>	<u>125,079</u>
Liabilities					
Segment liabilities	<u>152,524</u>	<u>35,684</u>	<u>20,054</u>	<u>(182,404)</u>	<u>25,858</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

31. Segment Information (Cont'd)

	Housing development RM'000	Poultry RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Group					
2022					
Other non-cash items					
Bad debts written off	-	-	(5)	-	(5)
Depreciation	(659)	(232)	(200)	-	(1,091)
Gain/(Loss) on disposal of:					
- property, plant and equipment	(2)	26	388	-	412
- investment properties	293	-	-	-	293
- subsidiary companies	-	-	(9,100)	12,941	3,841
Inventories written down	(918)	-	-	-	(918)
Property, plant and equipment written off	-	-	(7)	-	(7)
Share-based payment expenses	-	-	(1,838)	-	(1,838)
Gain on termination of lease contracts	-	-	66	-	66
	<u>(1,286)</u>	<u>(206)</u>	<u>(10,696)</u>	<u>12,941</u>	<u>753</u>

Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

Inter-segment revenues are eliminated on consolidation.

Geographic information

No disclosure on geographical segment information as the Group predominantly operates in Malaysia.

Major customers

There is no significant concentration of revenue from any major customers as the Group sells its development properties to individual purchaser.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

32. Financial Guarantees

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Bank guarantee for performance bond given to third parties	3,894	3,212	-	-
Unsecured:				
Financial guarantee given to licensed banks for credit facilities granted to subsidiary companies	-	-	4,463	12,919

33. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2023	2022
	RM'000	RM'000
Group		
At amortised cost		
Financial assets		
Trade receivables	4,899	7,509
Other receivables	1,589	6,799
Deposits, cash and bank balances	5,161	11,524
	<u>11,649</u>	<u>25,832</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(a) Classification of financial assets (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	2023 RM'000	2022 RM'000
Group		
At amortised cost		
Financial liabilities		
Loans and borrowings	4,463	12,919
Trade payables	9,694	7,257
Other payables	1,755	2,251
Amount due to Directors	-	2
	<u>15,912</u>	<u>22,429</u>
Company		
At amortised cost		
Financial assets		
Other receivables	8	540
Amount due from subsidiary companies	82,061	96,157
Deposits, cash and bank balances	561	2,872
	<u>82,630</u>	<u>99,569</u>
At amortised cost		
Financial liabilities		
Other payables	<u>67</u>	<u>57</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) 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. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies.

The Company's maximum exposure in this respect is RM4,463,000 (2022: RM12,919,000), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

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

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group 2023	On demand					Total contractual cash flows RM'000	Total carrying amounts RM'000
	or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000			
<u>Non-derivative financial liabilities</u>							
Loans and borrowings	3,820	791	-	-	4,611	4,463	
Lease liabilities	289	152	313	9	763	682	
Trade payables	9,694	-	-	-	9,694	9,694	
Other payables	1,755	-	-	-	1,755	1,755	
Financial guarantee liabilities *	3,894	-	-	-	3,894	-	
	19,452	943	313	9	20,717	16,594	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

- (b) Financial risk management objectives and policies (Cont'd)
- (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Group	On demand	1 to 2	2 to 5	Total	Total
2022	or within	years	years	contractual	contractual
Non-derivative financial liabilities	1 year	RM'000	RM'000	cash flows	carrying
Loans and borrowings	RM'000	RM'000	RM'000	RM'000	amounts
Lease liabilities					RM'000
	9,456	2,734	1,414	13,604	12,919
	211	220	220	651	587
	7,257	-	-	7,257	7,257
	2,251	-	-	2,251	2,251
	2	-	-	2	2
	3,212	-	-	3,212	-
	22,389	2,954	1,634	26,977	23,016

Financial guarantee liabilities *

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2023****33. Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amounts RM'000
Company			
2023			
<u>Non-derivative financial liabilities</u>			
Lease liabilities	30	30	29
Other payables	67	67	67
Financial guarantee liabilities *	4,463	4,463	-
	<u>4,560</u>	<u>4,560</u>	<u>96</u>
2022			
<u>Non-derivative financial liabilities</u>			
Other payables	57	57	57
Financial guarantee liabilities *	12,919	12,919	-
	<u>12,976</u>	<u>12,976</u>	<u>57</u>

* *Based on the maximum amount that could be called for under the financial guarantee contract.*

The Company provides financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2023	2022
	RM'000	RM'000
Group		
Fixed rate instruments		
Financial assets	1,283	1,050
Financial liabilities	<u>(682)</u>	<u>(587)</u>
	<u>601</u>	<u>463</u>
Floating rate instruments		
Financial liabilities	<u>(4,463)</u>	<u>(12,919)</u>
Company		
Fixed rate instruments		
Financial liabilities	<u>(29)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM45,000 (2022: RM129,000), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

34. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

34. Capital Management (Cont'd)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio at end of the reporting period are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loans and borrowings	4,463	12,919	-	-
Lease liabilities	682	587	29	-
Less: Deposits, cash and bank balances	(5,161)	(11,524)	(561)	(2,872)
Net debt	<u>(16)</u>	<u>1,982</u>	<u>(532)</u>	<u>(2,872)</u>
Total equity	<u>85,534</u>	<u>99,221</u>	<u>92,085</u>	<u>108,650</u>
Gearing ratio (times)	<u>- *</u>	<u>0.02</u>	<u>- *</u>	<u>- *</u>

* The gearing ratio is not applicable as the Group and the Company have sufficient deposits, cash and bank balances to settle the liabilities as at year end.

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

35. Subsequent Events

- (a) On 22 January 2024, the Group entered into a sale and purchase agreement for the disposal of a leasehold building for a total cash consideration of RM500,000. The disposal is expected to be completed in March 2024.
- (b) On 15 November 2023, the Company announced to undertake a proposed private placement by issuance of new ordinary shares up to 10% of the total number of issued shares of the Company. On 28 February 2024, the Company had issued an additional 24,000,000 new ordinary shares at issue price of RM0.083 per share pursuant to this private placement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

36. Comparative Information

Certain comparative figures have been reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2022.

37. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2024

Total Number of Issued Shares	:	416,426,720
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	118	3.75	1,970	0.00
100 to 1,000	442	14.03	236,498	0.06
1,001 to 10,000	1,132	35.94	6,148,585	1.48
10,001 to 100,000	1,084	34.41	42,907,598	10.30
100,001 to 20,821,335*	373	11.84	336,432,069	80.79
20,821,335 and above**	1	0.03	30,700,000	7.37
TOTAL	3,150	100.000	416,426,720	100.000

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Substantial Shareholders

No.	Name	Direct Interest	No. of Ordinary Shares	
			%	Indirect Interest
1.	Toh Hong Chye	30,700,000	7.37	-

List of Directors' Shareholdings

No.	Name	Direct Interest	No. of Ordinary Shares	
			%	Indirect Interest
1.	Toh Hong Chye	30,700,000	7.37	-
2.	Datuk Seri Rahadian Mahmud bin Mohammad Khalil	-	-	-
3.	Datuk Fong Kiah Yeow	14,302,200	3.43	21,253 ^[1]
4.	Dato' Kevin Sathiaselvan A/L Ramakrishnan	-	-	-
5.	Yeong Siew Lee	-	-	-
6.	Masleena binti Zaid	-	-	-

Note:

^[1] Deemed interested by virtue of Section 8(4)(c) of the Companies Act, 2016 via his interest in F.C.H. Holdings Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2024

Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
1.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hong Chye (7004332)	30,700,000	7.37
2.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rajinder Kaur a/p Piara Singh	18,415,100	4.42
3.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Teo Boon Ling (M&A)	18,300,000	4.39
4.	Satvinder Singh	18,300,000	4.39
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hong Kok Ann	18,000,000	4.32
6.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Fong Kiah Yeow (M&A)	10,924,200	2.62
7.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Chiew Peng	10,250,000	2.46
8.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Fong Ngan Teng (M&A)	9,206,000	2.21
9.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Fong Choon Kai (M&A)	9,206,000	2.21
10.	Lee See Yang	7,500,000	1.80
11.	Woo Wai Yeen	6,800,000	1.63
12.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Pei Cheen	6,000,000	1.44
13.	Lai Thiam Poh	5,334,100	1.28
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choong Leo	5,196,600	1.25
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Huam Hong Ping	5,000,000	1.20
16.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jasvinder Singh a/l Piara Singh	3,800,000	0.91
17.	Chiang Siew Eng @ Le Yu Ak Ee	3,533,500	0.85
18.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Choon Kai	3,500,000	0.84
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Ngan Teng	3,500,000	0.84

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2024

Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
20.	Choong Yoke Far	3,379,200	0.81
21.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Kiah Yeow	3,378,000	0.81
22.	Maybank Nominees (Tempatan) Sdn Bhd Huam Hong Ping	3,000,000	0.72
23.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sheldon Wee Tah Poh	3,000,000	0.72
24.	Low Chooi Loong	3,000,000	0.72
25.	Lim Kian Huat	2,994,200	0.72
26.	Teh Sen Siew	2,854,700	0.69
27.	Lembaga Tabung Amanah Warisan Negeri Terengganu	2,842,400	0.68
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kok Choon	2,840,000	0.68
29.	Tan Kuan Teck	2,796,500	0.67
30.	Yeow Boon Siang	2,600,000	0.62

LIST OF PROPERTIES OWNED BY THE GROUP

LOCATION & DETAILS	DESCRIPTION	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
THE COMPANY AND 100% OWNED SUBSIDIARIES				
P.T. No. 197 H.S.(D) 33179 Kawasan Bandar XXXIX Daerah Melaka Raya, Melaka	3 1/2 Storey Intermediate shoptot	Leasehold (expiring in 2075)	261,412	2003
No. 65 & 65-1 Jalan KU 12 Taman Krubong Utama Krubong 75250 Melaka	Double Storey shoptot	Leasehold (expiring in 2105)	206,821	2013
Hakmilik Geran Mukim 68 Lot 1700 Solok Telok Mukim Bukit Baru Daerah Melaka Tengah, Melaka	Development land	Freehold	2,668,612	2014
H.S. (M) 4964, PT 17606 Mukim Tanjong Minyak Daerah Melaka Tengah, Melaka	Development land	Freehold	1,318,611	2018
Geran 5499, Lot 953 Mukim Durian Tunggal Daerah Alor Gajah, Melaka	Development land	Freehold	7,600,465	2019
No. 47 & 47-1 Jalan TMJ 29 Taman Minyak Jaya 75260 Melaka	Double Storey shop office	Freehold	127,796	2020
No.25 & 25-1 Jalan TMJ 29 Taman Minyak Jaya 75260 Melaka	Double Storey shop office	Freehold	129,305	2021
No.33 & 33-1 Jalan TMJ 29 Taman Minyak Jaya 75260 Melaka	Double Storey shop office	Freehold	132,701	2021
PTD 21384 Mukim Grisek Tangkak, Johor	Single Storey shop office	Freehold	254,146	2023
PT 17848 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	23,496	2023
PT 17849 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	23,657	2023
PT 17850 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	53,027	2023

LIST OF PROPERTIES OWNED BY THE GROUP

LOCATION & DETAILS	DESCRIPTION	TENURE	NET BOOK VALUE RM	Date of Revaluation/ Date of Acquisition
THE COMPANY AND 100% OWNED SUBSIDIARIES				
PT 17851 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	43,934	2023
PT 16897 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	23,738	2023
PT 16878 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	23,898	2023
PT 11556 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	25,326	2023
PT 11557 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	13,136	2023
PT 11558 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	25,208	2023
PT 11559 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	34,202	2023
PT 11560 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	13,136	2023
PT 11561 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	13,136	2023
PT 11562 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Development land	Freehold	25,326	2023

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

Proposed Private Placement

The Company had, at its last Annual General Meeting convened on 29 May 2023, obtained the approval from its shareholders that the Board has been authorised to allot and issue new shares at any time, at such price(s) as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of new shares to be issued does not exceed 10% of the total number of issued shares, in accordance with Sections 75 and 76 of the Companies Act 2016 (“**Proposed Private Placement**”). Such authority shall continue to be in force until the conclusion of the next AGM of the Company.

On 30 November 2023, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) had, via its letter dated 30 November 2023, approved the listing and quotation of up to 44,306,672 Placement Shares to be issued pursuant to the Proposed Private Placement.

As of 31 December 2023, the Company has not placed out any shares under the Proposed Private Placement.

Subsequently on 29 February 2024, the Company announced that 24,000,000 placement shares were issued pursuant to the Private Placement and was listed and quoted on the Main Market of Bursa Securities.

The planned utilisation and expected timeframe for utilisation of proceeds based on the conditions prescribed in the announcement dated 15 November 2023 are as follows:

	Planned Utilisation RM'000	Expected timeframe for utilisation of proceeds
Property development and construction costs for Laman Lentera Project	1,394	Within 24 months from the receipt of placement funds
Estimated expenses	598	Upon completion
	1,992	

2. Share Issuance Scheme (“SIS”)

The SIS of the Company is governed by the SIS By-Laws and was approved by shareholders on 2 May 2018. The SIS was to be in force for a period of five (5) years effective from 18 September 2018 and would be expiring on 18 September 2023. On 3 March 2023, the Company had announced to extend the SIS for another five (5) years until 18 September 2028 in accordance with the terms of the By-Laws.

A brief detail on the number of SIS options granted, exercised, forfeited and outstanding since commencement to 31 December 2023 is set out in the table below:

Description	Number of Options	
	Grand Total	Directors and Chief Executives
Granted	50,640,000	38,500,000
Exercised	-	-
Forfeited	500,000	500,000
Outstanding	50,140,000	38,000,000

Note:

- None of the options granted has any vesting period.

ADDITIONAL COMPLIANCE INFORMATION

2. Share Issuance Scheme (“SIS”) (Cont’d)

The percentages of options applicable to Directors and Senior Management under the SIS during the financial year and since its commencement up to 31 December 2023 are set out below:

Directors and Senior Management	Percentage	
	During the financial year	Since commencement up to 31 December 2023
Aggregate maximum allocation	-	80%
Actual options granted	-	76%

The details of the options offered to and exercised by the non-executive directors of the Company pursuant to the SIS in respect of the financial year are as follows:

Name	Number of Options	
	Number of Options Granted	Number of Options Exercised
Yeong Siew Lee	-	-
Masleena binti Zaid	-	-
Dato’ Kevin Sathiaseelan A/L Ramakrishnan	-	-

3. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors’ and major shareholders’ interests during the financial year.

4. Contract Related to Loans

There were no material contracts relating to loans entered into by the Group during the financial year involving Directors and major shareholders.

5. Recurrent Related Party Transactions (“RRPT”)

The Company did not enter into any RRPT which exceeded the threshold limits allowed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad during the financial year.



SINMAH CAPITAL BERHAD
Registration No.: 199401015973 (301653-V)
(Incorporated in Malaysia)

ADMINISTRATIVE DETAILS
THIRTIETH ANNUAL GENERAL MEETING OF SINMAH CAPITAL BERHAD

REGISTRATION

1. Registration will start at 12.00 p.m. and will remain open until the conclusion of the Thirtieth Annual General Meeting (“**30th AGM**”) or such time as may be determined by the Chairman of the meeting.
2. Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/Identification Card or Passport will be accepted for the purpose of the identity verification. Please ensure that you collect your MyKad/Identification Card or Passport thereafter.
3. No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.
4. Upon verification and registration:
 - a. Please sign the Attendance List and polling slip will be provided at the registration counter;
 - b. If you are attending the 30th AGM as a shareholder as well as a proxy, you will be registered once; and
 - c. No person will be allowed to enter the meeting hall without registration. There will be no replacement in the event that you lose/misplace the polling slip.
5. After registration, please vacate the registration area immediately and proceed to the meeting hall.
6. The registration counter will only handle verification of identity and registration of attendance.
7. Help desk support is available for any other enquiries/assistance/revocation of proxy’s appointment.

DOOR GIFT

No door gift would be provided at the 30th AGM.

LODGEMENT OF PROXY FORM

1. If you are unable to attend the 30th AGM in person and wish to appoint the Chairman of the 30th AGM as your proxy to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:
 - a) In hard copy form
Please deposit your proxy form at the office of the Poll Administrator, GAP Advisory Sdn. Bhd. (“GAP”), E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time of holding the 30th AGM, i.e. latest by Tuesday, 11 June 2024 at 1.00 p.m. Any alteration to the Form of Proxy must be initialled.
 - b) By electronic means
Please email to ir.shareregistry@gapadvisory.my not less than forty-eight (48) hours before the time of holding the 30th AGM, i.e. latest by Tuesday, 11 June 2024 at 1.00 p.m. Any alteration to the Form of Proxy must be initialled.
2. If you wish to participate in the 30th AGM yourself, please do not submit any proxy form for the 30th AGM. You will not be allowed to participate in the 30th AGM together with a proxy appointed by you.

REVOCATION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the 30th AGM yourself, please write in to ir.shareregistry@gapadvisory.my to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the 30th AGM or proceed to the Help desk counter on the 30th AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the 30th AGM. In such event, you should advise your proxy(ies) accordingly.

DIGITAL COPIES OF 30TH AGM DOCUMENTS

As a part of our commitment to environmentally sustainable practices by reducing paper usage, the following documents can be accessed from our website at www.sinmah.com.my:

1. Annual Report 2023
2. Notice of the 30th AGM and Proxy Form
3. Corporate Governance Report 2023

VOTING AT MEETING

1. Voting will be conducted by poll in accordance Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed GAP as the Poll Administrator and Quantegic Services Sdn. Bhd. as the Independent Scrutineer to verify the poll results.
2. Voting for all the resolutions set out in the Notice of 30th AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.

ENQUIRY

For any enquiries and administrative details relating to the meeting, please contact GAP during office hours from Monday to Friday (9.00 a.m. to 6.00 p.m.), detail as follows:

GAP Advisory Sdn. Bhd.

Address : E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur, Malaysia.

General Line : +603 2181 0516

Email : ir.shareregistry@gapadvisory.my

PERSONAL DATA POLICY

By resigning for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by Sinmah Capital Berhad (or its agents) for the following purposes:

1. For registration;
2. Communicate with the shareholders and proxy holders who participate at the 30th AGM;
3. Respond to the shareholders' and proxy holders' enquiries;
4. For internal record keeping;
5. Send promotional materials, advertisement for marketing purposes;
6. Publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
7. For processing and administration by the Company (or its agents); and
8. Comply with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



SINMAH CAPITAL BERHAD

Registration No.: 199401015973 (301653-V)

Number of Shares Held	
CDS Account No.	

I/We, _____ NRIC/PassportNo. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____ being a member / members of **Sinmah Capital Berhad** ("Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company ("**30th AGM**") to be conducted at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 1.00 p.m., or at any adjournment thereof.

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 30th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 30th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

*My/our *proxy/proxies shall vote as follows :-

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain for voting at his(her) discretion.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
Ordinary Resolution 1	To re-elect Datuk Fong Kiah Yeow as Director in accordance with Clause 84 of the Constitution of the Company.				
Ordinary Resolution 2	To re-elect Toh Hong Chye as Director in accordance with Clause 84 of the Constitution of the Company.				
Ordinary Resolution 3	To re-elect Dato' Kevin Sathiaselalan A/L Ramakrishnan as Director in accordance with Clause 91 of the Constitution of the Company.				
Ordinary Resolution 4	To approve the payment of the Directors' remuneration to Non-Executive Directors amounting to RM350,000.00 per annum until the next Annual General Meeting of the Company.				
Ordinary Resolution 5	To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 6	Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.				
Ordinary Resolution 7	Proposed Grant of Share Issuance Scheme Options to Dato' Kevin Sathiaselalan A/L Ramakrishnan				

Dated this ____ day of _____ 2024

Contact No: _____

Signature / Common Seal of Shareholder



Notes:

1. The 30th AGM of the Company will be conducted at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 1.00 p.m., or at any adjournment thereof.
(Please follow the procedures as stipulated in the Administrative Details).
2. A member of the Company who is entitled to attend, speak and vote at this 30th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
3. Where a member appoints more than one (1) proxy to attend and vote at the 30th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 30th AGM (no later than Tuesday, 11 June 2024 at 1.00 p.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 June 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 30th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 30th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 30th AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 30th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 30th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

1st Fold Here

Affix
Stamp

GAP Advisory Sdn. Bhd.

Share Registrar of
Sinmah Capital Berhad
[Registration No. 199401015973 (301653-V)]
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

2nd Fold Here

SINMAH CAPITAL BERHAD
199401015973 (301653-V)

No. 88, Jalan KU 4, Taman Krubong Utama
75260 Krubong Melaka
Tel : 06-335 3329 Fax : 06-335 1329

www.sinmah.com.my