CREST BUILDER HOLDINGS BERHAD

200201005719 (573382-P)

40TH ANNIVERSARY

ANNUAL REPORT 2023

CONTENTS

CORPORATE PROFILE

Crest Builder Holdings Berhad ("CBHB") was incorporated in Malaysia under the Companies Act 1965 on 9 March 2002 as a public limited liability company. CBHB is principally an investment holding company and had successfully undertaken a Corporate and Debt Restructuring Scheme which involved taking over the listing status of MGR Corporation Berhad. CBHB was listed on the Main Board of Bursa Malaysia Securities Berhad on 12 June 2003.

The CBHB Group was founded in 1983 by the late Mr. Yong Soon Chow. What started out as a small timer of less than 10 staff has grown to a strong corporation of approximately 200 staff under its stable. Over the past 40 years, the CBHB Group has carved a strong foothold in the local construction industry. With in-depth industry experience, the CBHB Group has a proven and established track record in the sector – especially in the commercial, residential and institutional building construction. The Group counts top branded developers and international property players amongst its clientele.

With a good blend of experience and vibrant protégés in its management team, the CBHB Group has moved along the supply chain and diversified beyond purely construction into other construction-related activities, such as property development, mechanical & electrical engineering ("M&E") services and project management – and upon completion of our RM300 million maiden development namely 3 Two Square in 2007, the CBHB Group has also diversified into property management as well as car park management.

The CBHB Group has also completed various developments, including the UNITAR Campus at Tierra Crest, and a series of residential and commercial projects, including Alam Idaman, Avenue Crest, Alam Sanjung and Residensi Hijauan in Shah Alam. The Group also manages a concession of the 5,000-student capacity UiTM Tapah campus which ends in 2034. Together with the conventional developments, the Group has also secured the privatisation and the redevelopment of Dang Wangi LRT station. In addition, the CBHB Group has launched Interpoint, a new property development project in Bandar Bukit Tinggi, Klang, in 2023.

With the vision to be the 'Preferred' organisation of choice by the partners and customers, the CBHB Group aspires to achieve distinction in the industry through prudent cost management, highest standards of quality and complete customer satisfaction. The CBHB Group has a track record of achieving a QLASSIC score of 86% for its construction projects, an impressive result in the high-rise residential category. The CBHB Group is committed to providing the best quality products and services for its existing and future projects.

NOTICE OF 22ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22nd annual general meeting will be held

Venue	Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1 60000 Kuala Lumpur
Day, date and time	Wednesday, 29 May 2024 at 10:00 a.m.

AGENDA

Ordinary business

1. Laying of audited financial statements and reports

To lay the duly audited financial statements consisting of the consolidated statement of comprehensive income, the consolidated statement of financial position, the reports of the directors and auditors for the financial year ended 31 December 2023, in compliance with Section 340(1)(a) and 266(1)(a) of the Companies Act 2016 respectively.

Please refer to Note 2 of the Statement Accompanying Notice of 22nd Annual General Meeting

2. Election of director

THAT re-election of the Executive Director, Madam Koh Hua Lan, who retires in accordance with Article 79 of the Company's Constitution, be hereby approved. ***Resolution 1***

3. Election of director

THAT re-election of the Independent Non-Executive Director Encik Mahathir bin Mahzan, who retires in accordance with Article 86 of the Company's Constitution, be hereby approved. ***Resolution 2***

4. **Election of director**

THAT re-election of the Independent Non-Executive Director, Mr. Tong Hock Sen, who retires in accordance with Article 86 of the Company's Constitution, be hereby approved. ***Resolution 3***

5. Appointment of auditors

THAT the appointment of Messrs Baker Tilly Monteiro Heng PLT, Chartered Accountants, as the auditors in accordance with Article 57 of the Company's Constitution and pursuant to Section 271(4)(a) of the Companies Act 2016 for the ensuing financial year ending 31 December 2024 be confirmed and that the directors be authorised to fix the remuneration of the auditors pursuant to Section 274(1)(a) of the Companies Act 2016 be hereby approved. ***Resolution 4***

Special business

6. Approval for fees for directors pursuant to Section 230(1)(a) of the Companies Act 2016

THAT the payment of RM198,000 as fees for directors for the financial year ended 31 December 2023 (2022: RM198,000) and payment of RM198,000 as fees for directors for the financial year ending 31 December 2024 in accordance with Article 88 of the Company's Constitution be hereby approved. ***Resolution 5***

NOTICE OF 22ND ANNUAL GENERAL MEETING (CONT'D)

7. Allotment of shares or grant of rights with the Company approval pursuant to Section 76 of the Companies Act 2016

Resolution 6

THAT pursuant to Section 76 of the Companies Act 2016 and subject to the approval of all relevant authorities being obtained, the directors be empowered for the purposes of Section 75(1) of the Companies Act 2016 to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting ("AGM") be hereby approved.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 4(A) of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016.

By order of the Board

Company Secretary
Heng Chiang Pooh FCIS (CS) (CGP)
(MAICSA 7009923)

Dated: 26 April 2024

Notes

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint anyone to attend and vote in his stead as his proxy without limitation and the provisions of Section 334 of the Companies Act 2016 shall apply.*

2. *If a corporation is a member of the Company, the corporation may by resolution of its Board or other governing body authorise a person or persons to act as its representative or representatives at any meeting of members of the Company. A certificate of authorisation by a corporate member shall be prima facie evidence of the appointment or the revocation of the appointment, as the case may be, of a representative pursuant to Section 333 of the Companies Act 2016.*

3. *Shareholders' attention is hereby drawn to the Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities.*

4. *A member may appoint more than one (1) proxy provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*

6. *In respect to the deposited securities, only members whose name appear in the Record of Depositors on 21 May 2024 shall be eligible to attend the meeting or to appoint proxy to attend and/or vote on his behalf.*

STATEMENT ACCOMPANYING NOTICE OF 22ND ANNUAL GENERAL MEETING

1. VOTING BY WAY OF POLL

Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, all resolutions set out in this notice shall be put to vote by way of poll.

2. ORDINARY BUSINESS – AGENDA 1

The laying of audited financial statements and the reports of the directors and auditors are in compliance with Section 340(1)(a) and 266(1)(a) of the Companies Act 2016 respectively. It is meant for discussion only and does not require voting by shareholders.

3. ORDINARY BUSINESS – RESOLUTION 1, 2 & 3

The Nomination and Remuneration Committee had assessed the retiring directors based on Constitution and the particulars of the retiring directors who are standing for re-election are set out in the relevant pages of the Annual Report as follows.

Name of Directors	Directors' Profile	Directors' Shareholdings
Mdm Koh Hua Lan (Executive Director)	Page 11	Page 154
Encik Mahathir bin Mahzan (Independent Non-Executive Director)	Page 11	Page 154
Mr. Tong Hock Sen (Independent Non-Executive Director)	Page 12	Page 154

Details of directors' attendance at Board Meetings are set out in the Statement of Overview on Corporate Governance on Page 52 of the Annual Report.

4. ORDINARY BUSINESS – RESOLUTION 4

Pursuant to Section 273(b) of the Companies Act 2016, an auditor shall cease to hold office at the conclusion of the annual general meeting next following his appointment, unless the auditor is re-appointed.

STATEMENT ACCOMPANYING NOTICE OF 22ND ANNUAL GENERAL MEETING (CONT'D)

5. SPECIAL BUSINESS – RESOLUTION 5

This authorisation by the general meeting would enable the payment of directors' remuneration in accordance with Article 88 of the Company's Constitution as follows:

Article 88 - Directors' Remuneration

The directors shall be paid by way of remuneration for their services such fixed sums (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the directors in such proportion and manner as the directors may determine. Provided always that:

(a) fees payable to directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(b) salaries payable to directors who do hold an executive office in the Company may not include a commission on or percentage of turnover;

(c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(d) any fee paid to an Alternate Director shall be such as agreed between herself and the director nominating her shall be paid out of the remuneration of the latter.

6. SPECIAL BUSINESS – RESOLUTION 6

The Company had during its 21st annual general meeting held on 25 May 2023, obtained its shareholders' approval for the general mandate pursuant to Section 76 of the Companies Act 2016 and subject to the approval of all relevant authorities being obtained, the directors be empowered for the purposes of Section 75(1) of the Companies Act 2016 to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting be hereby approved. The Company did not issue any shares pursuant to the said mandate.

This Proposed Resolution 5 which is an Ordinary Resolution, if passed, will grant a renewed general mandate and waiver of the statutory pre-emptive rights which will provide flexibility for the Company and will empower the directors to issue new shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company for the purpose of funding current and/or future investment projects, working capital, and/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 at a general meeting, will be valid until the conclusion of the next annual general meeting.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company shall make an announcement in respect thereof.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah
Non-Executive Chairman

Yong Shang Ming
Managing Director

Koh Hua Lan (f)
Executive Director

Mahathir bin Mahzan
Independent Non-Executive Director

Lim Boon Teng
Independent Non-Executive Director

Tong Hock Sen
Independent Non-Executive Director

Yong Tiok Keng (f)
Alternate Director to Koh Hua Lan (f)

AUDIT COMMITTEE

Chairman
Mahathir bin Mahzan

Member
Lim Boon Teng **Tong Hock Sen**

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Lim Boon Teng

Member
Mahathir bin Mahzan **Tong Hock Sen**

COMPANY SECRETARY

Heng Chiang Pooh FCIS (CS) (CGP)
(MAICSA 7009923)

REGISTERED OFFICE

No. 62-2, Jalan 2A/27A
Section 1, Wangsa Maju
53300 Kuala Lumpur
Tel : 03-4148 1888 **Fax** : 03-4149 1888

PRINCIPAL PLACE OF BUSINESS

Penthouse, The Crest
3 Two Square, No. 2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7841 6000 **Fax** : 03-7841 6088
Email : corporate@crestbuilder.com.my

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Tel : 03-6201 1120 **Fax** : 03-6201 3121

AUDITORS

Baker Tilly Monteiro Heng PLT
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City, 59200 Kuala Lumpur
Tel : 03-2297 1000 **Fax** : 03-2282 9980

PRINCIPAL BANKERS

AmBank (M) Berhad
Bank Islam Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Market
Sector : Construction

FINANCIAL HIGHLIGHTS

Financial Year Ended	2019 RM	2020 RM	2021 RM	2022 RM	2023 RM
Revenue	465,560,144	289,956,421	255,412,436	346,084,560	**488,335,051**
Profit/(Loss) Before Tax	22,217,379	(86,120,986)	(48,827,726)	(12,895,258)	**(41,138,056)**
Profit/(Loss) for the Financial Year	16,874,670	(74,825,827)	(43,554,828)	(12,305,497)	**(38,976,654)**
Profit/(Loss) attributable to Owners of the Company	19,206,979	(77,110,918)	(44,987,888)	(14,951,889)	**(38,944,170)**
Total Equity attributable to Owners of the Company	492,439,352	408,995,043	361,195,087	346,243,198	**287,726,343**
Net Assets per Share (RM)	3.02	2.52	2.23	2.14	**1.77**
Total Number of Shares (net of Treasury Shares)	162,880,557	162,107,557	162,107,557	162,107,557	**162,107,557**
Basic Earnings/(Loss) per Share (sen)	11.55	(47.53)	(27.75)	(9.22)	**(24.02)**
Diluted Earnings/(Loss) per Share (sen)	11.55	(47.53)	(27.75)	(9.22)	**(24.02)**
Gross Dividend (%)	3.50*	0.00	0.00	0.00	**0.00**

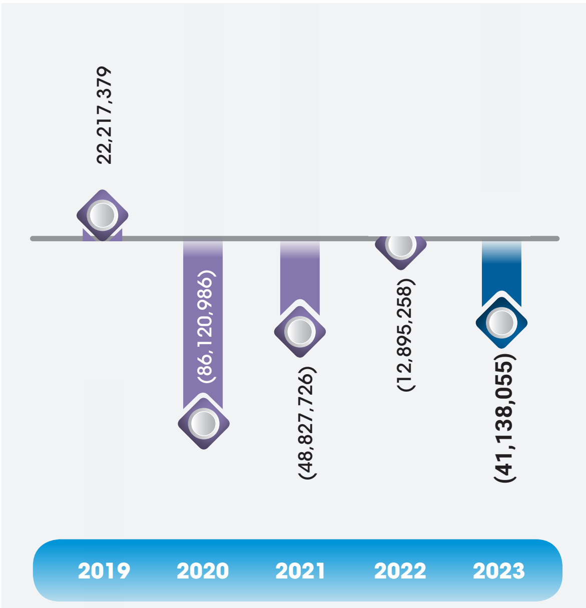
* *Single Tier Dividend*

REVENUE

(RM)

PROFIT/(LOSS) BEFORE TAX

(RM)



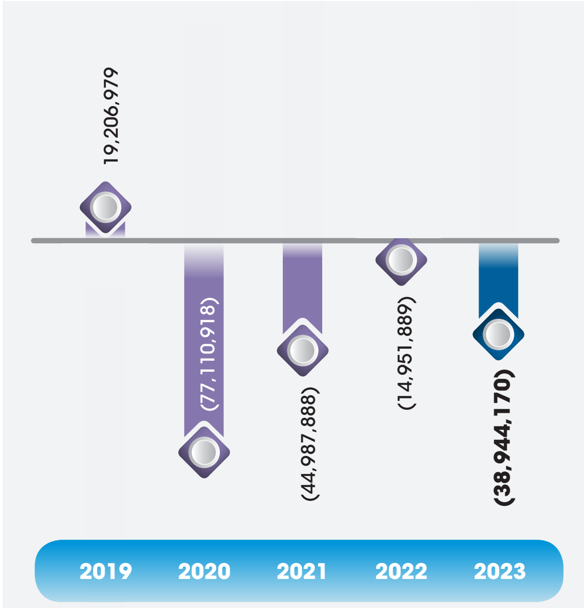
FINANCIAL HIGHLIGHTS (CONT'D)

PROFIT/(LOSS) FOR THE FINANCIAL YEAR

(RM)

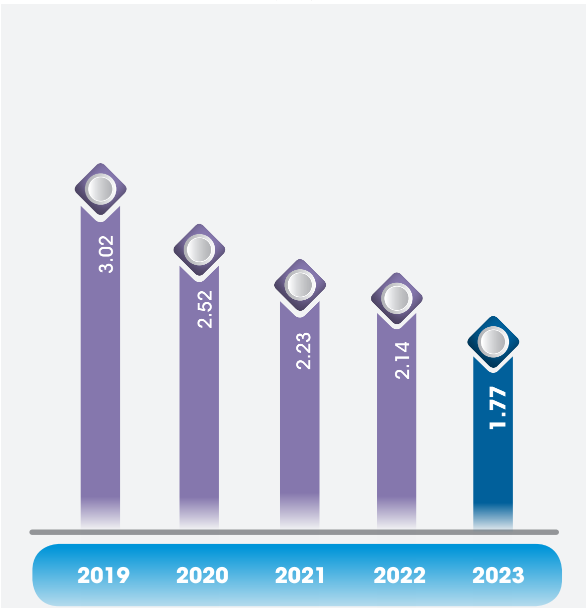
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RM)



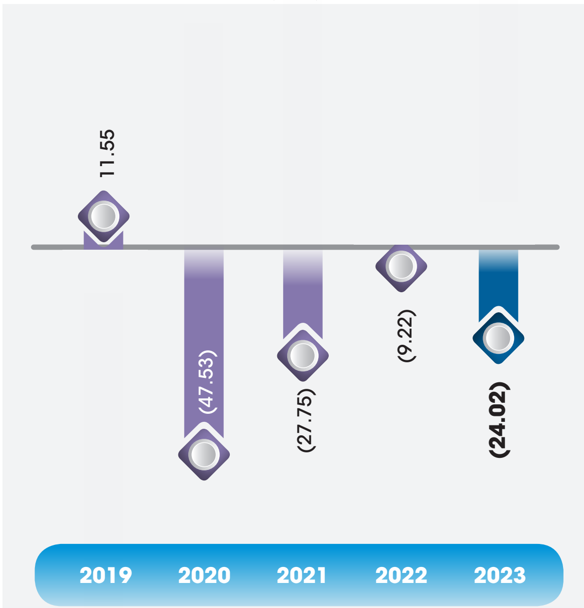
NET ASSETS PER SHARE

(RM)



BASIC EARNINGS/(LOSS) PER SHARE

(SEN)



DIRECTORS' PROFILE

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH

Non-Executive Chairman

Aged 68

YONG SHANG MING

Managing Director

Aged 41

Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah was appointed to the Board on 26 February 2003 as Executive Chairman and he was re-designated as the Non-Executive Chairman with effect from 1 March 2005. Tengku Dato' Sulaiman Shah has over 35 years of experience in construction, printing, advertising, freight industries and health products. He was appointed as the "Orang Besar Istana" in 1996 with the bestowed title of "Tengku Setia". In 2007, he was awarded the title "Dato' Sultan Sharafuddin Idris Shah" (D.S.I.S). He is primarily responsible for the orderly conduct and working of the Board and the public relation and communication affairs of the Group.

He attended three (3) out of the five (5) Board meetings held during the financial year ended 31 December 2023.

Yong Shang Ming was appointed to the Board on 31 January 2008. He graduated with a Bachelor Degree in Civil Engineering from City University London in 2003. He joined the Group in June 2003 as the Special Assistant to the former Group Managing Director, and was promoted to the Board as Executive Director in 2008. He has been the Group Managing Director since 2015, and has been instrumental in the overall operations, business strategies and direction of the Group. With over 20 years of experience in the sector, Eric, as he is fondly known as, is directly involved in the construction tender and business development, while overseeing the construction operations. As a driver of quality, he has constantly pushed the team for higher quality achievements – and this has been demonstrated in recent QLASSIC scorings, whereby the Capri Hotel by Fraser and the South Brooks at Desa ParkCity both achieved the highest QLASSIC scores in their respective segments, putting Crest Builder's name at the pinnacle for two out of the four available categories. He is also an advocate for safety of which he continuously pushes and monitors the safe practices at all project sites – and this has positioned Crest Builder among the top contractors with the best safety achievements, especially with top 5 star SHASSIC scorings. With his passion and experience in the sector, he is also the brainchild for all the Group's property development projects – being directly involved from project inception, planning, development and marketing. He has been an active speaker at various seminars and talks, covering topics on the construction and property sector as well as motivational and leadership aspects. Further to that, Mr. Eric has been actively involved in and tirelessly champions the rights of contractors and construction players as an active representative voice in the Master Builders Association Malaysia (MBAM). He is currently the Vice President of MBAM. He is also an active member of the Real Estate and Housing Developers' Association (REHDA). On the global front, he was previously the Secretary General of the ASEAN Constructors Federation (ACF) and is an active member of the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA).

He attended all of the five (5) Board meetings held during the financial year ended 31 December 2023.

DIRECTORS' PROFILE (CONT'D)

KOH HUA LAN (F)

Executive Director

Aged 72

Koh Hua Lan (f) * was appointed to the Board on 26 February 2003. Madam Koh is the co-founder of Crest Builder Group. With over 40 years of experience in financial and administration, as well as human resource management, she is principally responsible for the administrative and human resources aspects, as well as management support services for the Group. Her leadership and passion have been an inspiration and a driver for the well-being and teamwork among all personnel in the Group to continuously strive for improvement and success. Madam Koh is also an active campaigner for the Environmental, Social and Governance (ESG) aspects of the Group, ensuring long-term sustainability of the Group.

She attended all of the five (5) Board meetings held during the financial year ended 31 December 2023.

MAHATHIR BIN MAHZAN

Independent Non-Executive Director

Aged 45

Mahathir bin Mahzan * was appointed to the Board on 25 May 2023 and is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He graduated from University College London with a Bachelor's Degree in Electronic and Electrical Engineering. He is a Chartered Accountant and a Fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland), the Malaysian Institute of Accountants (MIA) and the ASEAN Chartered Professional Accountants (ASEAN CPA). He is now the Founding & Managing Partner of Mahzan Sulaiman PLT, a professional firm that primarily focuses on helping micro & small businesses unleash their full potential. As part of his social responsibility, he is also a Trustee and Treasurer of the Joseph William Yee Eu Foundation, a charitable organisation focused on helping underprivileged youth in Malaysia with their education. Encik Mahathir sits on the Board of three (3) public listed companies on Bursa Malaysia, namely OCK Group Berhad, Censof Holdings Berhad and Johan Holdings Berhad.

He attended three (3) out of the three (3) Board meetings held after his appointment during the financial year ended 31 December 2023.

LIM BOON TENG

Independent Non-Executive Director

Aged 53

Lim Boon Teng was appointed to the Board on 18 August 2017 and also serves as the Chairman of the Nomination and Remuneration Committee and as a member of the Audit Committee. He graduated from Universiti Malaya with a Bachelor's Degree in Accountancy. He is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He has more than 25 years of experience in the fields of accounting, auditing and corporate finance. He worked at Ernst & Young Malaysia and CIMB Investment Bank Berhad before working at Ernst & Young China for 12 years, where he served as an audit partner for 3 years. He joined Deloitte Malaysia in 2012 and worked as audit partner for 4 years. He is currently managing his accounting practices.

He attended all of the five (5) Board meetings held during the financial year ended 31 December 2023.

DIRECTORS' PROFILE (CONT'D)

TONG HOCK SEN

Independent Non-Executive Director

Aged 56

Tong Hock Sen * was appointed to the Board on 25 May 2023 and is also a member of the Audit Committee and the Nomination and Remuneration Committee. He obtained Certificate of Legal Practice from Brickfields College in Malaysia, and graduated from University of Warwick, Coventry in UK with an LLB (Hons) Law. He was admitted to the Bar on 1 October 1993. He was the Head of Legal Department in Sunway Group of Companies between 1994 and 2001. Mr Tong has handled complex corporate and commercial matters in a diverse cluster of industries relating to privatization of toll roads, construction, property development, property investment, quarrying, building materials, shopping malls, hotels, theme parks, leisure-related industries, education and IT. He has reviewed/drafted documents related to corporate restructuring exercises, listing exercises, rights and bonus issues, ESOS schemes, concession agreements, construction contracts, acquisition and divestment agreements and issuance of private debt securities in the form of Islamic bonds. He left his position as the Head of the Legal Department of the Sunway Group of companies in early 2001 to return to private practice till now. Mr Tong is the founder of Messrs John Tong, Fahmi & KH Yeoh where he continues to practice in his specialist areas which includes handling shareholders disputes. Aside from his private practice, he has been actively involved in the activities of the MBAM as the Honorary Legal Advisor for more than 2 decades. He has also been appointed as the Legal Advisor to the IFAWPCA since 2018.

He attended three (3) out of the three (3) Board meetings held after his appointment during the financial year ended 31 December 2023.

YONG TIOK KENG (F)

Alternate Director to Koh Hua Lan (f)

Aged 45

Yong Tiok Keng (f) was appointed to the Board on 25 May 2009. She graduated with her BSc in Accounting and Finance from London School of Economics, London in 2001. She started her tenure at Crest Builder Group as the Corporate Affairs Manager. With over 20 years of experience in the fields of accounting and corporate finance, she is currently the head of the Accounts, Finance and Corporate departments of the Group, overseeing the overall corporate affairs and financial policies, cashflow and risk management, as well as the daily accounting and finance operations of the Group.

She attended all of the five (5) Board meetings held during the financial year ended 31 December 2023.

Further information

All of the directors are Malaysian.

Except for certain recurrent related party transactions of revenue nature or trading nature which are necessary for the day-to-day operation of the Group, the recurrent related party transaction for which Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah is deemed to be interested is disclosed in page 60.

Mr. Yong Shang Ming is the son to Madam Koh Hua Lan. Ms Yong Tiok Keng is the daughter to Madam Koh Hua Lan. Saved as disclosed herein, there are no family relationships between the directors and/or major shareholders of the Company, or any personal interest or conflict of interest in any business arrangement involving the Group.

The securities holdings of the directors are disclosed in page 154. By virtue of their interests in shares of the Company and under Section 8 of the Companies Act 2016, Madam Koh Hua Lan, Mr Yong Shang Ming and Ms Yong Tiok Keng is deemed to be interested in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the directors has been convicted of any offence within the past five years other than traffic offences, if any.

Note:
* Indicates directors who retire according to the Company's Constitution and are eligible to offer themselves for re-election.

KEY MANAGEMENT PERSONNELS' PROFILE

TEH HOCK HUA

Chief Executive Officer (Construction Division)

Aged 51

Teh Hock Hua, a Malaysian, graduated from Universiti Malaya with a Bachelor of Civil Engineering with First Class Honours in 1998 and joined Crest Builder Sdn. Bhd. as a Project Engineer. Mr. Teh quickly rose up the ranks – being promoted to Project Manager, General Manager and subsequently Director of Crest Builder Sdn. Bhd. and the overall Head of the Construction Division. In August 2017, he was re-designated and appointed as the Chief Executive Officer of Crest Builder Sdn. Bhd. Some of his notable achievements includes the completion of the RM450 million Quarza KL East, the award winning and QLASSIC top scoring RM330 million South Brooks at Desa ParkCity and recently secured Crest Builder's largest project to date – the RM478 million Noora at Desa ParkCity. Mr. Teh's immense experience in the sector coupled with his management skills has been able to drive Crest Builder's vision to be the Preferred Organization of choice by its customers and partners.

IR. DR. SIEW WOH HON

Chief Operating Officer (Construction and M&E Divisions)

Aged 51

Ir. Dr. Siew Woh Hon, a Malaysian, graduated with his BSc in Electrical Engineering from Western Michigan University, USA (1995), MSc in Construction Management from Heriot-Watt University, UK (2008) and completed his PhD in Construction Management from Central State University, USA (2014). He is currently the Chief Operating Officer of Construction and M&E Divisions. He has over 20 years of experience in the field of M&E and engineering design. Being a registered Professional Engineer with Practicing Certificate (PEPC) from the Board of Engineers Malaysia, Lawrence, as he is fondly known, has vast experience in managing technically complex projects and possesses a forward-thinking approach to the management of clients and assignments. He has a long track record of delivering complex projects with a global reach and is able to manage the project delivery team through entire life-cycle, from clients' inquiries to invoice. He has led the teams on commercial, industrial, education and health projects where the highest standards are routinely demanded.

SZE TO PAUI KHAY

Chief Operating Officer (Property Division)

Aged 58

Sze To Paui Khay, a Malaysian, graduated from National Cheng Kung University with a Bachelor Degree in Civil Engineering in 1989. With over 30 years of experience in the fields of consultancy, turnkey contracting and property development, he started his career in the Group as a Project Director. He was promoted to Chief Operating Officer of the Property Division in 2017 and currently leads the Property Development Division, in charge of the overall initiation, execution, implementation, operations, sales and marketing of all the property projects under the Group.

YONG TIOK NEE

Head of Construction Solutions & Property Management

Aged 36

Yong Tiok Nee, a Malaysian, graduated with her Bachelor Degree in Planning and Design (Property and Construction) and Bachelor Degree of Property and Construction (Honours) from University of Melbourne. She was appointed as the Head of Construction Solutions and Property Management at the Crest Builder Group in September 2015, which covers all aspects of building maintenance, building management, including financial budgeting and cash flow management, as well as dispute resolution.

MANAGEMENT DISCUSSION AND ANALYSIS

Dear valued shareholders,

The Board of Directors and management of Crest Builder Holdings Berhad ("CBHB" or "the Group") are pleased to present to you the Management Discussion and Analysis, which offers the overview and assessment of the financial and operational performance of CBHB for the financial year ended 31 December 2023 ("FYE2023").

BUSINESS OVERVIEW

CBHB's Construction Division is represented by its wholly owned subsidiary, Crest Builder Sdn Bhd ("CBSB"). CBSB is a registered Class A contractor with Ministry of Entrepreneur and Cooperatives Development and a Category G7 contractor with Construction Industry Development Board. With over 40 years of experience in the construction industry under its belt, CBSB is more than qualified to tender and execute construction contracts under all categories and execute construction works for property development and infrastructure projects.

The construction division primarily focuses on building works – particularly high rise residential and commercial developments. The division also has extensive experience in institutional, educational and healthcare amenities. Its M&E division meanwhile focuses on the specialist trades, such as Air Conditioning and Mechanical Ventilation (ACMV), plumbing and sanitary, firefighting, electrical works and Building Automation Systems.

To date, we are proud to have etched in our resume a Quality Assessment System in Construction ("QLASSIC") score of 86% for the construction works for the South Brooks development in 2021, 86% for the 44-storey Capri Hotel and 82% for the Plaza @ Kelana Jaya mixed commercial development in 2022. Both the 86% scores were the country's record all time highest at the time of assessment.

In complementing its principal activity, the Group is also involved in property development. Being an integrated construction player, we are able to have a larger coverage along the supply value chain as we are able to utilize our vast construction experiences directly to our property development projects.

Our investment holding division over the years in turn have been providing the Group with a modest but sustainable revenue where earnings contribution strictly comes in the form of rental of commercial units and carparks from the Group's property development projects, namely The Crest and Tierra Crest. Tierra Crest is a 17-storey multi-commercial building with two office towers on top of a retail podium. The Crest is a 16-storey commercial development with 1,400 parking bays.

Last but not least, the concession arrangement division provides CBHB with a continuous and consistent amount of revenue each year, principally from the existing agreement with Ministry of Education and Universiti Teknologi MARA involving the management of the UiTM Tapah 2 campus.

As always, our growth plan, over the years, has enabled us to grow the Group optimally. On its own, plans would not be efficient and functional without the human factor behind them. Thus, skills and talents are monitored frequently to further boost our team's proficiencies and efficiencies.

OBJECTIVES & STRATEGIES

Prioritising excellent quality and timely delivery of projects

CBHB's main objective has always been to provide superior quality products and services for its customers which include adhering to timelines and budgets. Exploring different avenues to enhance operational efficiencies by minimising raw material wastage and maintaining consistent quality control has been a frequent affair. Our focus on quality and timely delivery of the projects has received very strong and positive feedbacks from our customers and consultants.

Environmental, Safety and Health

Another key objective is to continuously improve the well-being of our employees. Our employees will always be the core backbone of the Group. Without them, we will not be as successful as we are today. It is our utmost priority that our employees not only work in safe environments but a conducive one as well. We have subsequently implemented policies which focus on protecting the safety of our employees and promote inclusivity. We have consistently scored and achieved high scoring 5 star ratings for the SHASSIC (CIDB's Safety and Health Assessment System in Construction) assessments conducted at all our projects. We also place importance on environmental sustainability by implementing environmental friendly practices where

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Allevia Mont' Kiara, Kuala Lumpur (Construction)

and when conducive. This includes reducing wastage of raw materials and optimising usage of energy and water at our work sites.

Training and upskilling of the workforce

CBHB subscribes to the fact that organisations benefit from workers with vast knowledge and talent and not just confined to their job knowledge as they grow with their organisation. The management therefore feels that it is imperative that the workers need to be subjected to related training programmes to reskill or upskill themselves to improve productivity and subsequently reduce employee turnover.

Innovation and technology

Over the years, dynamic efficiency improving innovations and technologies have been flooding the construction industry. In line with the latest trends and practices, the Group has also embarked on its own digitalization process, taking on various innovative initiatives such as Building Information Modelling (BIM) and advanced construction softwares (Procore and Autodesk). We have also deployed drones for project progress updates and monitoring. Going ahead, we will also explore the Industrialized Building System (IBS) as we ride on the Government bandwagon's directive to minimize wastage of raw materials and reduce the dependency on foreign labour.

GROUP FINANCIAL REVIEW

Financial Performance

For FYE2023, the Group recorded a 41.1% surge in revenue to RM488.3 million. The higher revenue was mainly owed to the higher progress in work recognised for the construction projects as well as contribution from the property development division during the financial year under review.

However, there were some revision of margins for certain construction projects, an one-off write down of contract assets and development costs. These resulted a higher loss before tax of RM41.1 million compared to the previous financial year's loss of RM12.9 million. The loss after tax sequentially was RM39.0 million in contrast to preceding year's RM12.3 million.

With construction being our cornerstone business activity, the division accounted for 81.6% of CBHB's total revenue for 2023 in contrast to the 84.4% for FYE2022. The property development segment in turn accounted for 8.1% followed by the concession arrangement division's 8.4% contribution.

Segmental Review

Construction

The construction division recorded a 36.5% increase in revenue to RM398.5 million for the financial year under review. The higher revenue was primarily due to higher recognition of work progress for the construction projects during the year. The higher loss before tax of RM37.9 million, in contrast to FYE2022's RM14.4 million was mainly due to the revision of margins on certain construction projects and the one-off write-off on contract assets which amounted to RM12.7 million. This write off was a consequence of the tribunal's decision not to award a portion of CBHB's counterclaim against its customer in an arbitration case.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

99 Residence, KL North (Construction)

Concession Arrangement

The concession arrangement division recorded a revenue of RM40.9 million, with no significant change as compared to FYE2022's RM43.8 million. The lower finance income recognised led to the division's lower revenue. The profit before tax improved slightly at RM11.6 million as compared to last year's profit of RM10.3 million. CBHB obtained some savings in finance costs with the repayment of Sukuk Murabahah.

Property Development

The property development division's revenue surged to RM39.7 million from the preceding year's mere RM2.1 million. This substantial growth is attributed to the successful launch of our new property development project, Interpoint @ Bandar Bukit Tinggi, and sales of completed properties.

The division recorded a loss before tax of RM11.2 million in contrast to FYE2022's RM4.6 million. The loss was primarily due to the write down of the development cost included in the land held for development purposes which amounting to RM18.3 million.

Investment Holding

This division recorded a modest 11.8% rise in revenue to RM9.2 million. Amongst others, the higher revenue was due to higher car park income recognised during the financial period under review. As a result, loss before tax decreased from RM4.2 million in the previous year to RM3.6 million.

Consolidated Financial Position for FYE2023

CBHB's total current assets increased by 0.4% to RM631.7 million whilst the total non-current assets dipped marginally by 0.3% to RM646.3 million. Collectively this led to a 0.1% increase in the Group's total assets to RM1,278.1 million. The total non-current assets was primarily affected by a 5.4% decrease in operating financial asset which decreased to RM243.3 million from the preceding year's RM257.3 million.

Total loans and borrowings increased by 2.4% to RM570.7 million, as at the end of 2023, from FYE2022's RM557.0 million. The higher debt increased CBHB's debt to equity ratio to 1.98 times as at 31 December 2023 from the end of 2022's 1.50 times. With the current trade and other payables amounting to RM354.9 million, compared to the preceding year's RM296.5 million, the total liabilities rose by 9.2% to RM990.4 million. The current ratio was lower at 1.07 times compared to the preceding year's 1.19 times.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The equity attributable to owners of the Company's declined by 16.9% to RM287.7 million. The cash and bank balances, including fixed deposits and the short-term investments increased by 1.2% to RM75.1 million as of end of 2023 up from RM74.2 million a year earlier.

List of Current Ongoing Projects

No.	Project	Description	Contract Value RM'mil	GDV RM'mil	Status
	Construction				
1.	Allevia Mont'Kiara	1 block of 45-storey and 1 block of 40-storey condominium, with 2 levels of underground car park, 8 levels of podium with 7 levels of car park and 1 level of recreation facility	192.1	-	70% complete
2.	Maya Ara Residences	1 block of 27-storey serviced apartment with 7 levels of car park podium and 1 level of amenity	107.5	-	80% complete
3.	121 Residences	Mechanical and electrical engineering services	6.7	-	83% complete
4.	Noora Desa Parkcity	2 blocks of 52-storey condominium with car park podium and retail units	478.9	-	16% complete
5.	Serasi Putra Heights	3 blocks of 28 to 33-storey serviced apartment with car park podium	250.5	-	22% complete
6.	The Connaught One	1 block of 42-storey and 1 block of 43-storey serviced apartment, with 5 levels of car park, 7 levels of podium with 3 levels of car park and 4 level of commercial space, office shops, offices, and residents' facilities	314.5	-	0% complete
7.	Sunway Velocity 3	2 blocks of 52-storey serviced apartment with car park podium	448.5	-	New project secured in 2024
8.	Kiaramas Dedaun	3 blocks of 40-storey condominiums with car park podium	486.0	-	New project secured in 2024
	Property Development				
9.	Latitud8, Dang Wangi	Retail, SOHO suites and office suites	-^	827.4	Commenced demolition works
10.	Interpoint @ Bandar Bukit Tinggi	Retail, office suites and residential	299.9#	641.9	Commenced main building works. 48% units sold.
	Total		**2584.6**	**1469.3**	

\# This is an internally awarded construction contract and its construction revenue will be eliminated at group level

^ Contact value awarded to third party contractor

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

At the date of this report, Our outstanding order book stands at approximately RM1.9 billion which will sustain the Group's income and earnings over the next four years.

CORPORATE DEVELOPMENTS

In January 2023, Crest Builder Sdn Bhd, the wholly-owned subsidiary of CBHB was awarded a RM250.5 million contract by Sime Darby Property (Bukit Raja) Sdn Bhd for the construction of 3 blocks of condominiums with car park podium located at Putra Heights, Selangor Darul Ehsan. The contract period is for 36 months till February 2026.

On 1 December 2023, the Group had obtained government approval and completed the acquisition of the remaining 49% equity in its subsidiary company Unitapah Sdn. Bhd. ("USB") from Detik Utuh Sdn. Bhd. for a cash consideration of RM43.6 million. The acquisition to wholly own USB is in line with the Group's strategy of bolstering its future earnings base and enhance its cash flow arising from its concession arrangement, UiTM Tapah.

Crest Builder Sdn Bhd was also awarded a RM314.5 million contract by UEM Land Berhad, a wholly-owned subsidiary of UEM Sunrise Berhad in December 2023. This was for the construction of 1,334 units of serviced apartments in two 53-storey blocks, located off Jalan Cheras, Kuala Lumpur. Construction works will also involve a sub-basement car park, elevated podium car parks, commercial retail and office spaces and a level of recreation facilities. The construction works will take approximately 39 months to complete from the scheduled site possession date of 1 June 2024.

ANTICIPATED OR KNOWN RISKS

The business world has always operated under a dynamic pace and will continue to do so. The construction and property development sectors are of no exception. Whilst the pandemic is now considered history, the business community continues to face more geopolitical challenges – including the much discussed Russia-Ukraine war and the Israel-Hamas conflicts. These wars plus the current property market crisis in China continue to exert inflationary pressure on the costs of logistics (due to uncertain oil prices) and the price of imported goods. Locally, the revised SST policies also threaten to increase the cost of local materials, with exponential increases in logistics costs.

Despite the increased revenue resulting from higher recognition of work in progress, CBHB remains cautious of potential risks which could impact the Group's earnings in the near future.

CBHB remains vigilant of potential risks and is actively implementing measures to mitigate their impact. While these measures are designed to adapt to changing market conditions, we acknowledge the inherent uncertainties and challenges ahead. By maintaining a proactive stance and flexibility in its strategies, CBHB aims to navigate potential headwinds and safeguard its long-term performance.

One valuable lesson learned from the pandemic was the importance of maintaining selectivity in our tendering process, focusing on projects where we can leverage our expertise and achieve higher profit margins. Our clients are also carefully selected, fulfilling various criteria and strengths as we continue our business relationships with the top and best developers in the country. With our outstanding order book reaching a record high of RM1.9 billion, which will sustain our operations for the next few years, we have the privilege of being discerning in our project selection process to replenish our order book.

The property development division faces risk of lower sales of its properties due to unfavourable economic reasons of sorts. CBHB will seek ways to overcome such risks and act accordingly. The division's 29-fold sales growth rate is highly unlikely to be replicable but we are cautiously optimistic that contributions from newly launched property development projects and completed ones will continue to flourish. This is on the back of the fact that the interest rate has not increased for almost a year now and that consumer purchasing power has increased substantially over

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Maya Ara Residences, Ara Damansara (Construction)

the past two years. Total contributions to the Employees Provident Fund has increased considerably over the past two years as more companies resumed their respective activities, employing more in the process, post pandemic. More importantly is that the total contribution of over RM97 billion is a 15% improvement over 2022's contribution and way above pre-pandemic total annual contributions in the range of high RM70 billion. The yearly contribution has been commonly used as a measure of the economy's purchasing power by the retail community.

INDUSTRY AWARDS

During the year, CBHB secured 5 stars under the Safety and Health Assessment System in Construction ("SHASSIC") assessment for the construction of 99 Residence. It is a project which comprises four blocks of 55-storey serviced apartments plus podium car parks in which CBHB secured from Inter Sky Development Sdn Bhd, a member of the JL99 Group.

The Group similarly received 5 stars under the SHASSIC assessment for its construction project secured from Allevia Sdn Bhd, a wholly-owned subsidiary of UEM Sunrise Bhd. The project involved the construction of a 45-storey condominium and a 40-storey condominium with two levels of underground carpark and amenities.

FUTURE PROSPECTS

Moving forward, with our latest RM448.5 million contract from Sunway Velocity Three Sdn Bhd and 486.0 million contract from Kiaramas Development Sdn Bhd, boosting our order book in hand to a record RM2.6 billion, we will be kept busy in a positive way. Coupled with the ongoing projects which are progressing according to plan, the Group's overall prospects in 2024 are expected to be brighter.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CBHB will continue to support its primary construction activities by strengthening its financial position and implement cost optimisation measures. Both the Concession Arrangement and Investment Holding divisions will continue with their roles to act as the provider of sustainable cashflow to fuel CBHB's activities during the year.

On the interest rate, the business community endured from four rounds of interest rate hikes in 2022 to just one in 2023. With the rate expected to hold if not lowered in 2024, potential upward pressure on our interest expense will be eased. Nevertheless, with guarded optimism, we will proactively take pre-emptive measures to mitigate undesired effects of interest rates such balancing the fixed loan-to-total loan ratios.

We remain committed to execute our tested growth strategies, as we are confident that their successful execution will enable us to overcome challenges that come our way in 2024 and optimise our earnings in the process.

DIVIDEND

The Board of Directors resolved to not declare dividends in respect of FYE2023. The management is maintaining its logical and steadfast opinion that strengthening the war chest takes precedence at the moment in the quest of creating more value for the stakeholders. With the economy expected to grow further in the near future, in capitalising on this growth, the war chest needs to be further strengthened.

THANK YOU

As always, before we close off this section, we would like to humbly express our sincerest gratitude to the management, employees, and members of the Board for remaining loyal with CBHB. The support and commitment from you are sufficient to enable us to weather through any storms, come what may.

We would like to extend our heartfelt appreciation, in no particular order, to our stakeholders, shareholders, business partners, clients, government regulatory bodies and agencies, and financial institutions also, for their unwavering support. We truly look forward to a greater chapter ahead.

Indigo Hotel, Kuala Lumpur (Construction)

CORPORATE STRUCTURE

CREST BUILDER HOLDINGS BERHAD
200201005719 (573382-P)
Investment Holding

100% CREST BUILDER SDN. BHD.
198301014937 (110330-K)
Construction

- **100% CRESTLAND DEVELOPMENT SDN. BHD.**
  199401031170 (316852-A)
  Property Investment
- **51% LANDASAN BAYU SDN. BHD.**
  201201005233 (978758-T)
  Property Development

100% CREST BUILDER INTERNATIONAL SDN. BHD.
200401005938 (644441-T)
Investment Holding

- **100% UNITAPAH SDN. BHD.**
  200901003738 (846665-X)
  Concession Holder
- **100% INTAN SEKITAR SDN. BHD.**
  201201011546 (985063-T)
  Property Development
- **51% K L WATERFRONT DEVELOPMENT SDN. BHD.**
  201601006757 (1177684-V)
  Property Development

100% CBTECH (M) SDN. BHD.
200001005781 (508386-M)
Mechanical & Electrical Engineering Services

100% CB INFRASTRUCTURE SDN. BHD.
200401020974 (659478-V)
Construction

100% 3 TWO SQUARE SDN. BHD.
200301014853 (617273-X)
Property Investment

100% VERTICAL SUCCESS SDN. BHD.
200501014576 (691623-V)
Property Investment

100% CB LAND SDN. BHD.
200401020215 (658719-D)
Property Investment and Property Development

100% NEPFIELD SDN. BHD.
200201024593 (592256-M)
Property Development

100% DAMANSARA ONE SDN. BHD.
200401030676 (669184-V)
Property Development

100% JALUR ELIT SDN. BHD.
201401010595 (1086674-D)
Property Development

SUSTAINABILITY STATEMENT

SUSTAINABILITY OVERVIEW

Sustainability has always been a pillar of Crest Builder Holdings Berhad ("CBHB" or "the Company") and its subsidiary companies' ("CBHB Group" or "the Group") culture as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that sustainability practices are one of the important criteria in investors' investment decisions.

CBHB continues to build Malaysia's future landscape with efforts to continue embedding sustainability in its business activities. Our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (3rd Edition), the Group's sustainability practices are to ensure that economic, environmental and social ("EES") risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

The Group continued success in maintaining a sustainable business and generating long-term shareholder value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

Sustaining our economy

Delivering sustainable returns to our shareholders

Delivering quality products to achieve customers' satisfaction

ENVIRONMENT

Conserving our environment

Protecting our environment and improving our environmental performance

SOCIAL

Building a resilient workforce

Ensuring a positive workplace for our employees

Serving our community

Contributing to the well-being of the community around us

OUR SCOPE OF REPORTING

- Construction
- Property Development
- Mechanical & Electrical Engineering ("M&E") Services
- Property Management
- Car Park Management

Information disclosed in this Report encompasses our core activities related to construction, property development, M&E services, property management as well as car park management. As part of its commitment to enhance sustainability throughout the Group, CBHB continues with the scope of reporting to cover all its active subsidiary companies.

During the financial year ended 31 December 2023 ("FYE2023"), the Group has stayed true to its roots and maintained its core business activities. As a Malaysian-play construction counter, disclosure in this report will be focused on its sites within the Greater Klang Valley and will not include concessions on the Group's maiden project in Tapah, Perak. In line with the financial disclosures within this Annual Report, this Sustainability Report will cover the Group's activities within the calendar year of 1 January 2023 to 31 December 2023.

SUSTAINABILITY STATEMENT (CONT'D)

THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS ("UN SDG(s)")

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted "Agenda 2030" - a plan to solve the world's most pressing economic, environmental and social problems over the next fifteen (15) years. It consists seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is committed to "Agenda 2030" through its UN SDG Roadmap.

We support the UN SDGs, recognise their strategic importance to our business and to the world, hence we are committed to achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the UN SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals. We focus on supporting four (4) goals where we can make the greatest contribution:

THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS ("UN SDG(s)") (CONT'D)

UN SDG 5 – GENDER EQUALITY

To achieve gender equality and empower all women and girls, as the descriptor of this UN SDG is a fundamental goal that speaks the core of CBHB's policy when it comes to human rights, labour practices and diversity and inclusion at all levels, stemming from the Board of Directors ("the Board") down to the workforce. Although this standalone UN SDG engenders the role, rights and representation of women at work, it does not stand alone in the broader picture of ensuring a business's sustainability.

UN SDG 8 - DECENT WORK AND ECONOMIC GROWTH

To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all is among one of the chief reasons of being for any company in the world. This includes CBHB, which recognises the role that the major stakeholders play in its success in operations. The 'Economic' and 'Social' pillars in the EES model primarily speaks the contributions of the Group's suppliers and vendors and its employees of which more discussion can be found within the 'Material Sustainability Matters' section of this Report.

UN SDG 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

To ensure sustainable consumption and production patterns, the Group is well aware of its supply chain management, commitment to reduce consumption and to responsibly use resources available to it. When taken in totality, this UN SDG seeks to embed a sense of responsibility towards resources management, unlocking value for both customers and the shareholders.

UN SDG 16 - PEACE, JUSTICE AND STRONG INSTITUTIONS

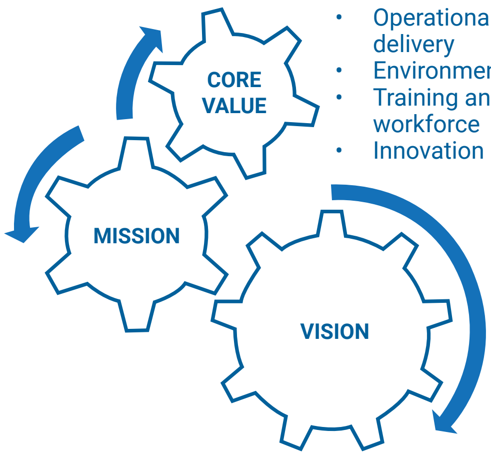
To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels impacts the Group's main business activity of functioning within the context of government, associations and its own long-term profitability. In line with the Group's practices, this UN SDG is seen most in its Group human resources policies and throughout its value chain.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.

- To promote Co-operation - creating a strong network between ourselves and both upwards and downwards of the supply chain
- To achieve High Standards - providing the promised quality and achieving the zero-defect product
- To develop the Human Capital - our People are our most valuable assets
- To enhance Corporate Social Responsibility - believing in giving back to the Community
- To enforce Corporate Governance - upholding the Company's values and protecting the stakeholders' interests
- To create the Brand - showcasing Crest Builder to the world
- To accomplish Market Leadership - to be the leader in the construction and property industry

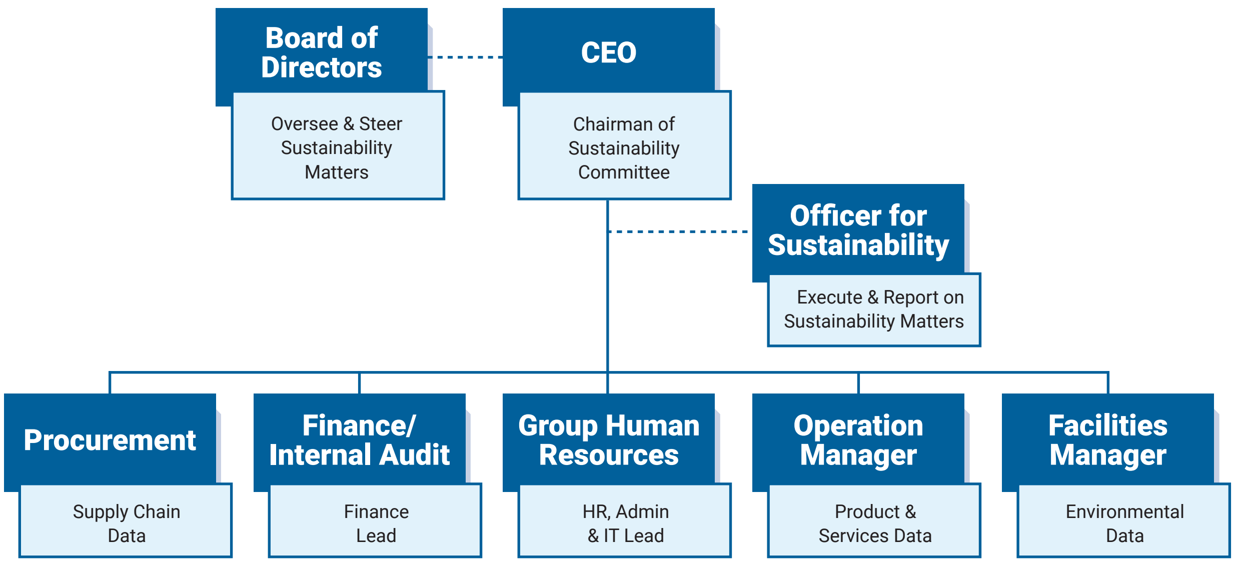


- Operational excellence and timely delivery
- Environmental, Safety and Health
- Training and upskilling of the workforce
- Innovation and technology

To be the preferred organisation of choice by our partners and customers

Sustainability is embedded in our organisational approach and is led from the top. The Board plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the Heads of Departments to oversee the implementation of the organisation's sustainability approach and ensures that key targets are being met. The Group has formed a Sustainability Committee ("the Committee") that is chaired by Chief Executive Officer ("CEO") of Construction Division, who has been given the mandate to carry out the Board's sustainability agenda. The Committee in turn reports to the Board on the sustainability activities and developments during the Board meetings, as and when needed.

During the FYE2023, there has been no change to the initial composition of the Sustainability Committee and at the end of the year, the Committee comprises of:



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE (CONT'D)

The responsibility of the Committee to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities

The Committee also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("SOPs") to continue embedding sustainability in every aspect of the Group's daily operation.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit Committee. The Group's performance is also tracked with the assistance of the Nomination and Remuneration Committee.

Ethical Business Practices and Anti-Corruption & Anti-Bribery Policy

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Our businesses are conducted with integrity through good governance as mentioned by the Group's Code of Business Conduct and Ethics.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

The Group has established and adopted Anti-Bribery and Anti-Corruption Policy as we are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This Anti-Bribery and Anti-Corruption Policy is applicable to the Board, our employees as well as any Third Parties associated with us. Specific mention in the Employee Handbook on the Group's No Gift Policy is strictly adhered to and in place to discourage graft and bribery.

The Group inducts all new employees on the Company's Code of Business Conduct and Ethics, during the dedicated in-house orientation programme. The employees will also be briefed on the Company's polices on confidentiality and conflict of interest, integrity and prevention of staff fraud. Any updates to the Employee Handbook are done through the internal network.

During the Reporting Period, there was no reported legal case regarding corrupt practices brought against the Group or our staff.

STAKEHOLDER ENGAGEMENT

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

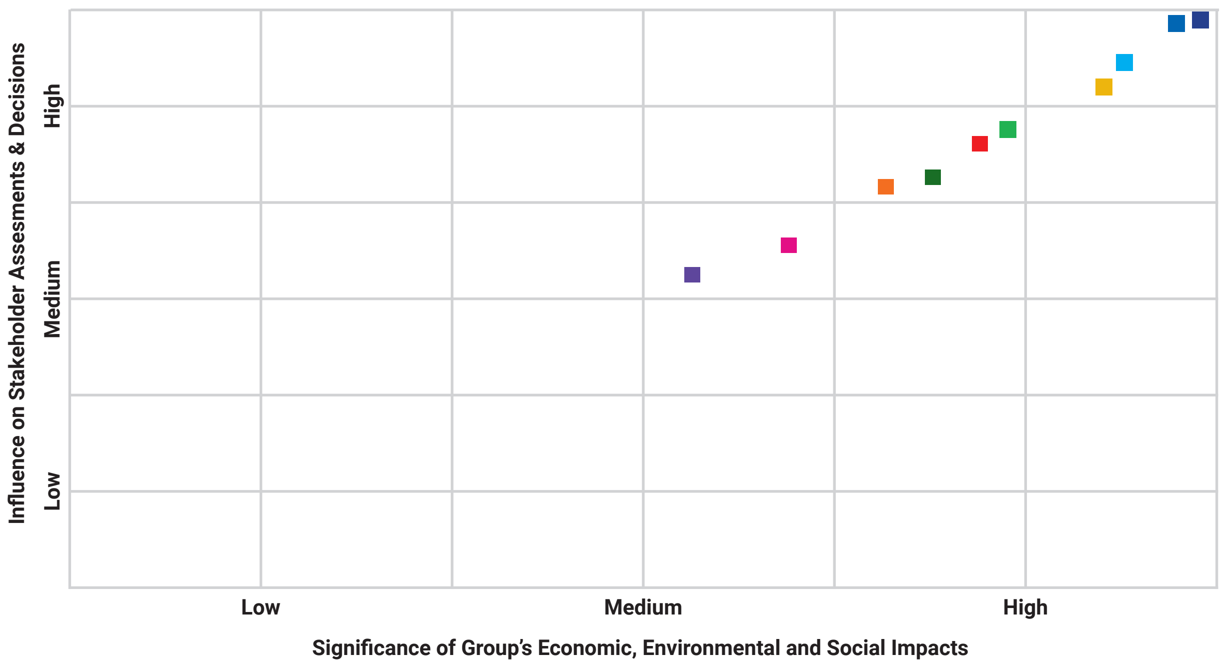
STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Press releases / Corporate presentations • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Dividend policy • Return on investments
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxation • Occupational Safety and Health Act
Board of Directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Technical and skills trainings • Performance review • Departmental meetings • In-house newsletters / communications • Dinners, sports and outdoor recreation activities	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices • Minimum housing standards
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Customer Relationship Management ("CRM") • Facilities management review	• Customer satisfactions • After-sales services • Quality assurance
Suppliers & Vendors	• New Supplier/ Vendor Form • Regular meetings • Supplier/Vendor audit review • Contract negotiation	• Services and products' quality • Legal compliances
Communities	• Charity and welfare programs	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings • Press conferences and media releases	• Financial and operational performance • General announcements

MATERIAL SUSTAINABILITY MATTERS

We conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant EES impact on our business or substantively influence the assessment and decisions of our stakeholders.

PRIORITISATION & MATERIALITY MATRIX

We assess our material sustainability matters annually to fully understand how to manage the risks and opportunities they present. This ensures that we prioritise the issues that have the greatest impact on the economy, environment and the society.



SUSTAINABILITY STATEMENT (CONT'D)

PRIORITISATION & MATERIALITY MATRIX (CONT'D)

The table below shows key relationships between the Group's Top Ten (10) material sustainability matters, and the related UN SDGs.

Ranking	Material Sustainability Matters	ESS Pillars	Related UN SDGs
1	Customers & Products		9, 12, 16
2	Shareholders		8
3	Suppliers & Vendors		8, 9, 12, 16
4	Safe Workplace		8, 3
5	Waste & Effluent		12, 13, 15
6	Training & Talent Management		8
7	Energy & Water Savings		7, 12, 13, 15, 6
8	Labour Practices		8
9	Diversity		8, 5, 10
10	Community Engagement		8, 11

ECONOMIC

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.crestbuilder.com.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Although engagement is largely governed by the Malaysian Code of Corporate Governance and the Listing Requirements by Bursa Securities, the Group enjoys indirect economic impacts of a goodwill, trust and loyalty and a mutually beneficial investment relationship.

Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. As one of Malaysia's most trusted construction and M&E engineering contractors, CBHB maintains strong trust and working relationships with its customers in a highly competitive market space. The Group's charter to value the customers' well-being, safety and satisfaction are at the core of our commitment to products & services responsibility throughout the products' and services' lifecycle.

CUSTOMERS' SATISFACTION
Internationally recognised best practices and international quality accreditation
Experienced management that equipped with industry knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

In order to ensure that our products are of consistent standard and quality, our construction services for building and infrastructure are accredited by ISO 9001:2015 - Quality Management Systems. Additionally, our Group is in compliance with all relevant laws and regulations governing safety and quality.

With 40 years of industry expertise, we are well-established and are capable of serving a wide spectrum across the construction industry which includes construction works, property development, property management, M&E services, project management and car park management. We possess teams of well-equipped employees with industry knowledge who are able to manage and deliver customers' expectation. To keep abreast with more technological advances and innovations that have besieged the sectors that we are involved in, CBHB advocates technology embracement in our processes. On top of upskilling ourselves, as a move to reduce human error and over reliance on manual labour, we constantly innovate and adopt Industrialised Building System ("IBS") to increase operational efficiencies and improve the quality of our final products for our clients

We have adopted an impartial feedback mechanism to address customer complaints and manage our relationship with them. The Company derives feedback from a specialised CRM matrix, which covers the Property Management business as well. In its main engagement with customers during the annual review, the outcomes of the review are recorded in the CRM Form. This feedback identifies outliners and areas of improvement for the Company to continue providing excellent services. Similarly, the Property Management arm undergoes a monthly Facilities Management Review or when the clients, who lease the property, call the Management for a meeting. Customer complaints will be fielded, answered and managed diligently. At the closure of a case, a report is logged under the CRM system and reviewed annually to give the Company a bigger picture of the building's overall health and maintenance. As part of the Group's consideration, customer satisfaction is an important ingredient in the success and continuation of business for the Group.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (Cont'd)

Doing business by ensuring a client's peace of mind through data security and privacy is utmost important for the business consideration. The Group views cyberattack risks as something to be reduced, if not eliminated. We outsource our Information Technology ("IT") function to a professional IT consulting firm so that we can leverage on the third-party expertise and core competencies in handling cybersecurity issues.

In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The IT consultant has conducted routine IT review and has given the Group's assets a clean bill of health, including exposure from unauthorised software usage.

Suppliers & Vendors

To our suppliers and vendors, we are committed to enhance our processes and engage with our suppliers and vendors to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers.

At the start of a new project, identification of suitable suppliers and vendors relating to the quality of service and product output are among the key determinants during the tender or bid call. Selection of new suppliers and vendors are identified by the Procurement Department. Procurement Department issues a New Supplier / Vendor Form after fit assessment is carried out and aligned with the Group's business goals and targets. In step-up reporting, environmental surveillance has been included and retrofitted into the assessment cycles of existing suppliers and vendors.

Existing suppliers and vendors undergo an annual audit where operational issues are addressed. As all suppliers adhere to the Supplier Code of Conduct and the Non-Conformance policy defined under ISO 9001:2015, any breach will result in termination and loss of business opportunity going forward. At the end of the engagement, if the stakeholder is found to have satisfactory performance and improves performance through feedback received, will have their contracts renewed in order to secure services and products delivery.

The nature of business for the construction and property development industry is highly localised and the Group focuses its procurement activities on local vendors to support local job creation and price-competitiveness. As CBHB is a Malaysian-play construction counter, usage of local raw materials and local expertise, where possible, is an important indicator of the Group's robustness of operations.

In the period under review, 100% (2022: 100%) of the Group's procurement budget is spent on local suppliers, ensuring the Group's control on the quality, cost-effectiveness and timeliness of delivery from suppliers. For parts of the business that engage third party local suppliers for delivery of outsourced goods and services, a strong track record of delivery and practices that are against violation of human rights and any form of environmental violations are prioritised. There is no exposure to foreign sources of suppliers for the Company.

ENVIRONMENT

Energy & Water Savings

As a Group with its foundations in the environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. In this report, the Group detailed its disclosure of energy and water usage within the Group's headquarters in Dataran 3 Two Square as well as the Group's energy and water management plans in its sites. During the year, there is a decrease in energy usage of 67% in the headquarters from a total of 123,750 kWh (RM64,411) of electricity in financial year end 31 December 2022 ("FYE2022") to 109,748 kWh (RM60,108) in FYE2023. On the other hand, water usage also reported a decrease of 24.2% from 392 m3 in FYE2022 to 297m3 in FYE2023.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (CONT'D)

Energy & Water Savings (Cont'd)

The Group continues its energy management plans in both headquarters and sites and has SOPs in place to encourage energy conservation and efficiency. As part of its ongoing efforts, the Group switches older diesel-fed machines to electricity-driven ones. This move reduces the Group's overall carbon footprint and cost as well as efficiency of operations. Site-wide energy management plans provide for temporary energy supply purchased from the national grid, to allay concerns of blackouts or temporary power disruptions.

While different project sites allocate water usage differently, water consumption, including the drilling and drawing of well water or ground water in sites with a stable water table, supplements its reliance on raw water usage. A strict policy against water waste and loss is one of the water conservation efforts of the Group.

Waste & Effluent

The Group has reduced its carbon footprint further as it endeavours to replace its diesel-powered machines with electricity-powered machines in most of the Group's construction sites In the year under review, the diesel consumption of the Group's 7 work sites is 933,407 litres, an increase of 374,582 from the 558,825 litres at the 7 work sites in 2022. The Group also recorded a 45% increase in consumption costs with diesel costing the Group RM2.89 million (2022: RM1.99 million) in operating expenses in 2023. Diesel costs increased even more as the Russia-Ukraine war had a significant inflationary impact on global fuel prices.

Among innovations used by the Company is using Construction Industry Development Board (CIDB)'s IBS. This pre-fabricated method reduces wastage by accurate quantity surveying and a construction or development is assessed with the IBS Content Scoring System (IBS Score) based on Construction Industry Standard 18 (2018), (CIS 18:2018).

The Group's Zero Waste policy is one of the initiatives lodged to reduce the about of materials headed for scrapyards and effective garbage disposal policies worked out with its third-party vendors specialising in disposal of construction waste. In 2023, a total of 21,704 m3 was disposed from 5 sites and properties owned or managed by the Group.

Climate-related Risks and Opportunities

CBHB understands sustainability issues related to climate change and its impact on business. Major floods have become a growing concern in Malaysia as they occur regularly almost every year during the monsoon season. The floods have caused significant damage to infrastructure, homes and crops, as well as injuries and loss of life. Notable floods that have hit several states in Malaysia in the past five years include the 2020 - 2021 Malaysian floods (in late 2020 and early 2021), the 2021 - 2022 Malaysian floods (in late 2021 and early 2022) and the most recent one affecting southern region of Malaysia in March 2023.

CBHB has learned from this natural disaster caused by the climate change. Within our control, there are several measures and plans that we can put in place to minimize the impact of floods for our ongoing and future property development projects, such as enhancing building and layout design, improving infrastructure and drainage systems, planting more trees, careful choosing the future development lands to ensure they are not affected by flooding, etc.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

Safe Workplace

The Group believes that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to:

- ensure compliance with laws and regulations in relation to occupational safety and health;
- set targets and measures to drive occupational safety and health performance across the organisation; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

As such, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations.

Our Safety Officers are registered with Department of Occupational Safety and Health ("DOSH"). In this respect, the Group places importance on continuous compliance with all relevant health and safety laws and regulations such as Occupational Safety and Health Act 1994 ("OSHA"). In Malaysia, OSHA is the main framework of the Company's Occupational Safety & Health provisions. The Group continues sending its Safety & Health personnel for OSHA-related training, amounting to 680 manhours (2022: 760 manhours) across the Group. Safety Induction Training were conducted for all of our newly joined employees in fieldwork. Employees working in high-risk areas are also required to re-train every 3 years. The programme is designed to train employees to become fully aware on the safety and health measures and to meet the OSHA's guidelines. Workers are equipped with safety protective wear and equipment when involving in potentially dangerous works. Furthermore, safety briefings are compulsorily conducted to all visitors or contractors on the awareness of safety before entering to the site.

Following previous disclosure, the Group's target for Occupational Safety & Health was to reach a zero-accident rate for FYE2023. However, we have recorded one case of lost time incident ("LTI") in FYE2023.

As a construction company, the Group is compliant to all local land codes, both Federal and State as well as local councils concerning site safety, health and management. One of the key aspects the Group is committed to provide is a safe and healthy working environment free from disease-carrying vectors or insects. In 2023, no sites were shut down or fines levied due to the presence of the dengue-causing Aedes mosquito. As Coronavirus Disease 2019 ("COVID-19") has affected all areas of business throughout the world since 2020, it has become a social responsibility for CBHB to act accordingly. Although the impact of COVID-19 gradually diminished during the year 2023, our Human Resources department is still actively adjusting the SOPs from time to time to ensure that employees and site workers can work in a safe environment to reduce the spread of COVID-19.

During the Reporting Period, there was no work-related fatalities reported.

Training & Talent Management

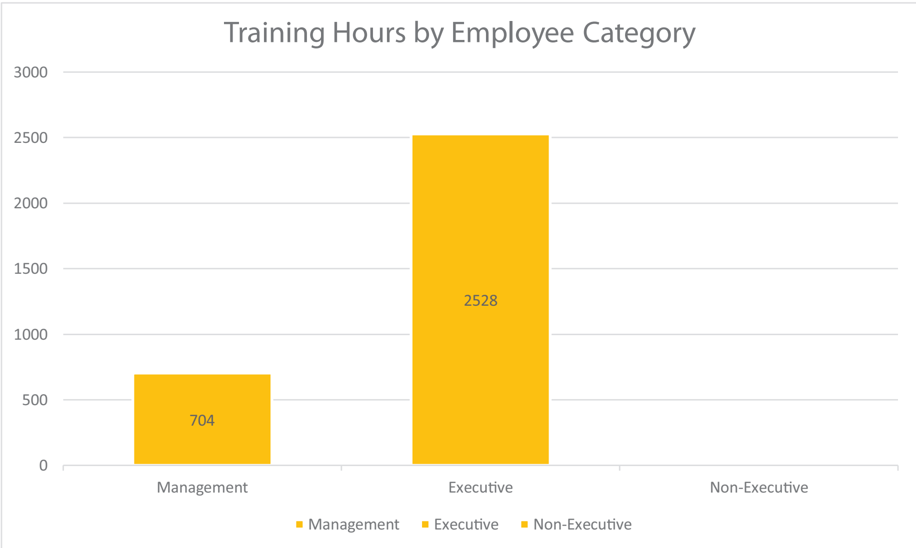
A good team is a business's surety that the Group grows from strength to strength and on this basis, employees are a valuable business capital or asset and part of the CBHB family. Within the scope of this report are the Group's direct employees under the Group's payroll and will not include those under the minority stake of subsidiary companies in which the Group holds development rights (despite 51% or more ownership).

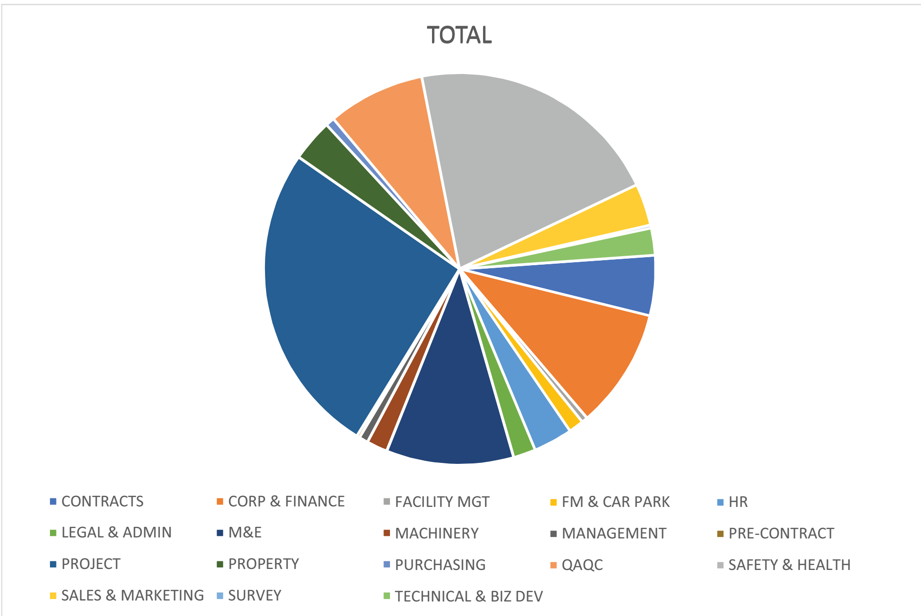
SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Training & Talent Management (Cont'd)

As an employer, CBHB is a renowned construction firm in Malaysia and instils respect and trust amongst its employees. This enables the Group to retain and attract top talent to its team. The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others. In FYE2023, our employees underwent 404 man-days (2022: 257 man-days) of training or 3,232 manhours (2022: 2,056 manhours).



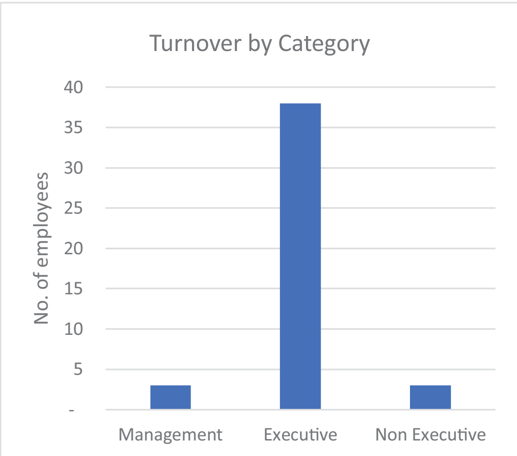


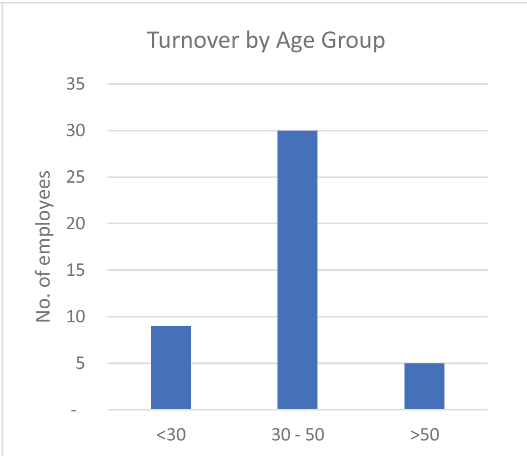
SUSTAINABILITY STATEMENT (CONT'D)

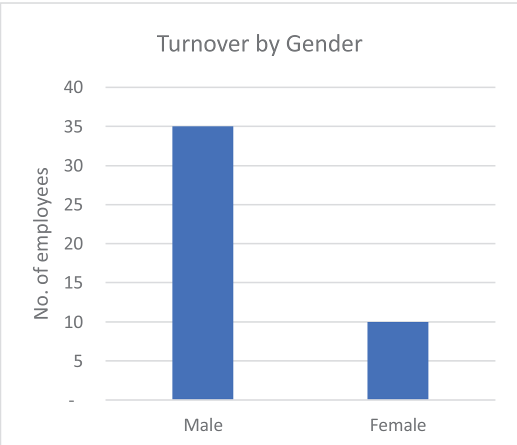
SOCIAL (CONT'D)

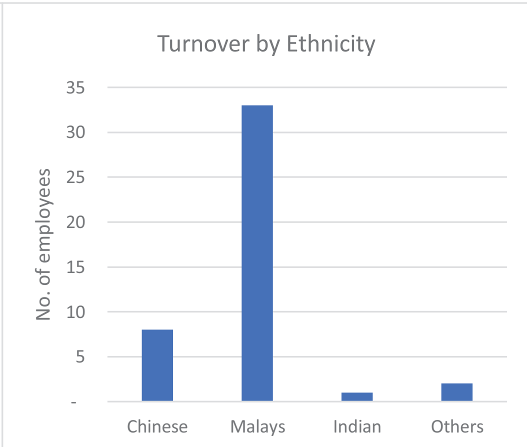
Training & Talent Management (Cont'd)

Besides training, an engaged workforce is updated with company-wide news in the Group's in-house communications, such as internal staff memos. Despite the industry faced strong headwinds in FYE2023, the stable outlook of the Group's activities and order book led to a moderate attrition rate and a successful retention of talent. During the financial year, Encik Mohd Khasan bin Ahmad and Mr. Kam Yong Kan retired as Independent Non-Executive Directors of the Company. This decision was in accordance with the amendments to the MMLR, given that they had dedicated over twelve years of service to the Company. Subsequent to their retirement, Encik Mahathir bin Mahzan and Mr. Tong Hock Sen were appointed as Independent Non-Executive Directors to fill the vacancies. The movement of the workforce is reflected in the following charts.









SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

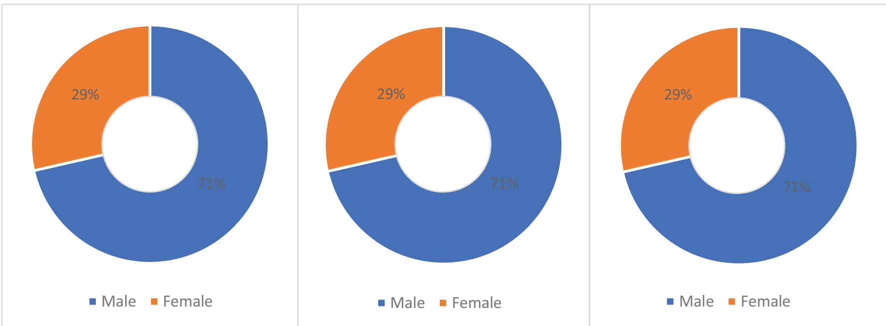
Diversity

Diversity refers to the differences in workforce by gender, age, ethnicity and disability. This measure is considered across the Board, from the directors to the management and the rest of the workforce. As at 31 December 2023, the Group's headcount comprised 7 directors, 68 management and 168 administrative staff, bringing the Group tally to 243 pax. Out of the 243 pax, 23 pax (9.46%) are contractual employees.

The Board is aware of the initiative to increase female participation in the boardroom, as such, the Group will continue in looking for the right candidate. At the management and administrative levels, there are no foreigners and local talents are hired and sourced from online job platforms and internal recommendations. Most of the Group's pre-dominantly skilled, white-collar workers are graduates or skilled professionals and fill management or administrative roles.

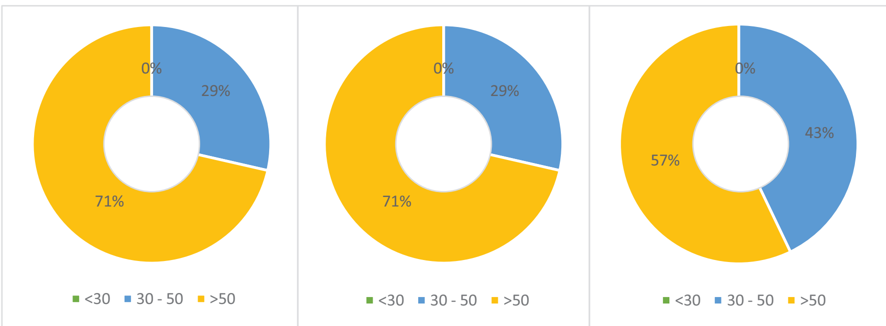
The following charts depict the composition of the Group's human capital in 2023.

Board Member Breakdown by Gender



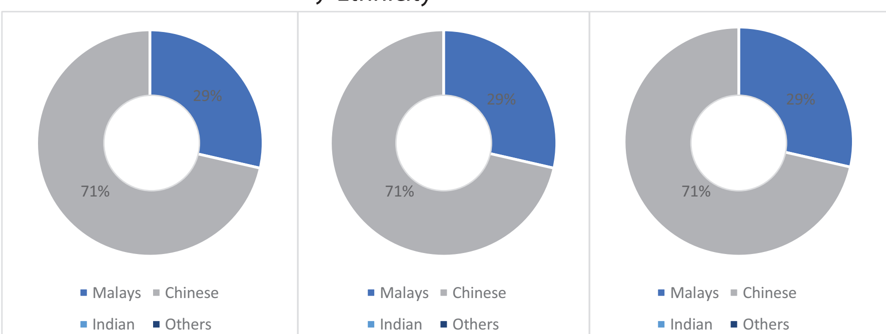
2021 2022 2023

Board Member Breakdown by Age Group



2021 2022 2023

Board Member Breakdown by Ethnicity



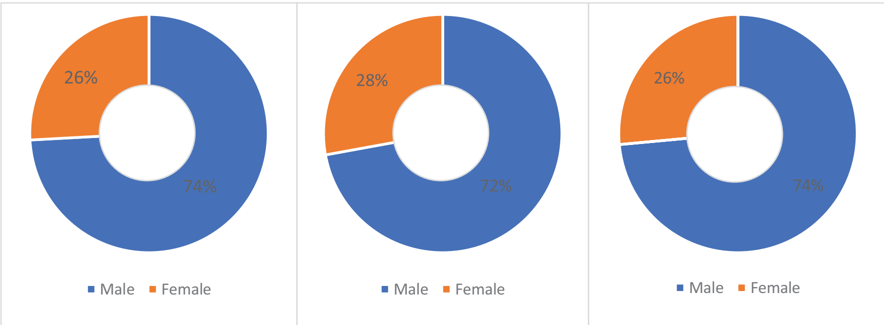
2021 2022 2023

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

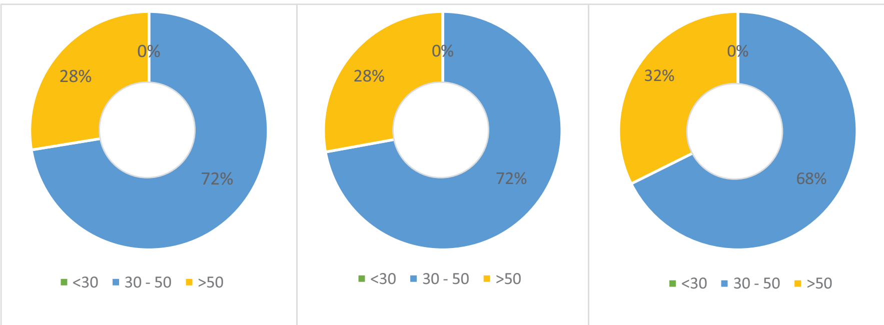
Diversity (Cont'd)

Management Breakdown by Gender



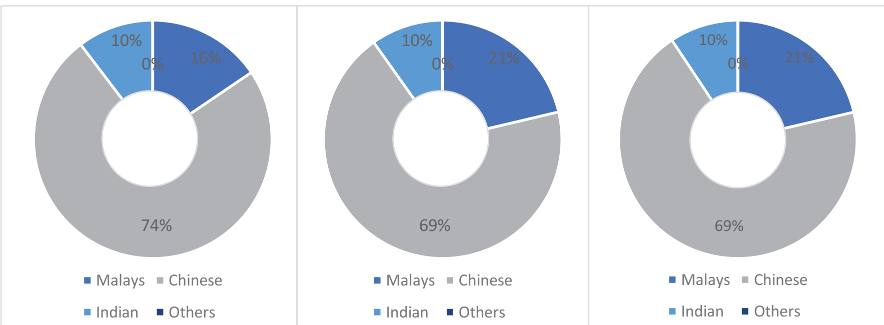
2021 2022 2023

Management Breakdown by Age Group



2021 2022 2023

Management Breakdown by Ethnicity



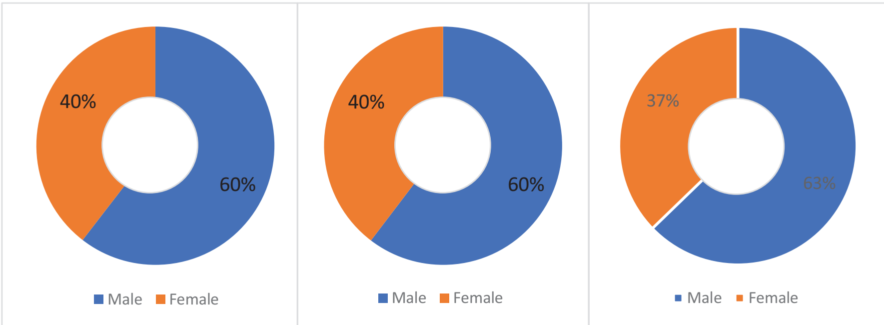
2021 2022 2023

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

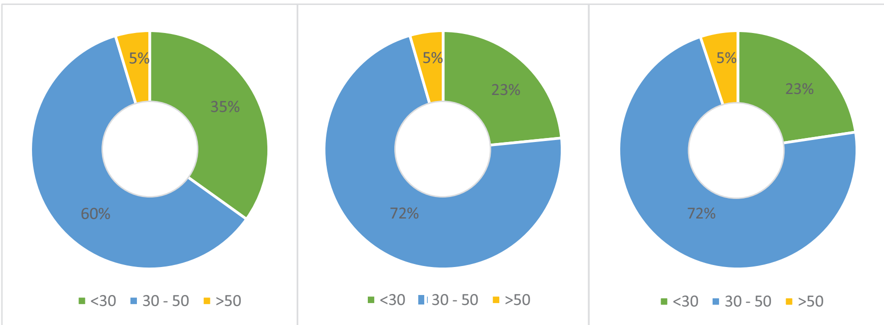
Diversity (Cont'd)

Executive Breakdown by Gender



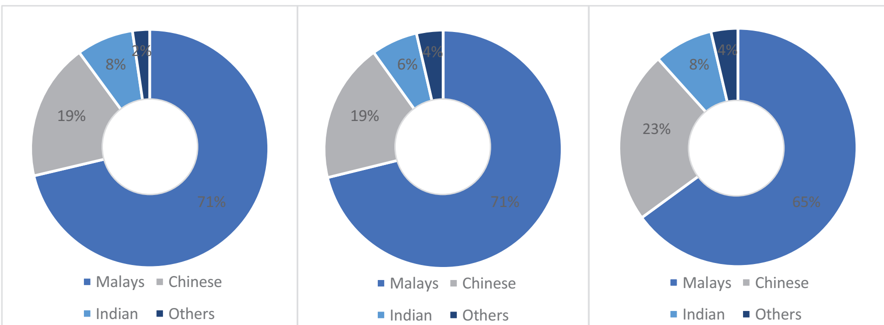
2021 2022 2023

Executive Breakdown by Age Group



2021 2022 2023

Executive Breakdown by Ethnicity



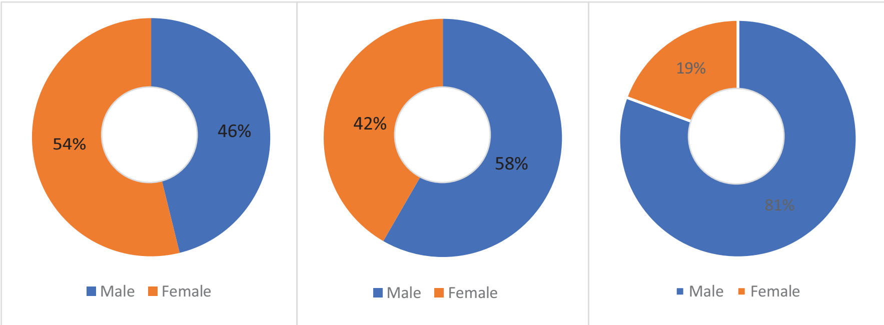
2021 2022 2023

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

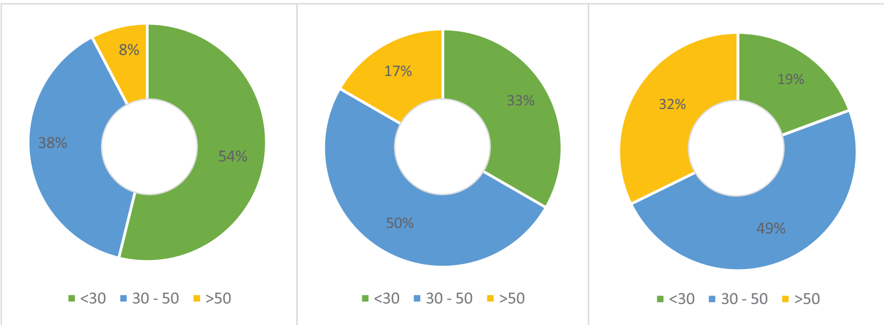
Diversity (Cont'd)

Non-Executive Breakdown by Gender



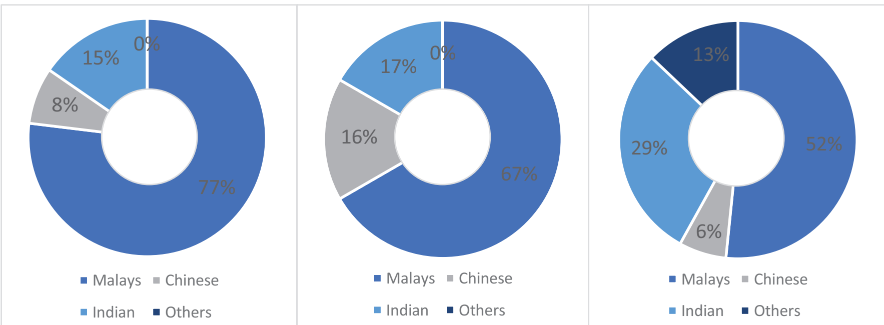
2021 2022 2023

Non-Executive Breakdown by Age Group



2021 2022 2023

Non-Executive Breakdown by Ethnicity



2021 2022 2023

SUSTAINABILITY STATEMENT (CONT'D)

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. The freedoms enshrined in this include freedom from forced and child labour, adherence to minimum wages and fair compensation and provision of reasonable working hours per stipulated by Labour Law.

We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

Furthermore, the Group's employee benefits are above minimum statutory requirements and include dental and healthcare benefits, insurance coverage and adequate leaves on a buildable scale based on length of service.

We are committed to the continuous improvement of our workers' accommodation as we understand that this is a key in ensuring our staff welfare and well-being. We are in compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) whereby we have embarked on the programme to improve the living quarters of our site workers by ensuring reasonable number of workers living in the right size of the space with the required amenities and facilities. Every single site worker is also given an appropriate size and thickness of single bed as well as a cupboard with lock to keep their possessions.

We are also pleased to announce that our Group has been in full compliance with the Employment (Amendment) Act 2022 that came into effect on 1 January 2023. As per the new Act, we have ensured that all our employees are entitled to flexible working arrangements, reducing maximum working hours per week to 45 hours, increasing paid maternity leave to 98 days, increasing paid paternity leave to 7 days and more. We are committed to upholding the standards set by the new Employment Act and ensuring the well-being of our employees.

During the reporting period, there has been no complaints reported concerning human rights violation.

Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution.

Data Privacy and Security

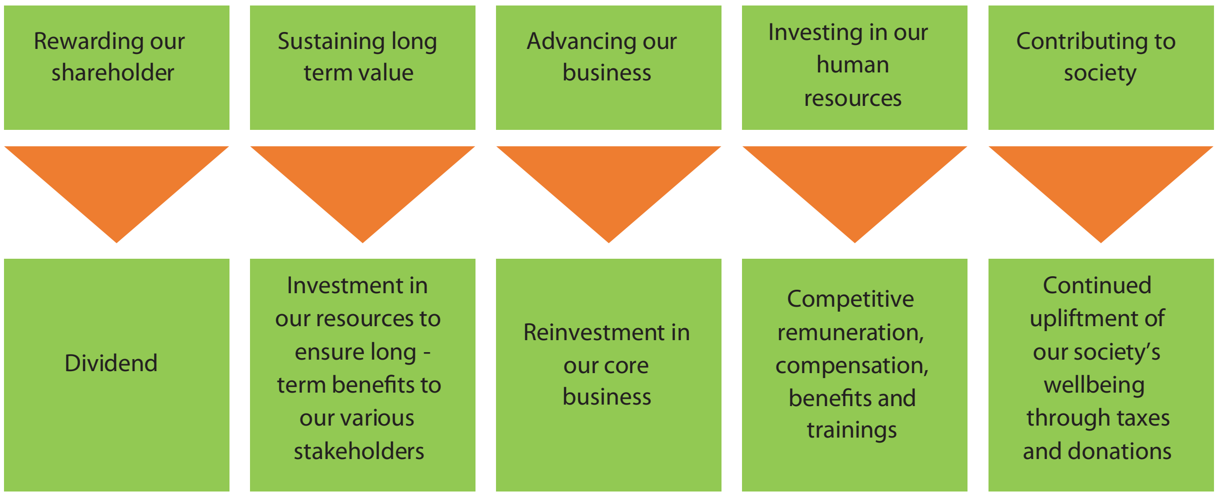
In 2013, The Personal Data Protection Act 2010 was passed by the Parliament of Malaysia. The main objective of this law is to regulate the processing of personal data by the user in a commercial transaction data and protect personal data of common interest.

During the reporting period, there has been no complaints reported concerning breaches of customer privacy and losses of customer data.

SUSTAINABILITY STATEMENT (CONT'D)

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.



STATEMENT ON ASSURANCE

The Group would like to affirm that, as of the current reporting period, a comprehensive review of our Sustainability Statement has not been conducted by the internal auditor, nor has independent assurance been performed in accordance with recognized assurance standards.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	57.30
Executive	Percentage	1.40
Non-executive/Technical Staff	Percentage	0.00
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 (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	57,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
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	0.00
Management Between 30-50	Percentage	67.65
Management Above 50	Percentage	32.35
Executive Under 30	Percentage	22.63
Executive Between 30-50	Percentage	72.26
Executive Above 50	Percentage	5.11
Non-executive/Technical Staff Under 30	Percentage	19.35
Non-executive/Technical Staff Between 30-50	Percentage	48.39
Non-executive/Technical Staff Above 50	Percentage	32.26
Gender Group by Employee Category		
Management Male	Percentage	73.53
Management Female	Percentage	26.47
Executive Male	Percentage	62.77
Executive Female	Percentage	37.23
Non-executive/Technical Staff Male	Percentage	80.65
Non-executive/Technical Staff Female	Percentage	19.35
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.43
Female	Percentage	28.57
Under 30	Percentage	0.00
Between 30-50	Percentage	42.86
Above 50	Percentage	57.14
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	0.11
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.03
Bursa C5(c) Number of employees trained on health and safety standards	Number	48
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	704
Executive	Hours	2,528
Non-executive/Technical Staff	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	9.46
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Executive	Number	38
Non-executive/Technical Staff	Number	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
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 (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.297000

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT (CONT'D)






SUSTAINABILITY STATEMENT (CONT'D)












REPORT OF THE AUDIT COMMITTEE

COMPOSITION AND MEMBERS

The current Audit Committee ("the Committee") comprises three (3) members of the Board of Directors ("the Board") who are all Independent Non-Executive Directors. Among the Independent Non-Executive Directors, Mahathir bin Mahzan and Lim Boon Teng are members of the Malaysian Institute of Accountants. Below are the members of the Committee during the financial year:

Directors	Status
1. Mahathir bin Mahzan - Chairman	Independent Non-Executive Director
2. Lim Boon Teng	Independent Non-Executive Director
3. Tong Hock Sen	Independent Non-Executive Director

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

(i) The Committee shall be appointed by the Board from amongst the directors excluding Alternate Directors; shall consist of not less than three members, where all members are Independent Non-Executive Directors; and at least one (1) member of the Committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule of the Accountants Act 1967; and

(c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") or approved by the Securities Commission.

The Chairman shall be an Independent Non-Executive Director elected by the members of the Committee.

(ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within three (3) months.

(iii) In the event that a former key audit partner is appointed as a member of the Committee, a cooling-off period of at least two (2) years is required to observe prior his/her appointment.

(iv) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiary companies within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

TERMS OF REFERENCE (CONT'D)

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee directors, the external auditors, internal auditors and the management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiary companies and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements, the Committee shall promptly report such matter to the Exchange.

4. Functions

The functions of the Committee are as follows:

(i) review with the external auditors, their audit plan;

(ii) review with the external auditors, their evaluation of the system of internal control;

(iii) review with the external auditors, their audit report;

(iv) review the assistance given by the Company's officers to the external auditors;

(v) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(vi) review the internal audit programmes, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(vii) review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

(a) changes in or implementation of major accounting policy changes;
(b) significant and unusual events;
(c) significant adjustments arising from the audit;
(d) compliance with accounting standards and other legal requirements;
(e) compliance with Bursa Securities; and
(f) the going concern assumption.

(viii) review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

(ix) consider the nomination, appointment and re-appointment of external auditors, their audit fees, and any questions on resignation or removal.

(x) undertake the role of Board Integrity Committee ("BIS") to review and decide on reports received from Integrity Officer (if any) including whistleblower incidents, progress of CBHB's anti-corruption plan, incidence of integrity non-compliance, results of actions taken and recommendations for improvements to CBHB's anti-bribery management system ("ABMS") related policies.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

TERMS OF REFERENCE (CONT'D)

5. Meetings

(i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.

(ii) In order to form a quorum for any meeting of the Committee, two (2) of the members must be presented and all present must be Non-Executive Directors whereby majority of the directors must be Independent Directors.

(iii) The meetings and proceedings of the Committee are governed by the provisions of the Company's Constitution regulating the meetings and proceedings of the Board so far as the same are applicable.

(iv) The director/person responsible for the financial management of Crest Builder Holdings Berhad and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested if required.

(v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the directors or members of the Company.

(vi) At least twice a year, the Committee shall meet with the external auditors without the presence of other directors and employees of the listed issuer whenever deemed necessary.

6. Secretary and minutes

The secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members and the Company's directors who are not members of the Committee.

MEETINGS

The Committee convened five (5) meetings in respect for financial year ended 31 December 2023. The attendance for the meetings were as follows:

Members	Number of meetings attended	Number of meetings held during tenure
1. Mahathir bin Mahzan - Chairman (Appointed on 25 May 2023)	3	3
2. Lim Boon Teng	5	5
3. Tong Hock Sen (Appointed on 25 May 2023)	3	3
4. Mohd Khasan bin Ahmad (Retired on 25 May 2023)	2	2
5. Kam Yong Kan (Retired on 25 May 2023)	2	2

REPORT OF THE AUDIT COMMITTEE (CONT'D)

SUMMARY OF ACTIVITIES

For the financial year under review, the Committee carried out its duties as set out in the terms of reference. The Committee convened five (5) meetings to review the following:

- the annual financial statements prior to submission to the Board for consideration and approval;
- the unaudited Quarterly Financial Results for four quarters in year 2023 for the release to the Bursa Securities;
- the Recurrent Related Party Transactions and Related Party Transactions of the Company;
- the Statement of Overview on Corporate Governance and Statement on Risk Management and Internal Control for disclosure in Annual Report 2022;
- the review of the internal audit reports for financial years 2022 and 2023 including internal controls and implementation of recommendations;
- the internal and external audit planning memorandums and programmes of the internal and external auditors for the following year as well as the recommendation of their respective fees to the Board;
- the consideration and recommendation to the Board on the appointment of external and internal auditors;
- the recommendations by the internal and external auditors in respect of control weaknesses noted during the course of their audit; and
- the reports received from the Integrity Officer on matters related to ABMS.

The meetings were appropriately structured through the use of agendas and meeting papers, which were distributed to members five (5) business days in advance before the meetings.

INTERNAL AUDIT FUNCTION

The Company has an outsourcing arrangement with an independent professional firm to provide internal audit services which assists the Committee in discharge its functions. The internal auditors, Ernst & Young Advisory Services Sdn. Bhd., provide independent and objective reports on the organisation's management records, accounting policies and controls directly to the Committee. Such audits/reviews also ensure instituted controls are appropriate and effectively applied to achieve acceptable risks exposures. The internal audit function is carried out in accordance with a recognised framework guided by International Standards for the Professional Practice of Internal Auditing. In terms of resources allocated for each of their visit, the team with a size of 4 to 5 members is assigned and headed by the Engagement Partner. The internal auditors are free from any relationship or conflict of interest with the Group, which could impair their objectivity and independence in carrying out their duties.

During the financial year, the internal auditors conducted independent reviews and evaluated risk exposures relating to the Group's governance, operations and information system as follows:

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with policies and procedures, laws, regulations and contracts i.e. reasonably ensuring conformity and adherence to these matters.

The internal auditors also established follow-up audits/reviews to monitor and ensure that internal audit's recommendations have been effectively implemented. Reports, including where relevant, action plans agreed with the operational level management, are circulated to senior management and tabled at the Committee Meeting. Internal audit fees of RM130,000 was paid to the outsourced internal auditors for the financial year ended 31 December 2023.

During the financial year, the internal audit activities have been carried out according to the internal audit plan which has been approved by the Committee.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") remains committed to achieving and maintaining the highest standards of corporate governance throughout the Group. The Board views corporate governance as synonymous with four key concepts; namely transparency, accountability, integrity as well as corporate performance.

Measures and efforts have and shall be taken to ensure as far as practicable the adoption and implementation of the Principles and Recommendations set out in the Malaysian Code on Corporate Governance ("the Code") and in the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities").

Set out below is a description of how the Group has applied the Principles of the Code and how the Board has complied with the Recommendations set out in the Code throughout the financial year ended 31 December 2023.

SECTION A – BOARD OF DIRECTORS

The Board

The Group recognises the importance of role played by the Board in the stewardship of its direction and operations and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial matters. The schedule ensures that the governance of the Group is in its hands.

Duties and Responsibilities of the Board

The responsibilities of the Board of the Company are as follows:

- reviewing and adopting a strategic plan for the Group which will enhance the future growth of the Group;
- overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning;
- overseeing the development and implementation of shareholder communications policy for the Company; and
- reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has formalised and adopted a Board Charter which serves as a source of reference for directors. The Board Charter comprises, amongst others, the duties and responsibilities of the Board and the management, Board composition, Board Committees, Board meetings, Directors' Code of Business Conduct and Ethics, Directors' training, Directors' remuneration as well as communication between the Board and shareholders.

The Board Charter approved by the Board is reviewed regularly to ensure that new laws, regulations or relevant developments having an impact on the discharge of the Board's responsibilities are taken into account.

The Board Charter is available on the Company's website at www.crestbuilder.com.my.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION A – BOARD OF DIRECTORS (CONT'D)

Board Balance and Independence of Directors

As at the date of this Statement, the Board has seven (7) members, comprising four (4) Non-Executive Directors, two (2) Executive Directors and one (1) Alternate Director. Three (3) of the seven (7) Directors are Independent Non-Executive Directors. A brief profile of each director is presented on pages 10 to 12 of this Annual Report.

There is a clear division of responsibility between the Chairman and the Managing Director of the Group in order to provide for balance of power and authority. The Chairman is responsible for ensuring the Board effectiveness and conduct whilst the Managing Director has an overall responsibility over the operating units, organisational effectiveness and implementation of the Board's policies and decisions.

All of the Independent Non-Executive Directors are independent of management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They have the calibre to ensure that the strategies proposed by the management are fully deliberated and examined in the long-term interest of the Group, as well as shareholders, employees and customers.

One of the recommendations of the Code states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelve (12) years, the Board should seek annual shareholders' approval through a two-tier voting process. On 19 January 2022, Bursa Securities announced an amendment to the MMLR to limit the term of Independent Directors to twelve (12) years. All long-serving Independent Directors affected by this amendment must resign or be re-designated as Non-independent Directors on or before 1 June 2023. Following the change in the requirements, Encik Mohd Khasan bin Ahmad and Mr. Kam Yong Kan who had served the Company since 25 February 2003 and 26 February 2003 respectively have retired from office as Independent Non-Executive Directors on 25 May 2023. Subsequently, as part of the succession planning, the Nomination and Remuneration Committee went through the selection process and recommended to the Board to appoint the suitable candidates to act as Independent Non-Executive Directors of the Company based on the justifications that each of them shall fulfil the criteria of an Independent Director in accordance with the MMLR as follows:

(i) *An independent director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who*

- *is not, and has not been within the last three (3) years, an officer of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as "said Corporation"). For this purpose, "officer" has the meaning given in Section 2 of the Companies Act 2016 but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than twelve (12) years;*
- *is not a major shareholder of the said Corporation;*
- *is not a family member of any executive director, officer or major shareholder of the said Corporation;*
- *is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;*
- *has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or*
- *has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiary companies of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange; or*
- *has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than twelve (12) years from the date of his first appointment as an independent director.*

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION A – BOARD OF DIRECTORS (CONT'D)

Board Balance and Independence of Directors (Cont'd)

As far as board diversity policies are concerned, while the Company does not have such a formal policy in place, the Board is actively working towards promotion of corporate culture that embraces diversity in its recruitment process. The Board has achieved Boardroom diversity in terms of gender, age and ethnicity. As of to-date, 16.7% of Board members is represented by woman director (excluding Alternate Director).

Code of Conduct

The Company has issued and implemented a Code of Business Conduct and Ethics that applies to all directors and employees of the Group. Directors and employees are required to read, understand and abide by the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is effectively communicated via the Company's Employee Handbook and is subject to regular review and updates. The Code of Business Conduct and Ethics lays out the ethical, business and lawful conduct of the Company, including managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Company has a formalised Whistleblowing Policy and Procedure, which can be found in the Anti-Bribery and Anti-Corruption Policy. The Whistleblowing Policy and Procedure is planned as a tool to manage non-compliance to the Group's Code of Business Conduct and Ethics and its future improvement. The whistleblower is advised to report and provide appropriate information of any improper conduct to any of the Risk Management Committee members or Integrity Officer for further action.

Board Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year, the Board met on five (5) occasions, where it deliberated upon and considered a variety of matters including the Group's financial results, corporate finance and strategic decisions, the business direction of the Group and corporate governance matters.

Details of the attendance of the directors at the Board Meetings are as follows:

Directors		Number of meetings attended in 2023
(i)	Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	3/5
(ii)	Yong Shang Ming	5/5
(iii)	Koh Hua Lan (f)	5/5
(iv)	Lim Boon Teng	5/5
(v)	Yong Tiok Keng (f) (Alternate to Koh Hua Lan)	5/5
(vi)	Mahathir bin Mahzan (Appointed on 25 May 2023)	3/3
(vii)	Tong Hock Sen (Appointed on 25 May 2023)	3/3
(viii)	Mohd Khasan bin Ahmad (Retired on 25 May 2023)	2/2
(ix)	Kam Yong Kan (Retired on 25 May 2023)	2/2

Where a potential of conflict arises in the Group's investment, projects or any transactions involving director's interest, such director is required to declare his/her interest and abstain from further discussion and the decision-making process.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION A – BOARD OF DIRECTORS (CONT'D)

Board Committees

Where appropriate, matters have been delegated to Board Committees, all of which have written minutes and terms of reference to assist the Board in discharging its duties and responsibilities. The Board will then receive the reports of their proceedings and deliberations in its scheduled Board meetings.

(i) Audit Committee

The composition of Audit Committee meets the MMLR, i.e. all members are Non-Executive Directors and at least one (1) member is a qualified accountant. The primary objective of the Audit Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Group. The Report of the Audit Committee is set out on pages 46 to 49. The Audit Committee is empowered to obtain external professional advice and invite outsiders with relevant experience to attend its meeting when necessary.

(ii) Nomination and Remuneration Committee

The responsibilities of the Nomination and Remuneration Committee are as follows:

- identifying and recommending new nominees to the Board as well as committees of the Board;
- reviewing regularly the Board structure, size and composition and ensuring that at least one-third (1/3) of the Board is independent;
- reviewing the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- assessing the effectiveness of the Board, the committees and the contribution of each individual director annually;
- evaluating and determining the training needs of the directors to enable them to effectively discharge their duties;
- recommending directors who are retiring by rotation to be put forward for re-election pursuant to the Constitution of the Company;
- reviewing the Group's remuneration policy and the remuneration packages of the executive directors of the Group;
- proposing, subject to the approval of the Board, the remuneration and terms and conditions of service and the remuneration to be paid to each director for his services as a member of the Board as well as committees of the Board; and
- designing and implementing evaluation procedures for directors.

All of the members of the Nomination and Remuneration Committee are Independent Non-Executive Directors. The members of the Committee and the details of their attendance are as follows:

Directors	Number of meetings attended in 2023
Lim Boon Teng (Chairman)	2/2
Mahathir bin Mahzan (Appointed on 25 May 2023)	–
Tong Hock Sen (Appointed on 25 May 2023)	–
Mohd Khasan bin Ahmad (Retired on 25 May 2023)	2/2
Kam Yong Kan (Retired on 25 May 2023)	2/2

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION A – BOARD OF DIRECTORS (CONT'D)

Supply of Information

The Board is supported by a qualified and competent Company Secretary who is accountable to the Board and is responsible for advising the Board on issues relating to corporate governance with the relevant laws, rules and regulations affecting the Group and the Company as well as ensuring compliance with the statutory requirements of the Companies Act 2016, the MMLR and other regulatory bodies.

All scheduled meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Chairman and the Managing Director. The agenda for each meeting was accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on Group's financial performance, industry trends, business plans and proposals, quarterly result announcements and other relevant information. The Board papers encompass all material aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions are made. All the Board papers are distributed five (5) business days in advance of the meetings to ensure directors are well informed and prepared for the meetings.

All directors have access to the advice and services of the Company Secretary. Directors are informed and aware that they may take independent professional advice, if necessary and appropriate in furtherance of their duties, at the expense of the Group.

Appointments and Re-elections to the Board

The Nomination and Remuneration Committee is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Nomination and Remuneration Committee considers the required mix of skills and experience which the directors should bring to the Board.

During the financial year ended 31 December 2023, Encik Mohd Khasan bin Ahmad and Mr. Kam Yong Kan retired as Independent Non-Executive Directors of the Company on 25 May 2023. This decision was in accordance with the amendments to the MMLR, given that they had dedicated over twelve (12) years of service to the Company. Subsequent to their retirement, Encik Mahathir bin Mahzan and Mr. Tong Hock Sen were appointed as Independent Non-Executive Directors on 25 May 2023, to fill the vacancies.

Before appointing new directors, the management thoroughly assessed a pool of shortlisted candidates and sought recommendations from the Nomination and Remuneration Committee. In this process, no recruitment agencies were utilised, no advertisements were placed, and no private directories were consulted, as these methods were deemed unsuitable at the time. Instead, the management leaned on recommendations from the industry circle, an independent source, aiming to leverage a wealth of experience and exposure to ensure a balanced composition of the Board.

The first pre-selected candidate, Encik Mahathir bin Mahzan, is a qualified accountant who currently serves as a founding partner and managing partner at Mahzan Sulaiman PLT, a professional firm specialising in empowering micro and small businesses. With a background encompassing 15 years in the United Kingdom and Ireland, he previously worked for a strategic advisory firm engaged in various client projects, including strategic advisory and project implementation, feasibility studies, and financial advisory for private finance initiatives and corporate entities.

The second pre-selected candidate is Mr. Tong Hock Sen, a legal professional and the founder of Messrs John Tong, Fahmi & KH Yeoh. His expertise lies in handling shareholder disputes and managing complex corporate and commercial matters. In addition to his private practice, he has actively contributed to the Master Builders Association Malaysia as the Honorary Legal Advisor for over two decades. Furthermore, he serves as the Legal Advisor to the International Federation of Asian and Western Pacific Contractors' Associations since 2018.

Following a thorough assessment of their work experiences, qualifications, and exposure, the Nomination and Remuneration Committee has recommended both Encik Mahathir bin Mahzan and Mr. Tong Hock Sen. It is believed that their diverse skill sets will serve as valuable assets to the Board, enabling them to fulfill their duties, responsibilities, and obligations in the best interests of the Company.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION A – BOARD OF DIRECTORS (CONT'D)

Appointments and Re-elections to the Board (Cont'd)

In accordance with the Company's Constitution, all directors who are appointed by the Board are subject to re-election by rotation by shareholders at the first opportunity after their appointments. The Constitution also provides that at least one-third (1/3) of the remaining directors be subject to re-election by rotation at each Annual General Meeting, provided that all directors including the Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election.

Annual Evaluation

The Board has undertaken a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual director. Every year, directors are required to complete the Directors' Self-Performance Evaluation Form covering a series of key success factors, namely integrity and ethics, governance, strategic perspective, business acumen, judgement and decision making, teamwork, communication and leadership. Directors are also given opportunity to provide feedback on the performance of the Board and the Company and suggestion for improvement.

Directors Training

All the directors of the Company have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities for directors of public listed companies.

The Board encourages directors to participate in ongoing education, as well as participation in accredited director education programmes.

During the financial year 2023, all directors had attended various training programmes, conferences, seminars and workshops which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as directors. The directors had attended/participated in one or more of the following training programmes/conferences/seminars/workshops in 2023:

- Master Builder Association Safety & Health Conference
- Seminar on Shaping the Future of Digitalisation in Construction
- Seminar on Shaping the Future of Sustainability in Construction
- Seminar on Shaping the Future of Industrialisation in Construction
- Certified Construction Project Manager
- MFRS Webinar: MFRS/IFRS Technical Update 2024 – Including a brief on IFRS Sustainability Standards
- MIA Webinar Series: Optimising Tax Benefits for Companies and Related Entities
- MFRS Webinar: Presenting and Disclosing Information in the General Purpose Financial Report
- Transfer Pricing, Capital Allowance Maximization, Witholding Tax & Special Voluntary Disclosure Program 2.0
- Seminar on Budget 2024 & e-invoicing
- Human Resource Conference
- 1st Digital Construction Summit
- Majlis Libat Urus Belanjawan

The directors are also kept informed of the various requirements and updates issued by regulatory authorities.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION B – DIRECTORS' REMUNERATION

The objectives of the Group's remuneration policy are to attract and retain the directors required to lead and control the group effectively. Generally, the remuneration of each director reflects the level of responsibility and commitment that goes with the Board Committee membership. In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to individual and the Group's performance.

The Nomination and Remuneration Committee reviews and recommends directors' remuneration for the Board's approval.

Disclosure

The Board has considered disclosure of details of the remuneration of each director. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to directors' remuneration as required by the MMLR and the Code have been met.

Aggregate remuneration of directors of the Company for the Group is categorised into appropriate components:

Directors	Directors' fees (RM)	Salaries and/or other emoluments (RM)	Total (RM)
Executive Directors	–	1,696,807	1,696,807
Non-Executive Directors	198,000	–	198,000
Total	198,000	1,696,807	1,894,807

The remuneration/fees received by the directors (including Alternate Director) from the Group for the financial year ended 31 December 2023 as follows:

No.	Name	Fee RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
1)	Yong Shang Ming (Managing Director)	–	534.0	111.3	14.0	78.6	737.9
2)	Koh Hua Lan (f) (Executive Director)	–	336.0	28.0	–	92.4	456.4
3)	Yong Tiok Keng (f) (Alternate Director to Koh Hua Lan)	–	398.4	41.5	8.7	53.9	502.5
4)	Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah (Non-Executive Chairman)	49.5	–	–	–	–	49.5
5)	Lim Boon Teng (Independent Director)	49.5	–	–	–	–	49.5
6)	Mahathir bin Mahzan (Independent Director)	28.9	–	–	–	–	28.9

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION B – DIRECTORS' REMUNERATION (CONT'D)

Disclosure (Cont'd)

The remuneration/fees received by the directors (including Alternate Director) from the Group for the financial year ended 31 December 2023 as follows: (Cont'd)

No.	Name	Fee RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
7)	Tong Hock Sen (Independent Director)	28.9	–	–	–	–	28.9
8)	Mohd Khasan Bin Ahmad (Independent Director – Resigned 25 May 2023)	20.6	–	–	–	–	20.6
9)	Kam Yong Kan (Independent Director – Resigned 25 May 2023)	20.6	–	–	–	–	20.6

On top of the above, the key management personnel's remuneration paid during the financial year ended 31 December 2023 are presented into bands of RM50,000 is as follows:

No.	Name	Salary RM	Allowance RM	Bonus RM	Benefits RM	Total RM
1)	Teh Hock Hua (Chief Executive Officer (Construction Division))	450,001-500,000	–	50,001-100,000	50,001-100,000	650,001-700,000
2)	Ir. Dr. Siew Woh Hon (Chief Operating Officer (Construction and M&E Divisions))	300,001-350,000	0-50,000	0-50,000	50,001-100,000	450,001-500,000
3)	Sze To Paui Khay (Chief Operating Officer (Property Division))	250,001-300,000	0-50,000	0-50,000	0-50,000	350,001-400,000
4)	Yong Tiok Nee (Head of Construction Solutions & Property Management)	150,001-200,000	0-50,000	0-50,000	0-50,000	200,001-250,000

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION C – SHAREHOLDERS

Dialogue between the Company and Investors

The Company values communication with its shareholders and investors and does this through the Annual Report, Annual General Meeting and Corporate Announcements. All enquiries made are normally dealt with as promptly as practicable.

The Company also holds briefings with research analysts, fund managers and investors to explain the Group's strategies, performance and major developments and the Board plans to conduct regular dialogues with institutional investors, fund managers and analysts with the aim of fostering mutual understanding of the Group's objectives.

The Annual General Meeting

The Company has used the Annual General Meeting as a forum of communication with its shareholders. The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the directors are available to discuss aspects of the Group's performance and its business activities. Each item of special business included in the notice of the meeting is accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxies received, both for and against each separate resolution, where appropriate.

SECTION D – ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Management Discussion and Analysis in the Annual Report.

The directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards which the Board considers to be applicable have been complied with.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Internal Control

The Board acknowledges responsibility for maintaining a sound internal control system and for reviewing its adequacy and integrity. The internal control system is designed to safeguard the shareholders' investments and the Group's assets, by its nature can only manage rather than eliminate risk of failure to achieve business objectives and inherently can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board regards risk management as an integral part of the business operations. During the year, heads of departments of the Group have attended monthly management meetings and discussed matters related to risk management in order to deepen their understanding of the risks and propose possible solutions that may affect the achievement of their respective operating unit's business objectives.

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on pages 61 to 63 of this Annual Report.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

SECTION D – ACCOUNTABILITY AND AUDIT (CONT'D)

Relationship with Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal, in ensuring that the financial statements of the Group and the Company comply with the accounting standards in Malaysia and the risk management and internal control system of the Group are effective. In relation to the financial statements, the role of the Audit Committee in relation to the external auditors are contained in the Report of Audit Committee set out on pages 46 to 49 of this Annual Report.

The Audit Committee met the external auditors twice a year on 23 February 2023 and 23 August 2023 without the presence of the Executive Directors and the management to exchange views on matters which require the Audit Committee's attention.

The Audit Committee had assessed the suitability, objectivity and independence of the external auditors. In its assessment, the Audit Committee considered several factors such as resources, competency, scope of audit and level of non-audit services rendered by Baker Tilly Monteiro Heng PLT for financial year 2023.

Baker Tilly Monteiro Heng PLT confirmed that they will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Group and of the Company for financial year ended 31 December 2023 in accordance with the B*y-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountant's *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Being satisfied with Baker Tilly Monteiro Heng PLT's performance, technical competency and audit independence, the Audit Committee recommended the re-appointment of Baker Tilly Monteiro Heng PLT as external auditors for financial year ending 31 December 2024, which was concurred by the Board for it to be proposed for shareholders' approval at the forthcoming Annual General Meeting.

ADDITIONAL COMPLIANCE INFORMATION

In conformity with Bursa Securities Listing Requirements, the following information is provided:

1. Utilisation of Proceeds

The Company did not implement any fund raising proposal, whether involving the issue of securities or otherwise during the financial year.

2. Share Buy-Back

The Company did not undertake Share Buy-Back for the financial year ended 31 December 2023.

As at 31 December 2023, 14,814,100 shares were held as treasury shares. There was no resale nor cancellation or distribution of treasury shares during the financial year.

3. Exercise of Options, Warrants or Convertible Securities

There was no exercise of options, warrants or convertible securities during the financial year.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR Programme during the financial year.

STATEMENT OF OVERVIEW ON CORPORATE GOVERNANCE (CONT'D)

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. Imposition of Sanctions/Penalties

There were no sanctions/penalties imposed on the Company and/or its subsidiary companies, directors or management arising from any significant breach of rules/guidelines/legislations by the relevant regulatory authorities.

6. Non-Audit Fees

Non-audit fees amounting to RM17,400 were paid/payable to the external auditors for the financial year ended 31 December 2023.

7. Profit Estimate, Forecast or Projection

The Company did not announce any profit estimate, forecast or projection during the financial year.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts

There were no material contracts entered into by the Company and its related parties which involved directors' and major shareholders' interests during the financial year.

10. Recurrent Related Party Transactions

The recurrent related party transactions during the financial year ended 31 December 2023 are as follows:

Related party	Contracting party	Nature of transaction	Transacted value for financial year ended 31 December 2023 RM
Farima Sdn. Bhd (company connected to Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah)	Crestland Development Sdn. Bhd.	Rental expense	24,000

11. Revaluation Policy

The revaluation policy on landed properties of the Company and its subsidiary companies is disclosed in Note 3.6 to the Financial Statements.

12. Variation in Results

There was no significant variation in results (differ by 10% or more) from any profit estimation/forecast/projection/unaudited result announced.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD'S RESPONSIBILITIES

Pursuant to the requirements under the Malaysian Code on Corporate Governance for companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") acknowledges their responsibilities under the Bursa Securities Listing Requirements to:

- identify principal business risks and ensure implementation of appropriate control measures to manage the risks; and
- review the adequacy and integrity of the internal control system, management information system and system for compliance with applicable laws, regulations, rules, directives and guidelines.

It should be noted that a risk management and internal control system is designed to manage risks rather than eliminate them, and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The Board confirms that there is an ongoing risk management process established to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of Crest Builder Group of Companies ("the Group") business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and that measures are taken to mitigate any weaknesses in the control environment.

RISK MANAGEMENT FRAMEWORK

The enterprise risk management framework of the Group was set up in 2003 with the assistance of a professional firm of consultants. The formalisation of the enterprise risk management framework involved developing the risk profile where principal business risks, which could affect the achievement of the strategic business objective of the Group, are systematically identified, evaluated and mitigated.

A risk management committee was established in 2006. The committee is dedicated to meet its obligations and fiduciary responsibilities to stakeholders of the Group. It is actively reviewing the framework to enhance the identification, evaluation and communication of the overall risk process to ensure critical risks (present and potential) are managed systematically and communicated to the Board on a timely basis. The committee also would ensure the framework is relevant and adaptive to changes in the business environment from time to time.

INTERNAL CONTROL

The Board through the Audit Committee and Management Committee reviews and monitors, as an ongoing process, the adequacy and integrity of the internal control system.

Audit Committee

The Audit Committee received reports from the internal auditors at least twice a year. The Group has an outsourcing arrangement with an independent professional firm in relation to its internal audit function. The internal audit function adopts a risk-based approach which focuses on the principal risks affecting the key business processes of the Group. Periodic scheduled internal audit visits have been carried out in accordance with the approved internal audit plan.

The internal audit function is responsible for undertaking regular and systematic review of the internal controls to provide the Audit Committee and the Board with sufficient assurance that the system of internal control is effective in addressing the risks identified. On a half yearly basis, internal auditors submit audit reports and plan status for review and approval by the Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by the management.

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

INTERNAL CONTROL (CONT'D)

Audit Committee (Cont'd)

As required by paragraph 15.23 of Bursa Securities Listing Requirements, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with ISAE3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 (Revised November 2022) (previously RPG 5 (Revised 2015)) ("AAPG 3"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control*.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: *Guidance for Directors of Listed Issuers* to be set out, nor is factually inaccurate. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditors also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Management Committee

The Management Committee oversees the day-to-day operations and conduct of the Group's businesses. Scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues. These include scheduled management meetings at Group and individual subsidiary company levels, project managers meetings and site meetings. Minutes of these meetings and management reports are escalated to the relevant Executive Directors on a timely basis. The meetings are held as part of an ongoing process to review and assess the adequacy and effectiveness of the Group's risk management and internal control system and to ensure that any shortcomings identified are addressed on a timely basis.

Other Features of the Group's Internal Control System

Other features of the Group's internal control system include the following:

- Quality Policy and Quality Objectives which clearly outlined the Group's direction
- Clear organisation structure with delineated reporting lines
- Systematic performance appraisal for all employees of the Group
- Continuous training provided to maintain high competency and capabilities levels
- Clearly defined objectives and term of reference of the various committees are established by the Board
- Frequent visits to the job sites by Executive Directors and senior management
- Processes and procedures in accordance with the requirements of MS ISO 9001:2015 certification are implemented
- Employee Handbook is available for reference
- Anti-Bribery and Anti-Corruption Policy
- Project Budget and controls

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

REVIEW

The Board has received assurance from Managing Director and Head of Finance that the Group's risk management and internal control system are operating adequately and effectively.

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the risk management, and the review and monitoring of the internal control system gives reasonable assurance that the internal controls in place are adequate. Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken.

The Board recognises that the Group operates in a dynamic business environment and that the Group's internal control system must be responsive to changes in the business environment and continuously evolves to support its business objectives. The review of all control procedures was continuously carried out throughout the period under review and up to the date of approval of this Statement for inclusion in the annual report to ensure an effective and efficient system of internal control. The Board remains committed towards continuous improvements and enhancements of its system of internal control and will, when necessary, put in place action plans to ensure that there is increased certainty of the achievement of business objectives, thus enhancing shareholders' value.

This Statement is made in accordance with a resolution of the Board dated 3 April 2024.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The directors of Crest Builder Holdings Berhad acknowledge their responsibilities to prepare the financial statements 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 financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In the preparation of the financial statements, the directors have:

- ensured that applicable approved accounting standards have been complied with;
- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent where needed;
- assessed the Group's and the Company's ability to continue as going concern, and confirmed that the financial statements are prepared using the going concern basis of accounting; and
- ensured that the necessary internal controls are in place so that the financial statements are prepared free from material misstatement.

This Statement is made in accordance with a resolution of the Board dated 3 April 2024.

CONTENTS

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. The principal activities of its subsidiaries include property investment and property development, mechanical and electrical engineering services, investment holding, construction and concession holder.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(38,976,654)	(27,105,024)
Attributable to:		
Owners of the Company	(38,944,170)	(27,105,024)
Non-controlling interests	(32,484)	–
	(38,976,654)	(27,105,024)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2023.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except for those disclosed in the financial statements; and

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

DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and of the Company during the financial year were RM352,500 and RM69,200 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2023, the Company held 14,814,100 treasury shares out of its 176,921,657 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM13,660,787. Further details are disclosed in Note 21 to the financial statements.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah *	
Koh Hua Lan *	
Yong Shang Ming *	
Lim Boon Teng	
Yong Tiok Keng (Alternate director to Koh Hua Lan) *	
Mahathir Bin Mahzan	(Appointed on 25 May 2023)
Tong Hock Sen	(Appointed on 25 May 2023)
Mohd Khasan Bin Ahmad	(Resigned on 25 May 2023)
Kam Yong Kan	(Resigned on 25 May 2023)

* *Directors of the Company and of certain subsidiary companies*

Other than as stated above, the names of the directors of the subsidiary companies of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Firdaus Bin Tajuddin
Khoo Kheng Kiat
Sri Rahayu Binti Tajuddin
Teh Hock Hua
Yong Tiok Nee

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in the ordinary shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1.1.2023	**Bought**	**Sold**	**At 31.12.2023**
Indirect interests:				
Koh Hua Lan #	70,081,200	–	–	70,081,200
Yong Shang Ming #	70,081,200	–	–	70,081,200
Yong Tiok Keng # ^	70,081,200	–	–	70,081,200

\# *Shares held through SC Yong Holdings Sdn. Bhd. in which the director has substantial financial interests*
^ *Alternate director to Koh Hua Lan*

By virtue of her interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Koh Hua Lan is deemed to have an interest in the ordinary shares of the subsidiary companies to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares or debentures of the Company and 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 any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the 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, other than any deemed benefits which may arise from transactions as disclosed in Note 33(b) to the financial statements.

The directors' benefits of the Group and of the Company were as follows:

	Group 2023 RM	**Company 2023 RM**
Executive Directors (including Alternate Director) of the Company		
- Salaries and other emoluments (included estimated benefits-in-kind)	1,696,807	–
Non-Executive Directors of the Company		
- Fees	198,000	198,000
Total directors' remuneration	1,894,807	198,000

During the financial year, included in the directors' benefits of the Group are benefits-in-kind amounting to RM22,700.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM19,000 respectively.

SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are as follows:

Name of companies	Effective ownership interest and voting interest 2023 %	2022 %	Principal activities
Direct subsidiary companies			
3 Two Square Sdn. Bhd.	100	100	Property investment and property development
CB Land Sdn. Bhd.	100	100	Property investment and property development
CBTech (M) Sdn. Bhd.	100	100	Mechanical and electrical engineering services
Crest Builder International Sdn. Bhd.	100	100	Investment holding
Crest Builder Sdn. Bhd.	100	100	Construction
CB Infrastructure Sdn. Bhd.	100	100	Construction
Damansara One Sdn. Bhd.	100	100	Property investment and property development
Nepfield Sdn. Bhd.	100	100	Property investment and property development
Vertical Success Sdn. Bhd.	100	100	Property investment and property development
Jalur Elit Sdn. Bhd.	100	100	Property investment and property development
Held through Crest Builder Sdn. Bhd.			
Crestland Development Sdn. Bhd.	100	100	Property investment and property development
Landasan Bayu Sdn. Bhd.	51	51	Property investment and property development
Held through Crest Builder International Sdn. Bhd.			
Unitapah Sdn. Bhd. (Note 7(a))	100	51	Concession holder
Intan Sekitar Sdn. Bhd.	100	100	Property investment and property development
K L Waterfront Development Sdn. Bhd.	51	51	Property investment and property development

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH
Director

YONG SHANG MING
Director

Petaling Jaya

Date: 3 April 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	34,213,870	32,285,911
Investment properties	6	296,127,612	275,327,612
Golf club membership	8	54,000	54,000
Inventories	9	–	18,301,691
Goodwill	10	23,659,780	23,659,780
Operating financial asset	11	243,310,301	257,300,285
Deferred tax assets	12	48,970,256	41,164,732
Total non-current assets		646,335,819	648,094,011
Current assets			
Inventories	9	301,660,323	302,282,161
Operating financial asset	11	13,989,987	12,433,825
Trade and other receivables	13	172,024,284	198,998,067
Contract costs	15	3,773,911	–
Contract assets	16	64,108,298	39,758,012
Current tax assets		1,049,951	1,518,032
Short-term investments	17	3,975,577	3,888,658
Fixed deposits placed with licensed banks	18	48,420,554	52,439,795
Cash and bank balances	19	22,730,956	17,884,102
Total current assets		631,733,841	629,202,652
TOTAL ASSETS		1,278,069,660	1,277,296,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	2023 RM	2022 RM
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	20	181,190,804	181,190,804
Treasury shares	21	(13,660,787)	(13,660,787)
Retained earnings		120,196,325	178,713,181
		287,726,342	346,243,198
Non-controlling interests		(81,407)	24,478,391
TOTAL EQUITY		287,644,935	370,721,589
Non-current liabilities			
Loans and borrowings	22	336,076,208	317,237,808
Deferred tax liabilities	12	38,208,076	35,092,847
Tax liabilities		1,560,364	2,040,363
Trade and other payables	23	21,829,911	22,023,719
Total non-current liabilities		397,674,559	376,394,737
Current liabilities			
Loans and borrowings	22	234,585,882	239,789,046
Current tax liabilities		751,363	560,991
Trade and other payables	23	333,047,388	274,454,768
Contract liabilities	16	24,365,533	15,375,532
Total current liabilities		592,750,166	530,180,337
TOTAL LIABILITIES		990,424,725	906,575,074
TOTAL EQUITY AND LIABILITIES		1,278,069,660	1,277,296,663

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Revenue from contracts with customers and other revenue		457,031,954	313,398,397
Finance income from concession contract		31,303,098	32,686,163
Revenue	24	488,335,052	346,084,560
Cost of sales	25	(447,621,153)	(306,426,129)
Gross profit		40,713,899	39,658,431
Other income		10,853,204	1,058,679
Administrative expenses		(26,515,483)	(20,406,824)
Sales and marketing expenses		(1,505,469)	(185,092)
Net impairment losses on receivables		(911,167)	(610,218)
Inventories written down		(18,301,691)	–
Contract asset written off		(12,722,746)	–
Other expense		–	(1,000,000)
Operating (loss)/profit		(8,389,453)	18,514,976
Finance income	26	1,535,776	1,064,673
Finance costs	27	(34,284,378)	(32,474,907)
Loss before tax	28	(41,138,055)	(12,895,258)
Income tax credit	29	2,161,401	589,761
Loss for the financial year		(38,976,654)	(12,305,497)
Other comprehensive income, net of tax		–	–
Total comprehensive loss for the financial year		(38,976,654)	(12,305,497)
(Loss)/Profit attributable to:			
Owners of the Company		(38,944,170)	(14,951,889)
Non-controlling interests		(32,484)	2,646,392
		(38,976,654)	(12,305,497)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(38,944,170)	(14,951,889)
Non-controlling interests		(32,484)	2,646,392
		(38,976,654)	(12,305,497)
Loss per share (sen):	30		
- basic		(24.02)	(9.22)
- diluted		(24.02)	(9.22)

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

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

		← Attributable to owners of the Company →					
	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM	Total equity RM
At 1 January 2022		181,190,804	(13,660,787)	193,665,070	361,195,087	21,831,999	383,027,086
Total comprehensive (loss)/ income for the financial year		–	–	(14,951,889)	(14,951,889)	2,646,392	(12,305,497)
At 31 December 2022		181,190,804	(13,660,787)	178,713,181	346,243,198	24,478,391	370,721,589
Transaction with owners							
Changes in ownership interests in a subsidiary company	7(a)	–	–	(19,572,686)	(19,572,686)	(24,527,314)	(44,100,000)
Total transaction with owners		–	–	(19,572,686)	(19,572,686)	(24,527,314)	(44,100,000)
Total comprehensive loss for the financial year		–	–	(38,944,170)	(38,944,170)	(32,484)	(38,976,654)
At 31 December 2023		181,190,804	(13,660,787)	120,196,325	287,726,342	(81,407)	287,644,935

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Loss before tax		(41,138,055)	(12,895,258)
Adjustments for:			
Amortisation of discount on Sukuk Murabahah	27	2,228,215	2,428,253
Bad debts written off		–	495,532
Contract assets written off		12,722,746	–
Depreciation of property, plant and equipment	5	8,811,188	6,803,313
Fair value (gain)/loss on investment properties	6	(4,086,509)	1,000,000
Finance income from concession contract	24	(31,303,098)	(32,686,163)
Gain on disposal of property, plant and equipment		(53,000)	–
Inventories written down		18,301,691	–
Impairment losses on:			
- other receivables		2,148,528	2,023,192
Income from short-term investments		(86,919)	(157,083)
Interest expense		32,056,163	30,046,654
Interest income from banks		(1,591,923)	(1,085,926)
Reversal of impairment losses on trade receivables		(1,237,363)	(1,412,974)
Operating loss before changes in working capital		(3,228,336)	(5,440,460)
Changes in working capital:			
Operating financial asset		43,736,920	43,736,918
Inventories		(16,091,653)	58,837,643
Trade and other receivables		(21,811,293)	(28,971,744)
Contract assets		(37,073,032)	(3,891,811)
Trade and other payables		58,398,812	(57,775,819)
Contract liabilities		8,990,001	158,566
Net cash generated from operations		32,921,419	6,653,293
Income tax paid		(2,818,521)	(1,705,342)
Income tax refunded		468,081	304,800
Interest received	24	96,219	49,040
Net cash from operating activities		30,667,198	5,301,791

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	2023 RM	2022 RM
Cash flows from investing activities			
Interest received	26	1,495,704	1,036,886
Proceeds from disposal of property, plant and equipment		53,000	–
Proceeds from disposal of short-term investments		–	7,000,000
Purchase of property, plant and equipment	(a)	(5,952,059)	(5,748,384)
Change in pledged deposits		(57,763)	11,626
Net cash (used in)/from investing activities		(4,461,118)	2,300,128
Cash flows from financing activities	(b)		
Interest paid		(32,056,163)	(30,046,654)
Net drawdown of bankers' acceptances		6,555,226	20,191,080
Net drawdown of revolving credits		16,489,205	16,811,687
Payment of hire purchases		(3,866,477)	(3,258,163)
Repayment of Sukuk Murabahah		(25,000,000)	(25,000,000)
Drawdown of term loan		34,618,941	–
Net cash used in financing activities		(3,259,268)	(21,302,050)
Net increase/(decrease) in cash and cash equivalents		22,946,812	(13,700,131)
Cash and cash equivalents at the beginning of the financial year		21,266,884	34,967,015
Cash and cash equivalents at the end of the financial year		44,213,696	21,266,884
Analysis of cash and cash equivalents			
Fixed deposits placed with licensed banks	18	48,420,554	52,439,795
Cash and bank balances	19	22,730,956	17,884,102
		71,151,510	70,323,897
Less:			
Bank overdrafts	22	(22,081,579)	(44,258,541)
Fixed deposits pledged with licensed banks	18	(4,856,133)	(4,798,370)
Bank balances maintained in an escrow account	19	(102)	(102)
		44,213,696	21,266,884

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(a) Purchase of property, plant and equipment:

	Group 2023 RM	Group 2022 RM
Purchase of property, plant and equipment	10,739,147	5,850,319
Financed by way of hire purchase arrangements	(4,787,088)	(101,935)
Cash payments on purchase of property, plant and equipment	5,952,059	5,748,384

(b) Reconciliation of liabilities arising from financing activities:

	As at 1.1.2023 RM	Cash flows RM	Non-cash Acquisition RM	Non-cash Amortisation of discount RM	As at 31.12.2023 RM
Term loan	38,500,000	34,618,941	–	–	73,118,941
Hire purchases	7,174,669	(3,866,477)	4,787,088	–	8,095,280
Sukuk Murabahah	311,521,791	(25,000,000)	–	2,228,215	288,750,006
Bankers' acceptances	56,123,000	6,555,226	–	–	62,678,226
Revolving credits	99,448,853	16,489,205	–	–	115,938,058
	512,768,313	28,796,895	4,787,088	2,228,215	548,580,511

	As at 1.1.2022 RM	Cash flows RM	Non-cash Acquisition RM	Non-cash Amortisation of discount RM	As at 31.12.2022 RM
Term loan	38,500,000	–	–	–	38,500,000
Hire purchases	10,330,897	(3,258,163)	101,935	–	7,174,669
Sukuk Murabahah	334,093,538	(25,000,000)	–	2,428,253	311,521,791
Bankers' acceptances	35,931,920	20,191,080	–	–	56,123,000
Revolving credits	82,637,166	16,811,687	–	–	99,448,853
	501,493,521	8,744,604	101,935	2,428,253	512,768,313

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM1,433,505 (2022: RM1,436,355).

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Plant and equipment	5	–	–
Investment in subsidiary companies	7	110,365,268	110,365,268
Amounts due from subsidiary companies	14	145,231,070	168,061,484
Total non-current assets		255,596,338	278,426,752
Current assets			
Amounts due from subsidiary companies	14	12,373,254	7,531,140
Prepayment		17,868	8,474
Short-term investments	17	1,457,936	1,411,089
Fixed deposits placed with licensed banks	18	3,226,134	3,168,370
Cash and bank balances	19	2,708	2,819
Total current assets		17,077,900	12,121,892
TOTAL ASSETS		272,674,238	290,548,644
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	20	181,190,804	181,190,804
Treasury shares	21	(13,660,787)	(13,660,787)
(Accumulated loss)/Retained earnings		(4,289,501)	22,815,523
TOTAL EQUITY		163,240,516	190,345,540
Current liabilities			
Loans and borrowings	22	44,247,079	40,637,093
Current tax liabilities		382,244	104,597
Other payables and accruals	23	178,969	206,799
Amounts due to subsidiary companies	14	64,625,430	59,254,615
Total current liabilities		109,433,722	100,203,104
TOTAL LIABILITIES		109,433,722	100,203,104
TOTAL EQUITY AND LIABILITIES		272,674,238	290,548,644

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Interest income		8,906,350	7,501,424
Other revenue		46,847	129,296
Revenue	24	8,953,197	7,630,720
Cost of sales		–	–
Gross profit		8,953,197	7,630,720
Other income		13,065	449
Administrative expenses		(770,620)	(908,234)
Impairment loss on receivables		(30,572,358)	(1,784,116)
Other expenses		(1,668,647)	(2,976,849)
Operating (loss)/profit		(24,045,363)	1,961,970
Finance costs	27	(1,250,665)	(2,572,889)
Loss before tax	28	(25,296,028)	(610,919)
Income tax expense	29	(1,808,996)	(1,142,007)
Loss for the financial year		(27,105,024)	(1,752,926)
Other comprehensive income, net of tax		–	–
Total comprehensive loss for the financial year		(27,105,024)	(1,752,926)

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

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

	Share capital RM	Treasury shares RM	Retained earnings/ (Accumulated loss) RM	Total equity RM
At 1 January 2022	181,190,804	(13,660,787)	24,568,449	192,098,466
Total comprehensive loss for the financial year	–	–	(1,752,926)	(1,752,926)
At 31 December 2022	181,190,804	(13,660,787)	22,815,523	190,345,540
Total comprehensive loss for the financial year	–	–	(27,105,024)	(27,105,024)
At 31 December 2023	181,190,804	(13,660,787)	(4,289,501)	163,240,516

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Loss before tax		(25,296,028)	(610,919)
Adjustments for:			
Effect of revision of estimated receipts of amounts due from subsidiary companies measured at amortised cost		1,668,647	2,976,849
Impairment loss on amount due from subsidiaries		30,572,358	1,784,116
Income from short-term investments		(46,847)	(129,296)
Interest expense		1,250,665	2,572,889
Interest income from banks		(96,219)	(49,040)
Interest income from subsidiary companies		(8,810,131)	(7,452,384)
Operating loss before changes in working capital		(757,555)	(907,785)
Changes in working capital:			
Deposit and prepayment		(9,394)	5,619
Other payables and accruals		(27,830)	34,766
Net cash used in operations		(794,779)	(867,400)
Income tax paid		(1,531,349)	(1,314,069)
Interest received		8,906,350	7,501,424
Net cash from operating activities		6,580,222	5,319,955
Cash flows from investing activities			
Proceeds from disposal of short-term investments		–	7,000,000
Advances to subsidiary companies		(14,252,705)	(12,658,807)
Placement of fixed deposits pledged		(57,764)	(19,886)
Net cash used in investing activities		(14,310,469)	(5,678,693)

STATEMENT OF CASH FLOWS (CONT'D)

	Note	2023 RM	2022 RM
Cash flows from financing activities	(a)		
Interest paid		(1,250,665)	(2,572,889)
Net drawdown of revolving credits		3,187,403	16,726,393
Repayments to subsidiary companies		5,370,815	(16,555,202)
Net cash from/(used in) financing activities		7,307,553	(2,401,698)
Net decrease in cash and cash equivalents		(422,694)	(2,760,436)
Cash and cash equivalents at the beginning of the financial year		(3,692,386)	(931,950)
Cash and cash equivalents at the end of the financial year		(4,115,080)	(3,692,386)
Analysis of cash and cash equivalents			
Fixed deposits placed with licensed banks	18	3,226,134	3,168,370
Cash and bank balances	19	2,708	2,819
Less:			
		3,228,842	3,171,189
Bank overdrafts	22	(4,117,788)	(3,695,205)
Fixed deposits pledged with licensed banks	18	(3,226,134)	(3,168,370)
		(4,115,080)	(3,692,386)

(a) Reconciliation of liabilities arising from financing activities

Changes in liabilities arising from financing activities are changes arising from cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The registered office of the Company is located at 62-2, Jalan 2A/27A, Section 1, Wangsa Maju, 53300 Kuala Lumpur.

The principal place of business of the Company is located at Penthouse, The Crest, 3 Two Square, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.

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

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17	Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 Amendments to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

Amendments to MFRSs		**Effective for financial periods beginning on or after**
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

(b) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 16 Lease

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 Amendments to MFRSs that have been issued, but yet to be effective (Cont'd)

(c) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiary companies and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiary companies is measured at cost less any accumulated impairment losses.

Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiary companies.

3.3 Financial instruments

Financial assets - subsequent measurements and gains and loss

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial assets - subsequent measurements and gains and loss (Cont'd)

Debt Instrument at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and loss

The Group and the Company classify the financial liabilities are classified at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is stated at cost less any accumulated impairment losses, if any.

(b) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Building-in-progress is stated at cost unless in the opinion of the directors, there is a permanent diminution in value. Depreciation on building-in-progress commences when the asset is ready for its intended use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal annual rates used for this purpose are:

Buildings	2 – 33%
Equipment, furniture and fittings	10 – 33%
Tools and equipment	12 – 20%
Motor vehicles	20%
Plant and machineries	20%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases

(a) Lessee accounting

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are subsequently measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise. Valuations of the investment properties are performed by an independent accredited valuer annually at each reporting period.

3.7 Service concession arrangements

The Group constructs or upgrade infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in public-to-private service concession arrangement for its entire concession period. Under the concession arrangement, the grantor controls the significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangements under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative stand-alone selling price of the various services delivered, when the amounts are separately identified. The Group estimates the relative stand-alone selling price of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at the amount of consideration to which the Group expects to be entitled. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Completed properties

Cost of unsold completed properties comprises costs associated with the acquisition of land, direct development costs and appropriate proportions of common costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Inventories (Cont'd)

Land held for development

Cost of land held for development includes cost of land and attributable development expenditures.

Land held for development will be reclassified to property under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property under development

Cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of property.

3.9 Revenue and other income

(a) Construction contracts

The Group constructs commercial, residential and industrial properties under long term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial, residential and industrial properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial, residential and industrial properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or when billing becomes due over time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Defect liability period is usually 24 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing component as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(b) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer containing more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost-plus margin approach.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(b) Property development (Cont'd)

For practical expediency, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from sale of completed properties is recognised at a point in time when the control of the properties has been transferred to the customers.

The consideration is due based on the scheduled payments in the contract; therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees.

For residential properties, as part of the statutory requirements, the Group's obligations are to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building. No provision for rectification costs has been made as at the end of the financial year as there has been no known material defect reported and only minimal costs have been incurred in the past.

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing component as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(c) Maintenance income

Revenue is recognised over time using time elapsed (output method) to measure progress towards complete satisfaction of the maintenance service because the customer simultaneously receives and consumes the benefits provided by the Group.

Sales are made with a credit term of 30 days.

(d) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(e) Finance income from concession contract

Finance income from concession contract is recognised as it accrues using the effective interest method in profit or loss. The notional interest income resulting from the accretion of its financial asset using effective interest method is recognised in the profit or loss.

(f) Interest income

Interest income is recognised using the effective interest method.

(g) Income from short-term investments

Income from short-term investments is recognised when the right to receive payment is established.

3.10 Contract costs

The Group has applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

In other cases, the Group amortises the contract cost over the period of fulfilling the performance obligations under the contracts with customers.

3.11 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the financial year. It also requires the directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Fair value of investment properties (Note 6)

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in estimating the fair value which may be derived based on different valuation methods determined to be appropriate and the use of key assumptions. In making the judgement, the Group engaged an independent accredited valuer to determine the fair value as at end of the reporting period.

The valuation methods adopted by the valuer include comparison method, being comparison of transacted prices in an active market for similar properties in close proximity and where necessary, adjusting for location, accessibility, time, size, tenure, market uncertainty and other differences. Judgement is made in determining the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the investment properties.

4.2 Impairment of investment in subsidiary companies (Note 7)

The Company assesses its investment in subsidiary companies at the end of the reporting period for any objective evidence that the investment may be impaired. For the purpose of assessing impairment, the Company determines its share of the present value of the estimated future cash flows expected to be generated by the subsidiary companies. In estimating the present value of the estimated cash flows, the Company applies a suitable discount rate and make assumptions underlying the cash flow projections which include future revenue, gross profit margin and operating expenses.

4.3 Impairment of goodwill (Note 10)

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rate to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including future revenue, gross profit margin and operating expenses. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

4.4 Impairment of receivables and contract assets (Notes 13 and 16)

The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the expected credit losses ("ECL") calculation, based on the Group's past history, existing market conditions, forward-looking estimates at the end of each reporting period, as well as legal opinion.

The assessment of the correlation between historical observed default rates, forward-looking estimates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the receivables and contract assets. The Group's assessment of the indicators, historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4.5 Construction revenue (Note 24)

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as potential exposure to liquidated and ascertained damages. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Tools and equipment RM	Motor vehicles RM	Plant and machineries RM	Building–in–progress RM	Total RM
2023								
Cost								
At 1 January	3,044,094	21,794,550	16,994,489	4,914,477	3,280,497	23,444,673	958,250	74,431,030
Additions	–	–	2,532,947	–	5,579	4,915,688	3,284,933	10,739,147
Disposal	–	–	(17,750)	–	–	(503,000)	–	(520,750)
Write off	–	–	(86,450)	–	–	(2,844,750)	–	(2,931,200)
Reclassification	–	4,077,935	–	–	–	–	(4,077,935)	–
At 31 December	3,044,094	25,872,485	19,423,236	4,914,477	3,286,076	25,012,611	165,248	81,718,227
Accumulated depreciation								
At 1 January	–	6,000,603	10,824,051	1,924,500	3,145,159	20,250,806	–	42,145,119
Depreciation for the financial year	–	1,534,030	5,178,744	39,874	64,718	1,993,822	–	8,811,188
Disposal	–	–	(17,750)	–	–	(503,000)	–	(520,750)
Write off	–	–	(86,450)	–	–	(2,844,750)	–	(2,931,200)
At 31 December	–	7,534,633	15,898,595	1,964,374	3,209,877	18,896,878	–	47,504,357
Carrying amount								
At 31 December 2023	3,044,094	18,337,852	3,524,641	2,950,103	76,199	6,115,733	165,248	34,213,870

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Group	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Tools and equipment RM	Motor vehicles RM	Plant and machineries RM	Building–in–progress RM	Total RM
2022								
Cost								
At 1 January	3,044,094	21,794,550	16,734,534	1,265,798	3,178,562	22,563,173	–	68,580,711
Additions	–	–	259,955	3,648,679	101,935	881,500	958,250	5,850,319
At 31 December	3,044,094	21,794,550	16,994,489	4,914,477	3,280,497	23,444,673	958,250	74,431,030
Accumulated depreciation								
At 1 January	–	5,645,235	7,559,483	1,099,949	2,788,708	18,248,431	–	35,341,806
Depreciation for the financial year	–	355,368	3,264,568	824,551	356,451	2,002,375	–	6,803,313
At 31 December	–	6,000,603	10,824,051	1,924,500	3,145,159	20,250,806	–	42,145,119
Carrying amount								
At 31 December 2022	3,044,094	15,793,947	6,170,438	2,989,977	135,338	3,193,867	958,250	32,285,911

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Company	Equipment, furniture and fittings RM
2023	
Cost	
At 1 January/31 December	14,465
Accumulated depreciation	
At 1 January/31 December	14,465
Carrying amount	
At 31 December 2023	–
2022	
Cost	
At 1 January/31 December	14,465
Accumulated depreciation	
At 1 January/31 December	14,465
Carrying amount	
At 31 December 2022	–

(a) Assets pledged as security

Included in buildings are office units with a total carrying amount of RM14,825,148 (2022: RM15,154,596) pledged for credit facilities granted to the Group and the Company as disclosed in Note 22(d) to the financial statements.

Equipment, furniture and fitting, plant and machineries and motor vehicles of the Group with carrying amount of RM2,427,982 (2022: RM5,391,381), RM2,582,018 (2022: RM1,453,286) and RM69,656 (2022: RM90,043) respectively, have been pledged as security for hire purchase arrangements, as disclosed in Note 22(c) to the financial statements.

6. INVESTMENT PROPERTIES

	Group	
	2023 RM	2022 RM
At fair value:		
At 1 January	275,327,612	276,327,612
Net gain/(loss) arising from fair value changes	4,086,509	(1,000,000)
Transfer from inventories	16,713,491	–
At 31 December	296,127,612	275,327,612

6. INVESTMENT PROPERTIES (CONT'D)

(a) Included in the investment properties are:

	Group 2023 RM	Group 2022 RM
At fair value:		
Buildings on freehold land	196,600,000	175,800,000
Buildings on leasehold land	99,527,612	99,527,612
At 31 December	296,127,612	275,327,612

(b) The following are recognised in profit or loss in respect of income generating investment properties:

	Group 2023 RM	Group 2022 RM
Rental income	10,348,416	8,155,779
Direct operating expenses:		
- income generating investment	(6,254,142)	(5,719,930)

(c) Investment properties of the Group with a total fair value of RM270,905,612 (2022: RM254,105,612) are pledged for credit facilities granted to the Group as disclosed in Note 22(d) to the financial statements.

(d) The investment properties, which comprise commercial properties including office, retails, shoplots and car parks, are stated at fair value. Valuations were performed by an independent accredited valuer as at 31 December 2023 and 31 December 2022. The fair value of the investment properties was determined using the comparison method.

(e) Fair value of investment properties is categorised as follows:

Group	**Level 3 RM**
2023	
Office, retails, shoplots and car parks	296,127,612
2022	
Office, retails, shoplots and car parks	275,327,612

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES (CONT'D)

(e) Fair value of investment properties is categorised as follows: (Cont'd)

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Group 2023 RM	2022 RM
At 1 January	275,327,612	276,327,612
Transfer from inventories	16,713,491	–
Gain/(Loss) recognised in profit or loss (Note 28)	4,086,509	(1,000,000)
At 31 December	296,127,612	275,327,612

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Property type	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Buildings	Comparison method	Price per square feet RM276-RM975 (2022: RM276-RM1,006)	The higher/lower the price per square feet, the higher/lower the fair value
Car parks	Comparison method	Price per bay RM23,000-RM33,307 (2022: RM23,000-RM33,600)	The higher/lower the price per bay, the higher/lower the fair value

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.

Transfer between levels

There were no transfers within the fair value measurement hierarchy during the financial years ended 31 December 2023 and 31 December 2022.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2023 RM	Company 2022 RM
At cost		
Unquoted shares	111,365,268	111,365,268
Less: Allowance for impairment loss	(1,000,000)	(1,000,000)
	110,365,268	110,365,268

The movement in allowance for impairment of investment in subsidiary companies is as follows:

	Company 2023 RM	Company 2022 RM
At 1 January/31 December	1,000,000	1,000,000

The recoverable amount was determined based on value-in-use applying pre-tax discount rate of 9% (2022: 12%).

The details of the subsidiary companies, all of which are incorporated in Malaysia are as follows:

Name of companies	Effective ownership interest and voting interest 2023 %	Effective ownership interest and voting interest 2022 %	Principal activities
Direct subsidiary companies			
3 Two Square Sdn. Bhd.	100	100	Property investment and property development
CB Land Sdn. Bhd.	100	100	Property investment and property development
CBTech (M) Sdn. Bhd.	100	100	Mechanical and electrical engineering services
Crest Builder International Sdn. Bhd.	100	100	Investment holding
Crest Builder Sdn. Bhd.	100	100	Construction
CB Infrastructure Sdn. Bhd.	100	100	Construction
Damansara One Sdn. Bhd.	100	100	Property investment and property development
Nepfield Sdn. Bhd.	100	100	Property investment and property development
Vertical Success Sdn. Bhd.	100	100	Property investment and property development
Jalur Elit Sdn. Bhd.	100	100	Property investment and property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The details of the subsidiary companies, all of which are incorporated in Malaysia are as follows: (Cont'd)

Name of companies	Effective ownership interest and voting interest 2023 %	2022 %	Principal activities
Held through Crest Builder Sdn. Bhd.			
Crestland Development Sdn. Bhd.	100	100	Property investment and property development
Landasan Bayu Sdn. Bhd.	51	51	Property investment and property development
Held through Crest Builder International Sdn. Bhd.			
Unitapah Sdn. Bhd. (Note 7(a))	100	51	Concession holder
Intan Sekitar Sdn. Bhd.	100	100	Property investment and property development
K L Waterfront Development Sdn. Bhd.	51	51	Property investment and property development

(a) Acquisition of additional interest in Unitapah Sdn. Bhd.

On 1 December 2023, Crest Builder International Sdn. Bhd. ("CBISB"), a wholly-owned subsidiary company of the Company purchased an additional 49% equity interest, (representing 490,000 ordinary shares), in Unitapah Sdn. Bhd. ("USB"), a subsidiary company of the Group. CBISB's effective ownership in USB increased from 51% to 100% as a result of the additional shares purchased.

This acquisition increased CBISB's effective ownership in USB from 51% to 100%.

	RM
Fair value of consideration transferred	44,100,000
Increase in share of net assets	(24,527,314)
Excess charged directly to equity	19,572,686

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Non-controlling interests in subsidiary companies

The financial information of the Group's subsidiary companies that have non-controlling interests ("NCI") are as follows:

	2023 Other immaterial subsidiary companies RM	Total RM
NCI percentage of ownership interest and voting interest	49%	
Carrying amount of NCI	(81,407)	(81,407)
Loss allocated to NCI	(32,484)	(32,484)

	2022		
	Unitapah Sdn. Bhd. RM	Other immaterial subsidiary companies RM	Total RM
NCI percentage of ownership interest and voting interest	49%	49%	
Carrying amount of NCI	24,284,765	193,626	24,478,391
Profit/(Loss) allocated to NCI	2,658,087	(11,695)	2,646,392

31 December 2023

As at 31 December 2023, none of the subsidiaries with non-controlling interests is material to the Group. Accordingly, the disclosure requirement of MFRS 12 *Disclosure of Interest in Other Entities* are not required.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Non-controlling interests in subsidiary companies (Cont'd)

The financial information of the Group's subsidiary companies that have non-controlling interest ("NCI") are as follows: (Cont'd)

31 December 2022

Summarised financial information before intra-group elimination:

	Unitapah Sdn. Bhd. RM
Summarised statement of financial position as at 31 December 2022	
Non-current assets	375,683,566
Current assets	78,483,985
Non-current liabilities	(359,782,217)
Current liabilities	(40,824,589)
Net assets	53,560,745
Summarised statement of comprehensive income for the financial year ended 31 December 2022	
Revenue	43,760,869
Profit for the financial year	5,424,667
Total comprehensive income	5,424,667
Summarised cash flows information for the financial year ended 31 December 2022	
Cash from operating activities	44,794,826
Cash from investing activities	761,880
Cash used in financing activities	(45,453,907)
Net increase in cash and cash equivalents	102,799
Dividends paid to NCI	–

8. GOLF CLUB MEMBERSHIP

	Group	
	2023 RM	2022 RM
At cost		
At 1 January/31 December	54,000	54,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVENTORIES

	Group 2023 RM	Group 2022 RM
Non-current:		
Land held for development		
- Development costs	–	18,301,691
	–	18,301,691
Current:		
Property under development		
- Freehold land	55,000,000	55,000,000
- Leasehold land	151,988,052	149,875,685
- Development costs	86,591,664	72,641,774
Completed properties	8,080,607	24,764,702
	301,660,323	302,282,161
	301,660,323	320,583,852

(a) The Group's cost of inventories recognised as an expense in cost of sales during the financial year amounted to RM43,302,424 (2022: RM1,638,876).

(b) The cost of inventories of the Group recognised as an expense during the financial year in respect of write-down of inventories to net realisable value was RM18,301,691.

(c) Freehold land is pledged as security to secure a term loan granted to the Group as disclosed in Note 22(a) to the financial statements.

(d) In the previous financial year, completed properties of RM13,159,864 are pledged to financial institutions for credit facilities as disclosed in Note 22(d) to the financial statements.

(e) Included in inventories are borrowing costs capitalised during the financial year amounting to RM824,511 (2022: RM2,149,068).

(f) In the previous financial year, the Group entered into a supplementary agreement that resulted in a revision of the development rights with respect to a leasehold land and the related total estimated payment owing to the landowner as disclosed in Note 23(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. GOODWILL

(a) Allocation of goodwill to cash-generating units ("CGUs")

Goodwill arising from business combination is allocated to the following Group's CGUs, representing the lowest level within the Group at which the goodwill is monitored for internal management purpose.

The carrying amount of goodwill allocated to the CGU is as follows:

	Construction RM	Investment holding RM	Property development RM	Total RM
2023	23,613,409	32,988	13,383	23,659,780
2022	23,613,409	32,988	13,383	23,659,780

(b) Impairment test of goodwill

The goodwill allocated to investment holding and property development segments are not significant in comparison with the Group's total carrying amount of goodwill.

The recoverable amount of the Construction CGU has been determined based on value-in-use calculation using cash flow projections based on financial forecasts approved by the directors for the next five years (2022: next five years). Cash flows beyond 5-year period are extrapolated with no assumed growth rate.

The values assigned to key assumptions represent the Group's assessment of future trends of the industry and are based on both external and internal sources of information. The following describes each key assumption which the directors have used in the cash flows projections for the purposes of impairment testing of goodwill:

(i) Discount rate – based on the industry weighted average cost of capital of the CGU. The discount rate of 9% (2022: 12%) applied to the cash flow projections is pre-tax and reflects estimate of the risk specific to the CGU at the date of assessment.

(ii) Revenue – based on management's estimation taking into consideration secured contracts and anticipated future projects/contracts.

(iii) Gross margin – based on past experience, industry trend and projected gross margin.

As at 31 December 2023, with regard to the assessment of value-in-use of the CGU, the directors believe that there was no reasonably possible change in key assumptions that would cause the carrying amount of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. OPERATING FINANCIAL ASSET

	Group	
	2023 RM	2022 RM
Non-current	243,310,301	257,300,285
Current	13,989,987	12,433,825
	257,300,288	269,734,110

The Group entered into a concession agreement with the Government of Malaysia and Universiti Teknologi MARA ("UiTM") on 4 May 2010 to design, develop, construct the Facilities and Infrastructure and to perform the maintenance works for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works ("Maintenance Period"). Upon expiry of the concession period, the Group is required to handover the Facilities and Infrastructure at no cost to UiTM, except for fair wear and tear, in a well-maintained condition.

UiTM will pay the Group throughout the Maintenance Period concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreement. The Group and UiTM may make request in writing for the review of the maintenance charges at the interval of every five years after the maintenance commencement date, subject to the Government's approval.

The operating financial asset represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. It carries an imputed interest rate of 11.85% (2022: 11.85%) per annum and is repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreement.

12. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	At 1 January 2022 RM	Recognised in profit or loss RM	At 31 December 2022 RM	Recognised in profit or loss RM	At 31 December 2023 RM
Group					
Deferred tax assets					
Property development cost	9,418,905	1,531,057	10,949,962	134,977	11,084,939
Unabsorbed capital allowances	10,908,438	580,040	11,488,478	3,583,723	15,072,201
Unutilised tax losses	25,676,074	1,842,001	27,518,075	2,163,498	29,681,573
Deductible temporary difference in respect of expenses	–	2,280,364	2,280,364	540,200	2,820,564
Provisions	46,299	(13,293)	33,006	(33,006)	–
Deferred rental income	25,765	14,172	39,937	(268)	39,669
	46,075,481	6,234,341	52,309,822	6,389,124	58,698,946

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets/(liabilities) relates to the following: (Cont'd)

	At 1 January 2022 RM	Recognised in profit or loss RM	At 31 December 2022 RM	Recognised in profit or loss RM	At 31 December 2023 RM
Deferred tax liabilities					
Property, plant and equipment	(38,742)	(94,739)	(133,481)	(455,251)	(588,732)
Investment properties	(9,347,289)	172,356	(9,174,933)	240,725	(8,934,208)
Operating financial asset	(35,120,545)	(1,808,978)	(36,929,523)	(1,484,303)	(38,413,826)
	(44,506,576)	(1,731,361)	(46,237,937)	(1,698,829)	(47,936,766)
	1,568,905	4,502,980	6,071,885	4,690,295	10,762,180

	Group 2023 RM	Group 2022 RM
Presented as follows:		
Deferred tax assets	48,970,256	41,164,732
Deferred tax liabilities	(38,208,076)	(35,092,847)
	10,762,180	6,071,885

The deferred tax assets are recognised based on projected future taxable profits of the subsidiary companies from construction and property development projects to the extent that it is probable that the profit will be available against which the temporary differences can be utilised.

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiary companies in Malaysia are subject to requirements under the Income Tax Act 1967 and guidelines issued by the tax authority.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2023 RM	Group 2022 RM
Deductible temporary differences	21,202,923	22,485,126
Unutilised tax losses	12,222,266	10,410,170
	33,425,189	32,895,296

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Unrecognised deferred tax assets (Cont'd)

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e., from year of assessments 2019 to 2028).

The unutilised tax losses are available for offset against future taxable profits of subsidiary companies up to the following financial years:

	Group	
	2023 RM	2022 RM
2030	2,060,521	2,060,521
2031	4,648,300	4,648,300
2032	1,942,756	2,181,543
2033	1,519,806	1,519,806
2034	2,050,883	–
	12,222,266	10,410,170

13. TRADE AND OTHER RECEIVABLES

		Group	
	Note	2023 RM	2022 RM
Trade	(a)		
Trade receivables from contract with customers		95,029,126	91,669,017
Retention sums from contract with customers		60,973,845	59,411,359
		156,002,971	151,080,376
Less: Allowance for impairment losses		(21,368,444)	(22,605,807)
		134,634,527	128,474,569
Non-trade	(b)		
Other receivables		53,269,012	81,965,888
Less: Allowance for impairment losses		(22,754,210)	(20,658,544)
		30,514,802	61,307,344
Advances made to suppliers and sub-contractors		572,729	2,659,493
Deposits		4,715,215	5,224,708
Prepayments		1,587,011	1,331,953
		37,389,757	70,523,498
Total trade and other receivables		172,024,284	198,998,067

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 7 to 90 days (2022: 7 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Retention sum is receivable upon the expiry of defect liability period as provided in the contracts with customers, is expected to be collected as follows:

	2023 RM	2022 RM
- within one year	14,570,435	6,757,593
- later than one year	46,403,410	52,653,766
	60,973,845	59,411,359

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	22,605,807	24,018,781
Reversal of impairment losses (Note 28)	(1,237,363)	(1,412,974)
At 31 December	21,368,444	22,605,807

Included in the trade receivables and retention sums of the Group is an amount of RM18,361,303 (2022: RM14,749,849) due from a customer with a contract under dispute.

In the preceding financial years, the dispute was referred to an arbitration tribunal. The Group had asserted claims of RM14,749,849 and RM16,334,200 for trade receivables and contract assets, respectively, against the customer.

During the current financial year, the tribunal concluded its arbitration proceedings, dismissing the customer's claims and awarding a total claim of RM18,361,303 to the Group.

Consequently, the Group recognised a contract asset written off of RM12,722,746 against the contract asset of RM16,334,200, as disclosed in Note 16 to the financial statements, and reclassified RM3,611,454 from contract asset to receivables from the customer, resulting in a total receivable of RM18,361,303 due from the customer.

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Non-trade

Other receivables that are impaired

Included in other receivables of the Group is an amount of RM10,854,878 (2022: RM9,108,850) due from a sub-contractor which are under dispute. The dispute arose between a subsidiary company of the Group, Crest Builder Sdn. Bhd. ("CBSB") and the sub-contractor over the delays in completing the subcontract works and rectifying defects.

On 23 January 2024, CBSB had commenced arbitration proceedings against the sub-contractor through a Notice of Arbitration. CBSB is claiming against the sub-contractor the total sum of RM18,554,352 comprising of Liquidated Ascertained Damages and additional costs incurred by CBSB in completing the sub-contract works and rectifying the defects on behalf of the sub-contractor, along with interest and cost. The date of the arbitration proceedings has not yet been set.

The Group has been advised by its legal counsel that there is reasonable prospect of success for the outcome of the arbitration proceedings. Accordingly, no allowance for impairment has been made in these financial statements.

The movement in the allowance for impairment losses of other receivables is as follows:

	Group	
	2023	**2022**
	RM	**RM**
At 1 January	20,658,544	18,635,352
Charge for the impairment losses (Note 28)		
- individually assessed	2,148,528	2,023,192
Written off	(52,862)	–
At 31 December	22,754,210	20,658,544

In the previous financial year, included in other receivables of the Group is an amount of RM44,100,000 due from certain non-controlling shareholder of a subsidiary company which is non-trade in nature and interest free. This amount was fully applied as settlement for the purchase consideration of the additional 49% equity interest in the subsidiary company during the financial year.

Included in deposits is an amount of RM2,500,000 (2022: RM3,000,000) placed with Landowner for the development project prior to the fulfilment of condition precedents as stated in the Joint Land Development Agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

		Company	
	Note	2023 RM	2022 RM
Non-current:	(a)		
Amounts due from subsidiary companies		180,963,068	175,236,243
Less: Allowance for impairment losses		(35,731,998)	(7,174,759)
Total amounts due from subsidiary companies (non-current)		145,231,070	168,061,484
Current:	(b)		
Amounts due from subsidiary companies		15,419,374	8,562,141
Less: Allowance for impairment losses		(3,046,120)	(1,031,001)
Total amounts due from subsidiary companies (current)		12,373,254	7,531,140
Total amounts due from subsidiary companies (non-current and current)		157,604,324	175,592,624
Current:			
Amounts due to subsidiary companies		(64,625,430)	(59,254,615)

(a) Non-current:

The non-current amounts due from subsidiary companies is not expected to be settled within the next twelve months and includes an amount of RM107,164,268 (2022: RM103,867,716) measured at amortised cost at imputed rate of 8.39% (2022: 8.14%) per annum.

(b) Current:

The amounts due to subsidiary companies are non-trade in nature, unsecured, interest free, repayable on demand and is expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

The movement in the allowance for impairment loss of amounts due from subsidiary companies are as follows:

	Company	
	2023 RM	**2022 RM**
Non-current:		
At 1 January	7,174,759	2,779,645
Charge for the financial year	28,557,239	4,395,114
At 31 December	35,731,998	7,174,759
Current:		
At 1 January	1,031,001	3,641,999
Charge for the financial year	2,015,119	–
Reversal of impairment loss	–	(2,610,998)
At 31 December	3,046,120	1,031,001

15. CONTRACT COSTS

Contract costs consist of commissions and fees paid to intermediaries to secure contracts with customers.

Contract costs are deferred and amortised in line with the pattern of transfer of goods or services under the contracts with customers.

During the financial year, amortisation of contract costs amounting to RM696,562 (2022: Nil) was recognised as part of selling and marketing expenses. No impairment loss on contract costs was recognised during the financial year.

16. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM	**2022 RM**
Contract assets relating to construction service contracts	47,292,165	39,758,012
Contract assets relating to property development contracts	16,816,133	–
Total contract assets	64,108,298	39,758,012
Contract liabilities relating to concession contract	(16,358,675)	(14,464,271)
Contract liabilities relating to construction service contracts	(8,006,858)	(911,261)
Total contract liabilities	(24,365,533)	(15,375,532)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the properties sold and construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 30 days and payments is expected within 30 days.

In the previous financial year, included in contract assets of the Group is an amount of RM 16,334,200 relating to a contract under dispute with a customer.

During the financial year, the Group recognised a contract asset written off amounting to RM12,722,746 and reclassified the remaining contract assets of RM3,611,454 related to the said customer to trade receivables as a result of the tribunal's arbitration decision as disclosed in Note 13(a) to the financial statements.

(b) Contract liabilities

The contract liabilities relating to construction contracts represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 1-3 years.

Contract liabilities relating to a concession contract represent fund contributed by a customer for the purpose of periodic major repairs or capital replacements for the Facilities and Infrastructure of UiTM Campus which will be incurred in the following financial years.

Significant changes in contract balances

Group	2023 Contract assets Increase/ (Decrease) RM	2023 Contract liabilities (Increase)/ Decrease RM	2022 Contract assets Increase/ (Decrease) RM	2022 Contract liabilities (Increase)/ Decrease RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	–	2,300,349	–	2,918,872
Increase due to progress billings and cash received, but revenue not recognised	–	(11,290,350)	–	(3,077,438)
Increase due to unbilled revenue recognised during the year	57,255,199	–	17,231,707	–
Transfers from contract assets recognised at the beginning of the year to receivables	(20,182,167)	–	(13,339,896)	–
Contract assets written off	(12,722,746)	–	–	–

17. SHORT-TERM INVESTMENTS

The short-term investments are in respect of investment in quoted unit trust funds placed with fund management companies and are redeemable with one day's notice.

18. FIXED DEPOSITS PLACED WITH LICENSED BANKS

(a) The fixed deposits placed with licensed banks of the Group and of the Company earn interest at rates ranging from 1.04% to 2.75% (2022: 1.08% to 2.70%) and 1.04% (2022: 1.08%) per annum respectively.

(b) Included in fixed deposits of the Group are:

(i) an amount of RM43,564,420 (2022: RM47,641,425), which is part of security arrangements of Sukuk Murabahah, and therefore restricted from general use of the Group; and

(ii) an amount of RM1,630,000 (2022: RM1,630,000), which is pledged for the purpose for term loan facility granted to a subsidiary company as disclosed in Note 22(a) to the financial statements.

(c) Included in fixed deposits of the Group and of the Company are deposits amounting to RM3,226,133 (2022: RM3,168,370), which are pledged for the purpose as a debt services reserve for revolving credits and bank overdrafts of the Group and of the Company as disclosed in Note 22(d) to the financial statements.

19. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:

(a) an amount of RM3,673,450 (2022: RM9,037), which is part of the security arrangements of Sukuk Murabahah, and is therefore restricted from general use of the Group;

(b) an amount of RM762,508 (2022: RM466,179), which is held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 in Malaysia, and is therefore restricted from general use of the Group; and

(c) an amount of RM102 (2022: RM102), which is maintained in an escrow account.

20. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of ordinary shares Unit	RM	Number of ordinary shares Unit	RM
Issued and fully paid up (no par value):				
At 1 January/31 December	176,921,657	181,190,804	176,921,657	181,190,804

The holders of ordinary shares (except treasury 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 regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TREASURY SHARES

As at 31 December 2023, the Group and the Company held 14,814,100 (2022: 14,814,100) treasury shares out of its 176,921,657 issued and paid-up ordinary shares.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

The share repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

22. LOANS AND BORROWINGS

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non–current:					
Term loan	(a)	65,069,264	24,100,000	–	–
Sukuk Murabahah	(b)	265,781,795	288,750,006	–	–
Hire purchases	(c)	5,225,149	4,387,802	–	–
		336,076,208	317,237,808	–	–
Current:					
Term loan	(a)	8,049,677	14,400,000	–	–
Sukuk Murabahah	(b)	22,968,211	22,771,785	–	–
Hire purchases	(c)	2,870,131	2,786,867	–	–
Bankers' acceptance	(d)	62,678,226	56,123,000	–	–
Revolving credits	(d)	115,938,058	99,448,853	40,129,291	36,941,888
Bank overdrafts	(d)	22,081,579	44,258,541	4,117,788	3,695,205
		234,585,882	239,789,046	44,247,079	40,637,093
Total loans and borrowings:					
Term loan	(a)	73,118,941	38,500,000	–	–
Sukuk Murabahah	(b)	288,750,006	311,521,791	–	–
Hire purchases	(c)	8,095,280	7,174,669	–	–
Bankers' acceptance	(d)	62,678,226	56,123,000	–	–
Revolving credits	(d)	115,938,058	99,448,853	40,129,291	36,941,888
Bank overdrafts	(d)	22,081,579	44,258,541	4,117,788	3,695,205
		570,662,090	557,026,854	44,247,079	40,637,093

22. LOANS AND BORROWINGS (CONT'D)

(a) Term loan

	Group	
	2023 RM	2022 RM
Current		
- Not later than one year	8,049,677	14,400,000
Non-current		
- Later than one year but not later than two years	19,200,000	19,200,000
- Later than two years but not later than five years	45,869,264	4,900,000
	65,069,264	24,100,000
	73,118,941	38,500,000

Term loan I of a subsidiary company of RM32,149,676 (2022: RM38,500,000) bears interest of 5.10% (2022: 4.81%) per annum and is repayable by 23 equal monthly instalments of RM1,600,000 and one final principal instalment of RM1.7 million on 60th month commencing from the first day of 37th month from the day of first drawdown date.

Term loan II of a subsidiary company of RM36,190,099 (2022: Nil) bears interest of 5.10% (2022: Nil) per annum and is repayable by 23 equal monthly instalments of RM2.3 million and one final principal instalment of RM2.1 million on 60th month. The first principal instalment commencing from the first day of 37th month from the first drawdown date.

Term loan III of a subsidiary company of RM4,779,166 (2022: Nil) bears interest of 5.10% (2022: Nil) per annum and is repayable by 23 equal monthly instalments of RM1.6 million and one final principal instalment of RM3.2 million on 60th month commencing from the first day of 37th month from the first drawdown date.

The term loans of the subsidiary company are secured as follows:

(i) First party legal charge over property under development as disclosed in Note 9(c) to the financial statements;

(ii) Legal charge and assignment over the designated accounts;

(iii) Assignment of all relevant insurance/takaful policies to be taken for a project undertaken by a subsidiary company;

(iv) Assignment of a subsidiary company's right and benefits arising from the construction contracts and contractor's performance bond in favour of the subsidiary company in respect of a project undertaken by the subsidiary company;

(v) Charge over the monies in the fixed deposits as disclosed in Note 17(b)(iii) to the financial statements; and

(vi) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. LOANS AND BORROWINGS (CONT'D)

(b) Sukuk Murabahah

On 12 December 2014, Unitapah Sdn. Bhd. issued a sukuk facility based on the Shariah principles of Murabahah via a Tawarruq arrangement ("Sukuk Murabahah") of RM510 million in nominal value. The remaining tenure of the sukuk ranges from 0.5 to 10.5 years (2022: 0.5 to 11.5 years) with profit rates ranging from 5.45% to 6.47% (2022: 5.44% to 6.33%) per annum over nominal value.

	Group	
	2023 RM	**2022 RM**
Current		
- not later than one year	22,968,211	22,771,785
Non-current		
- later than one year but not later than two years	23,162,283	22,968,211
- later than two years but not later than five years	75,735,195	75,125,147
- more than five years	166,884,317	190,656,648
	265,781,795	288,750,006
	288,750,006	311,521,791

The Sukuk Murabahah is secured by the following:

(i) Debenture evidencing a fixed and floating charge over a subsidiary company's present and future assets;

(ii) First ranking charge and assignment of the designated accounts and the credit balances therein; and

(iii) First ranking assignment of takaful policies, if any, in relation to the concession agreement with the security trustee designated as loss payee/mortgagee.

(c) Hire purchases

Hire purchase payables of the Group of RM8,095,281 (2022: RM7,174,670) bears interest ranging from 4.20% to 6.47% (2022: 2.80% to 3.40%) per annum and are secured by the Group's motor vehicles, equipment, plant and machinery under hire purchase arrangements as disclosed in Note 5(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. LOANS AND BORROWINGS (CONT'D)

(d) Bankers' acceptance, revolving credits and bank overdrafts

The other bank borrowings of the Group and of the Company are denominated in Ringgit Malaysia and bear interest at rates ranging from 4.62% to 8.45% (2022: 3.41% to 8.20%) and 5.65% to 8.39% (2022: 5.16% to 8.14%) per annum respectively.

Other bank borrowings of the Group and of the Company are secured by:

(i) Facility agreement together with interest, commission and all other charges thereon;
(ii) Second ranking legal charge to certain retail units as disclosed in Note 9(d) to the financial statements;
(iii) First party second fixed charge over certain property, plant and equipment and investment properties as disclosed in Note 5(a) and Note 6(c) to the financial statements;
(iv) Supplement agreement to extend the assignment of rental proceeds from certain investment properties executed between borrower and bank;
(v) Charge over the monies in the debt services reserve account as disclosed in Note 18(c) to the financial statements;
(vi) Second legal charge over a designated escrow account; and
(vii) Corporate guarantee by the Company.

23. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:					
Non-trade					
Landowner's entitlement	(a)	21,829,911	22,023,719	–	–
Current:					
Trade					
Trade payables	(b)	103,475,756	56,993,395	–	–
Accruals		36,506,201	24,276,416	–	-
Retention sums		55,841,073	62,744,675	–	-
		195,823,030	144,014,486	–	–
Current:					
Non-trade					
Other payables		8,410,272	3,534,149	32,430	52,040
Landowner's entitlement	(a)	120,353,635	120,348,745	–	–
Good and service tax ("GST") payable		11,447	11,447	–	–
Sales and services tax ("SST") payable		128,131	326,733	–	–
Deposits received		2,652,946	2,483,244	–	–
Accruals		5,502,638	3,569,556	146,539	154,759
Deferred rental income		165,289	166,408	–	–
		333,047,388	274,454,768	178,969	206,799
Total trade and other payables		354,877,299	296,478,487	178,969	206,799

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. TRADE AND OTHER PAYABLES (CONT'D)

(a) Landowner's entitlement

Landowner's entitlement represents cost payable for land development right pursuant to the Joint Land Development Agreement entered into with the landowner. Included in landowner's entitlement is an amount of RM24,006,168 (2022: RM24,195,086) to be settled in cash and is measured at amortised cost at imputed rate of 8.39% (2022: 8.14%) per annum.

In the previous financial year, the Group entered into a supplementary agreement that resulted in a revision of the total estimated payment owing to the landowner and the development rights with respect to a leasehold land as disclosed in Note 9(f) to the financial statements. Hence, the payable for the landowner's entitlement had been adjusted accordingly.

(b) Trade payables

The Group's normal trade credit terms granted ranging from 30 to 60 days (2022: 30 to 60 days).

The retention sum which is payable upon the expiry of defect liability period is expected to be settled as follows:

	2023 RM	2022 RM
- within one year	31,903,846	28,441,125
- later than one year	23,937,227	34,303,550
Total trade and other payables	55,841,073	62,744,675

24. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contract with customers:				
Construction contracts	398,457,706	291,963,456	–	–
Property development	39,666,450	2,060,080	–	–
Maintenance income	9,618,326	11,074,707	–	–
	447,742,482	305,098,243	–	–
Revenue from other sources:				
Rental income from investment properties	9,146,406	8,121,818	–	–
Interest income from banks	96,219	49,040	96,219	49,040
Interest income from subsidiary companies	–	–	8,810,131	7,452,384
Income from short term investments	46,847	129,296	46,847	129,296
Finance income from concession contract	31,303,098	32,686,163	–	–
	40,592,570	40,986,317	8,953,197	7,630,720
	488,335,052	346,084,560	8,953,197	7,630,720

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group reports the following segments: construction, concession arrangement, investment holding and property development in accordance with MFRS 8 Operating Segments. For the purpose of disclosure of disaggregation of revenue from contract with customers, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Construction RM	Concession arrangement RM	Property development RM	Total RM
Group				
2023				
Major goods or services				
Construction services	390,119,156	–	–	393,110,847
Mechanical and engineering services	8,338,550	–	–	5,346,859
Property development	–	–	39,666,450	39,666,450
Maintenance income	–	9,618,326	–	9,618,326
	398,457,706	9,618,326	39,666,450	447,742,482
Timing of revenue recognition:				
At a point in time	–	–	4,311,728	4,311,728
Over time	398,457,706	9,618,326	35,354,722	443,430,754
	398,457,706	9,618,326	39,666,450	447,742,482
Group				
2022				
Major goods or services				
Construction services	287,973,625	–	–	287,973,625
Mechanical and engineering services	3,989,831	–	–	3,989,831
Property development	–	–	2,060,080	2,060,080
Maintenance income	–	11,074,707	–	11,074,707
	291,963,456	11,074,707	2,060,080	305,098,243
Timing of revenue recognition:				
At a point in time	–	–	2,060,080	2,060,080
Over time	291,963,456	11,074,707	–	303,038,163
	291,963,456	11,074,707	2,060,080	305,098,243

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

(b) Transaction price allocated to the remaining performance obligation

As of 31 December 2023, the aggregate amounts of the transaction price allocated to the remaining performance obligation are:

(i) RM706.3 million (2022: RM545.2 million) and the Group will recognise this revenue as the properties or construction are completed, which is expected to occur over the next 4 years (2022: 4 years); and

(ii) RM93.99 million (2022: RM103.3 million) and the Group will recognise this revenue as the maintenance services are performed, which is over the next 10 years (2022: 11 years).

25. COST OF SALES

	Group	
	2023 RM	**2022 RM**
Costs of construction contracts	406,097,387	288,566,095
Costs of sales of property development cost	26,588,933	1,638,876
Costs of maintenance of investment properties	6,239,927	5,706,187
Costs of maintenance of facilities and infrastructure	8,694,906	10,514,971
	447,621,153	306,426,129

26. FINANCE INCOME

	Group	
	2023 RM	**2022 RM**
Income from short-term investments	40,072	27,787
Interest income from banks	1,495,704	1,036,886
	1,535,776	1,064,673

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- bank overdrafts	1,832,205	1,949,291	89,859	120,421
- bankers' acceptance	2,835,942	1,869,380	–	–
- hire purchases	382,779	566,925	–	–
- revolving credits	5,375,812	5,207,151	1,160,806	2,452,468
- term loans	2,463,170	–	–	–
- Sukuk Murabahah	19,166,255	20,453,907	–	–
Amortisation of discount on Sukuk Murabahah	2,228,215	2,428,253	–	–
	34,284,378	32,474,907	1,250,665	2,572,889

28. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) to arrive at loss before tax:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- statutory audit:				
- Baker Tilly Monteiro Heng PLT	335,100	318,300	69,200	66,000
- non-statutory audit:				
- Baker Tilly Monteiro Heng PLT	17,400	17,100	6,000	5,900
Bad debts written off	–	495,532	–	–
Contract asset written off	12,722,746	–	–	–
Depreciation of property, plant and equipment (Note 5)	8,811,188	6,803,313	–	–
Effect of revision of estimated receipts of amounts due from subsidiary companies measured at amortised cost	–	–	1,668,647	2,976,849
Employee benefits expense (Note 31)	26,860,789	24,995,279	198,000	198,000
Expenses related to short-term leases - machineries	1,433,505	1,436,355	–	–
Fair value (gain)/loss on investment properties (Note 6)	(4,086,509)	1,000,000	–	–
Gain on disposal of property, plant and equipment	(53,000)	–	–	–
Inventories written down	18,301,691	–	–	–
Impairment losses on:				
- amounts due from a subsidiary company	–	–	30,572,358	1,784,116
- other receivables	2,148,528	2,023,192	–	–
Reversal of impairment losses on trade receivables	(1,237,363)	(1,412,974)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. INCOME TAX (CREDIT)/EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current income tax				
- current year	2,205,228	3,653,758	1,513,784	1,117,510
- under provision in prior years	298,886	236,861	295,212	24,497
	2,504,114	3,890,619	1,808,996	1,142,007
Real property gains tax ("RPGT")	24,780	22,600	–	–
Deferred tax				
- current year	(4,837,812)	(4,890,591)	–	–
- under provision in prior years	147,517	387,611	–	–
	(4,690,295)	(4,502,980)	–	–
	(2,161,401)	(589,761)	1,808,996	1,142,007

Income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable loss for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax (credit)/expense are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(41,138,055)	(12,895,258)	(25,296,028)	(610,919)
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	(9,873,133)	(3,094,862)	(6,071,047)	(146,621)
Tax effects arising from:				
- non-taxable income	(1,044,922)	(1,486,969)	(11,243)	(31,031)
- non-deductible expenses	8,158,297	3,314,495	7,596,074	1,295,162
- capital gain tax	24,780	22,600	–	–
- utilisation of deferred tax assets not recognised previously	(354,276)	(339,115)	–	–
- deferred tax assets not recognised on tax losses and deductible temporary differences	481,450	229,618	–	–
- deferred tax recognised at RPGT rate	–	140,000	–	–
- under provision of current and deferred tax in prior years	446,403	624,472	295,212	24,497
Income tax (credit)/expense	(2,161,401)	(589,761)	1,808,996	1,142,007

30. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated based on the loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year, adjusted for treasury shares held.

	Group	
	2023	**2022**
Loss attributable to owners of the Company (RM)	(38,944,170)	(14,951,889)
Weighted average number of ordinary shares in issue (Unit)	162,107,557	162,107,557
Basic loss per share (sen)	(24.02)	(9.22)

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

(b) Diluted loss per share

The Group has no dilutive potential ordinary shares. As such, there is no dilutive effect on the loss per share of the Group.

31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Salaries, bonus, overtime, allowances and fee	23,610,270	21,863,373	198,000	198,000
Defined contribution plan ("EPF")	2,620,829	2,489,424	–	–
Other staff related expenses	629,690	642,482	–	–
	26,860,789	24,995,279	198,000	198,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expense are directors' remuneration as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Executive Directors (including Alternate Director) of the Company				
- Salaries and other emoluments (included estimated benefits-in-kind)	1,696,807	1,691,474	–	–
Non-Executive Directors of the Company				
- Fees	198,000	198,000	198,000	198,000
Total directors' remuneration	1,894,807	1,889,474	198,000	198,000

32. OPERATING LEASES

The Group as lessor

The Group has entered into operating leases on its investment properties consisting of certain office buildings. The leases have terms ranging from one to three years (2022: one to three years).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2023 RM	**2022 RM**
- Not later than one year	5,001,306	3,898,763
- One to two years	600,467	3,676,309
- Two to three years	119,100	78,000
	5,720,873	7,653,072

Certain operating lease arrangements contain an option for the lessee to extend the original lease term by one to three years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and the Company include:

(i) Subsidiary companies;
(ii) Company in which a director has substantial financial interest;
(iii) Corporate shareholders of subsidiary companies; and
(iv) Key management personnel comprise persons (including the directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Transactions with:				
Subsidiary companies				
Interest income received/receivable	–	–	8,810,131	7,452,384
Company in which a director has substantial financial interest				
Rental received/ receivable	24,000	24,000	–	–
Reversal of impairment losses on trade receivables	1,237,363	1,412,974	–	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 13 and 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTIES (CONT'D)

(c) Key management personnel remuneration

The remuneration of the key management personnel (including directors) during the financial year is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fees	198,000	198,000	198,000	198,000
Short-term employment benefits (included estimated benefits-in-kind)	3,132,002	3,074,306	–	–
Defined contribution plan ("EPF")	315,835	304,470	–	–
	3,645,837	3,576,776	198,000	198,000

34. SEGMENT INFORMATION

The information reported to the Chairperson of Group Executive Committee, as the Group's chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment statements of comprehensive income are profit earned or loss incurred by each segment with allocation of central administrative costs, non-operating investment revenue, finance costs, tax expense and other non-cash expenses. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

There are varying levels of integration among investment holding segment with construction segment and property development segment. This integration includes rental of properties, corporate support and provision of construction, mechanical and electrical engineering services. Inter-segment pricing is determined on a negotiated basis.

All the Group's assets are allocated to reportable segments.

All the Group's liabilities are allocated to reportable segments.

34. SEGMENT INFORMATION (CONT'D)

Business segments

For management purposes, the Group is organised into business units based on their products and services provided. The Group is organised into four main business segments as follows:

(a) Construction – general construction, mechanical and electrical engineering services;

(b) Concession arrangement – construction and maintenance of facilities and infrastructure;

(c) Investment holding – investment in shares, properties and other investment activities; and

(d) Property development – development of residential and commercial properties.

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 operating profit or loss.

Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT INFORMATION (CONT'D)

2023	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and eliminations RM	Note	Group RM
Revenue							
Revenue from external customers	398,457,706	40,921,424	9,287,798	39,668,124	–		488,335,052
Inter-segment revenue	63,699,483	–	9,988,695	–	(73,688,178)	(a)	–
Total revenue	462,157,189	40,921,424	19,276,493	39,668,124	(73,688,178)		488,335,052
Results							
Segment results	(10,996,192)	31,074,478	(18,009,672)	(3,247,676)	29,396,890	(b)	28,217,828
Depreciation of property, plant and equipment	(7,207,644)	–	(87,929)	(1,186,168)	(329,447)	(b)	(8,811,188)
Finance costs	(6,755,430)	(22,744,470)	(5,290,840)	(3,755,003)	4,261,365	(b)	(34,284,378)
Impairment losses on other receivables	–	–	–	(2,148,528)	–		(2,148,528)
Income from short-term investments	37,378	–	2,694	–	–		40,072
Interest income from banks	243	1,420,453	23,418	51,590	–		1,495,704
Reversal of impairment losses on trade receivables	1,237,363	–	–	–	–		1,237,363
Contract assets written off	(12,722,746)	–	–	–	–		(12,722,746)
Inventories written down	–	–	–	(18,301,691)	–		(18,301,691)
Fair value gain on investment properties	–	–	–	4,086,509	–		4,086,509
Gain on disposal of property, plant and equipment	53,000	–	–	–	–		53,000
Income tax credit/(expense)	7,913,257	(3,452,711)	(2,154,253)	(1,247,335)	1,102,443	(b)	2,161,401
Consolidated loss for the financial year							(38,976,654)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT INFORMATION (CONT'D)

2023	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and eliminations RM	Note	Group RM
Assets							
Segment assets	339,450,204	440,686,028	667,660,433	418,068,241	(661,529,233)	(c)	1,204,335,673
Golf club membership	54,000	–	–	–	–		54,000
Goodwill	–	–	–	–	23,659,780	(c)	23,659,780
Deferred tax assets	32,939,420	–	–	4,945,897	11,084,939	(c)	48,970,256
Current tax assets	941,327	–	108,624	–	–		1,049,951
Total assets	373,384,951	440,686,028	667,769,057	423,014,138	(626,784,514)		1,278,069,660
Liabilities							
Segment liabilities	247,586,090	17,933,514	266,095,857	299,789,529	(452,162,158)	(d)	379,242,832
Loans and borrowings	115,691,835	333,750,006	83,038,225	83,182,024	(45,000,000)	(d)	570,662,090
Deferred tax liabilities	–	29,144,014	9,064,062	–	–		38,208,076
Tax liabilities	–	–	1,560,364	–	–		1,560,364
Current tax liabilities	–	61,728	987,640	13,631	(311,636)	(d)	751,363
Total liabilities	363,277,925	380,889,262	360,746,148	382,985,184	(497,473,794)		990,424,725

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT INFORMATION (CONT'D)

2022	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and eliminations RM	Note	Group RM
Revenue							
Revenue from external customers	291,963,456	43,760,870	8,300,154	2,060,080	–		346,084,560
Inter-segment revenue	10,697,240	–	8,620,434	(1,300,000)	(18,017,674)	(a)	–
Total revenue	302,660,696	43,760,870	16,920,588	760,080	(18,017,674)		346,084,560
Results							
Segment results	(3,897,331)	32,089,525	6,664,120	(59,253)	(7,373,022)	(b)	27,424,039
Bad debts writte off	(495,532)	–	–	–	–		(495,532)
Depreciation of property, plant and equipment	(6,313,355)	–	(103,488)	(57,022)	(329,448)	(b)	(6,803,313)
Fair value loss on investment properties	–	–	–	(1,000,000)	–		(1,000,000)
Finance costs	(5,512,407)	(24,232,160)	(4,574,024)	(285,734)	2,129,418	(b)	(32,474,907)
Impairment losses on trade receivables	–	–	–	(2,023,192)	–		(2,023,192)
Income from short term investments	26,043	–	1,744	–	–		27,787
Interest income from banks	267	990,704	13,416	32,499	–		1,036,886
Reversal of impairment losses on trade receivables	1,412,974	–	–	–	–		1,412,974
Income tax credit/(expense)	3,703,091	(3,423,402)	(1,509,189)	220,997	1,598,264	(b)	589,761
Consolidated loss for the financial year							(12,305,497)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT INFORMATION (CONT'D)

2022	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and eliminations RM	Note	Group RM
Assets							
Segment assets	305,621,445	454,130,310	684,074,811	394,961,139	(627,887,586)	(c)	1,210,900,119
Golf club membership	54,000	–	–	–	–		54,000
Goodwill	–	–	–	–	23,659,780	(c)	23,659,780
Deferred tax assets	25,001,384	–	–	6,180,852	9,982,496	(c)	41,164,732
Current tax assets	1,172,789	37,242	308,001	–	–		1,518,032
Total assets	331,849,618	454,167,552	684,382,812	401,141,991	(594,245,310)		1,277,296,663
Liabilities							
Segment liabilities	175,761,746	18,052,805	262,701,878	286,611,658	(431,274,068)	(d)	311,854,019
Loans and borrowings	117,543,809	356,521,791	79,408,180	48,553,074	(45,000,000)	(d)	557,026,854
Deferred tax liabilities	–	26,032,212	9,060,635	–	–		35,092,847
Tax liabilities	–	–	2,040,363	–	–		2,040,363
Current tax liabilities	–	–	672,627	200,000	(311,636)	(d)	560,991
Total liabilities	293,305,555	400,606,808	353,883,683	335,364,732	(476,585,704)		906,575,074

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SEGMENT INFORMATION (CONT'D)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(a) Inter-segment revenue are eliminated on consolidation;

(b) Inter-segment transactions are eliminated and/or impairment of goodwill on consolidation;

(c) Inter-segment assets are eliminated and/or goodwill on consolidation; and

(d) Inter-segment liabilities are eliminated on consolidation.

Information about major customers

For construction segment, revenue from three (2022: three) major customers amounted to RM205,567,073 (2022: RM227,347,310).

For concession arrangement segment, revenue from one (2022: one) major customer amounted to RM40,921,424 (2022: RM43,760,870).

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost; and
(ii) Fair value through profit or loss ("FVPL").

	Carrying amount RM	Amortised cost RM	FVPL RM
Group			
2023			
Financial assets			
Operating financial asset	257,300,288	257,300,288	–
Trade and other receivables *	167,364,544	167,364,544	–
Short-term investments	3,975,577	–	3,975,577
Fixed deposits placed with licensed banks	48,420,554	48,420,554	–
Cash and bank balances	22,730,956	22,730,956	–
	499,791,919	495,816,342	3,975,577
Financial liabilities			
Trade and other payables #	236,395,054	236,395,054	–
Hire purchases	8,095,280	8,095,280	–
Bankers' acceptance	62,678,226	62,678,226	–
Term loan	73,118,941	73,118,941	–
Revolving credits	115,938,058	115,938,058	–
Bank overdrafts	22,081,579	22,081,579	–
Sukuk Murabahah	288,750,006	288,750,006	–
	807,057,144	807,057,144	–

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying amount RM	Amortised cost RM	FVPL RM
Group			
2022			
Financial assets			
Operating financial asset	269,734,110	269,734,110	–
Trade and other receivables *	192,006,621	192,006,621	–
Short-term investments	3,888,658	–	3,888,658
Fixed deposits placed with licensed banks	52,439,795	52,439,795	–
Cash and bank balances	17,884,102	17,884,102	–
	535,953,286	532,064,628	3,888,658
Financial liabilities			
Trade and other payables #	177,796,521	177,796,521	–
Hire purchases	7,174,669	7,174,669	–
Bankers' acceptance	56,123,000	56,123,000	–
Term loan	38,500,000	38,500,000	–
Revolving credits	99,448,853	99,448,853	–
Bank overdrafts	44,258,541	44,258,541	–
Sukuk Murabahah	311,521,791	311,521,791	–
	734,823,375	734,823,375	–

	Carrying amount RM	Amortised cost RM	FVPL RM
Company			
2023			
Financial assets			
Amounts due from subsidiary companies	157,604,324	157,604,324	–
Short-term investments	1,457,936	–	1,457,936
Fixed deposits placed with licensed banks	3,226,134	3,226,134	–
Cash and bank balances	2,708	2,708	–
	162,291,102	160,833,166	1,457,936
Financial liabilities			
Amounts due to subsidiary companies	64,625,430	64,625,430	–
Other payables and accruals	178,969	178,969	–
Revolving credits	40,129,291	40,129,291	–
Bank overdraft	4,117,788	4,117,788	–
	109,051,478	109,051,478	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying amount RM	Amortised cost RM	FVPL RM
Company			
2022			
Financial assets			
Amounts due from subsidiary companies	175,592,624	175,592,624	–
Short-term investments	1,411,089	–	1,411,089
Fixed deposits placed with licensed banks	3,168,370	3,168,370	–
Cash and bank balances	2,819	2,819	–
	180,174,902	178,763,813	1,411,089
Financial liabilities			
Amounts due to subsidiary companies	59,254,615	59,254,615	–
Other payables and accruals	206,799	206,799	–
Revolving credits	36,941,888	36,941,888	–
Bank overdraft	3,695,205	3,695,205	–
	100,098,507	100,098,507	–

* *exclude advances made to suppliers and sub-contractors, deposits for development projects and prepayments*

\# *exclude deferred rental income, GST and SST payable and landowner's entitlement (benefit-in-kind) amounting to RM118,177,378*

(b) Financial risk management

The Group and the Company seek to manage effectively the various risks namely credit risk, liquidity risk and interest rate risk, to which the Group and the Company are exposed to in their operations. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk primarily arises from its operating financial asset, trade receivables and contract assets while the Company's exposure to credit risk primarily arises from amounts due from subsidiary companies. The maximum risk associated with recognised financial assets are the carrying amounts as presented in the statement of financial position.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Credit risk of the Group is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored strictly by limiting the Group's association to business partners with high creditworthiness. If necessary, the Group may obtain collaterals from counterparties as a mean of mitigating losses in the event of default.

Operating financial asset, trade receivables and contract assets

Other than the trade receivables and contract assets arising from the sale of development properties, the carrying amount of operating financial asset, trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In respect of trade receivables and contract assets arising from the sale of development properties, the Group mitigates its credit risk by withholding the transfer of registered ownership of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financier by the purchaser's end-financier. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from defaults.

In managing credit risk, the Group periodically reviews the credit risk exposure in respect of its trade receivables and takes appropriate actions to recover long overdue balances. At each reporting date, the Group assesses whether any of the trade receivables are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Credit risk concentration profile

The Group determines the credit risk concentration of its operating financial asset, trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's operating financial asset, trade receivables and contract assets at the reporting date are as follows:

Operating financial asset:

	Group			
	2023		2022	
	RM	%	RM	%
Concession arrangement	257,300,288	100	269,734,110	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Operating financial asset, trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

Trade receivables:

	Group			
	2023		2022	
	RM	%	RM	%
Construction	130,976,821	97	126,319,932	98
Concession arrangement	1,966,151	1	1,966,151	2
Property development	1,316,352	1	108,188	0
Others	375,203	0	80,298	0
	134,634,527	100	128,474,569	100

Contract assets:

	Group			
	2023		2022	
	RM	%	RM	%
Construction	47,292,165	100	39,758,012	100
Property development	16,816,133	–	–	–
	64,108,298	100	39,758,012	100

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") allowance for all operating financial asset, trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

For concession and construction contracts, as there are only a few customers, the Group assesses the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available. For property development contracts, the Group determines the ECL rate for the group of customers based on actual credit loss experience over the past three years.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Operating financial asset, trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's contract assets, operating financial asset and trade receivables are as follows:

Group	Gross carrying amount RM	ECL allowance RM	Net balance RM
2023			
Contract assets			
Current (not past due)	64,108,298	–	64,108,298
Operating financial asset			
Current (not past due)	257,300,288	–	257,300,288
Trade receivables			
Current (not past due)	39,554,354	–	39,554,354
1 - 30 days past due	15,849,411	–	15,849,411
31 - 60 days past due	7,164,513	–	7,164,513
61 - 90 days past due	2,990,937	–	2,990,937
> 90 days past due *	69,075,312	–	69,075,312
Credit-impaired:			
- Individually assessed	21,368,444	(21,368,444)	–
	477,411,557	(21,368,444)	456,043,113

Group	Gross carrying amount RM	ECL allowance RM	Net balance RM
2022			
Contract assets			
Current (not past due)	23,423,812	–	23,423,812
> 90 days past due *	16,334,200	–	16,334,200
Operating financial asset			
Current (not past due)	269,734,110	–	269,734,110
Trade receivables			
Current (not past due)	86,352,916	–	86,352,916
1 - 30 days past due	17,218,201	–	17,218,201
31 - 60 days past due	15,638,416	–	15,638,416
61 - 90 days past due	775,169	–	775,169
> 90 days past due *	8,489,867	–	8,489,867
Credit-impaired:			
- Individually assessed	22,605,807	(22,605,807)	–
	460,572,498	(22,605,807)	437,966,691

* *Included in trade receivables and contract assets are amounts of RM18,361,303 (2022: RM14,749,849) and RM Nil (2022: RM16,334,200) respectively, due from a customer with a contract under dispute as disclosed in Notes 13 and 16 to the financial statements.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including fixed deposits placed with licensed banks, cash and bank balances and related company balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. The carrying amount of the other receivables and other financial assets is not secured by any collateral or supported by any other credit enhancement, except for a receivable of RM Nil (2022: RM44,100,000) due from a former non-controlling shareholder which was supported by the shares in a subsidiary company owned by the shareholder as credit enhancement.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition taking into consideration available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days when they fall due.

The Company provides advances to subsidiary companies. The Company monitors the results of the subsidiary companies in determining the recoverability of intercompany balances. The advances to subsidiary companies are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the subsidiary companies do not have sufficient liquid assets when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the advances.

The information about credit risk exposure on the Group's and the Company's other receivables and other financial assets are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
2023			
Group			
Low credit risk	110,357,104	–	110,357,104
Credit-impaired	22,754,210	(22,754,210)	–
	133,111,314	(22,754,210)	110,357,104
Company			
Low credit risk	162,291,102	–	162,291,102
Credit-impaired	38,778,118	(38,778,118)	–
	201,069,220	(38,778,118)	162,291,102

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

The information about credit risk exposure on the Group's and the Company's other receivables and other financial assets are as follows: (Cont'd)

	Gross carrying amount RM	ECL allowance RM	Net balance RM
2022			
Group			
Low credit risk	137,744,607	–	137,744,607
Credit-impaired	20,658,544	(20,658,544)	–
	158,403,151	(20,658,544)	137,744,607
Company			
Low credit risk	180,174,902	–	180,174,902
Credit-impaired	8,205,760	(8,205,760)	–
	188,380,662	(8,205,760)	180,174,902

Financial guarantees

The Company provides secured corporate guarantees to banks in respect of banking facilities provided to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiary companies. The Company monitors the results of the subsidiary companies and their repayment on an ongoing basis. The maximum exposure to credit risk amounting to RM333,096,896 (2022: RM269,510,067) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35(b)(ii) to the financial statements. Generally, the Company considers the financial guarantees have low credit risk. As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancements to the subsidiary companies' secured borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when 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 financial liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company manage their operating cash flows by maintaining sufficient level of cash to meet their working capital requirements and availability of funding through an adequate amount of credit facilities.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	Carrying amount RM	On demand or within one year RM	Between one and five years RM	More than five years RM	Total RM
2023					
Trade and other payables #	236,395,054	190,627,916	51,223,895	–	241,851,811
Hire purchases	8,095,280	3,064,965	5,718,884	–	8,783,849
Bankers' acceptance	62,678,226	62,678,226	–	–	62,678,226
Term loan	73,118,941	8,049,676	70,520,539	–	78,570,215
Revolving credits	115,938,058	115,938,058	–	–	115,938,058
Bank overdrafts	22,081,579	22,081,579	–	–	22,081,579
Sukuk Murabahah	288,750,006	42,794,500	165,958,250	196,259,250	405,012,000
	807,057,144	445,234,920	293,421,568	196,259,250	934,915,738
2022					
Trade and other payables #	177,796,521	121,599,170	63,891,503	–	185,490,673
Hire purchases	7,174,669	3,160,459	4,626,005	–	7,786,464
Bankers' acceptance	56,123,000	56,123,000	–	–	56,123,000
Term loan	38,500,000	15,534,555	24,861,756	–	40,396,311
Revolving credits	99,448,853	99,448,853	–	–	99,448,853
Bank overdrafts	44,258,541	44,258,541	–	–	44,258,541
Sukuk Murabahah	311,521,791	45,514,500	167,121,750	237,890,250	450,526,500
	734,823,375	385,639,078	260,501,014	237,890,250	884,030,342

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows (Cont'd):

Company	Carrying amount RM	Contractual cash flows: On demand or within one year RM	Total RM
2023			
Amount due to subsidiary companies	64,625,430	64,625,430	64,625,430
Other payables and accruals	178,969	178,969	178,969
Revolving credits	40,129,291	40,129,291	40,129,291
Bank overdraft	4,117,788	4,117,788	4,117,788
Financial guarantee contracts	–	333,096,896	333,096,896
	109,051,478	442,148,374	442,148,374
2022			
Amount due to subsidiary companies	59,254,615	59,254,615	59,254,615
Other payables and accruals	206,799	206,799	206,799
Revolving credits	36,941,888	36,941,888	36,941,888
Bank overdraft	3,695,205	3,695,205	3,695,205
Financial guarantee contracts	–	269,510,067	269,510,067
	100,098,507	369,608,574	369,608,574

\# *exclude deferred rental income, GST and SST payable and landowner's entitlement amounting to RM118,177,378*

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and of the Company's financial instruments as a result of changes in market interest rates.

The Group's and the Company's primary interest rate risk relates to floating interest-bearing financial instruments which include loans and borrowings. The investments in financial assets are mainly short term in nature and have been mostly placed in unit trust funds and fixed deposits which yield better returns than cash at bank.

The Group and the Company actively review their debt portfolio, taking into account the investment holding period and nature of their assets.

This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. As at 31 December 2023 and 31 December 2022, the Group and the Company have not entered into any hedging instruments arrangement to minimise their exposure to interest rate volatility.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

Sensitivity analysis for interest rate risk

If the interest rate had been 50 (2022: 50) basis point higher/lower and all other variables held constant, the Group's and the Company's loss for the financial year ended 31 December 2023 would increase/decrease by RM2,137,754 (2022: RM2,089,438) and RM168,139 (2022: RM154,421) respectively as a result of exposure to floating rate loans and borrowings.

(c) Fair value measurement

The carrying amounts of current financial assets and financial liabilities are reasonable approximation to their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. Other long term financial assets and liabilities are reasonable approximation of fair value (Level 3) because they are floating rate instruments which are re-priced to market interest rates or based on discounting of future cash flows using current lending rates for similar types of arrangements.

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments carried at fair value:

	Carrying amount	Fair value			
Group	**Total RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
2023					
Financial asset					
Short-term investments	3,975,577	3,975,577	–	–	3,975,577
2022					
Financial asset					
Short-term investments	3,888,658	3,888,658	–	–	3,888,658
Company					
2023					
Financial asset					
Short-term investments	1,457,936	1,457,936	–	–	1,457,936
2022					
Financial asset					
Short-term investments	1,411,089	1,411,089	–	–	1,411,089

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
Contracted but not provided for:		
- contractual commitment for acquisition of a land development right ^	245,500,000	245,000,000

^ *The gross contractual commitment for the acquisition of a land development right is RM248 million (2022: RM248 million). After taking into consideration the deposit paid of RM2.5 million (2022: RM3 million) as disclosed in Note 13(b) to the financial statements, the net contractual commitment is RM245.5 million (2022: RM245 million).*

37. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust their capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise loans and borrowings less cash and bank balances and short-term investments whilst total capital is the total equity of the Group and of the Company.

The gearing ratios for the Group and for the Company as at 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loans and borrowings	570,662,090	557,026,854	44,247,079	40,637,093
Less:				
Short-term investments	(3,975,577)	(3,888,658)	(1,457,936)	(1,411,089)
Fixed deposits placed with licensed banks	(48,420,554)	(52,439,795)	(3,226,134)	(3,168,370)
Cash and bank balances	(22,730,956)	(17,884,102)	(2,708)	(2,819)
Net debts	495,535,003	482,814,299	39,560,301	36,054,815
Equity	287,644,935	370,721,589	163,240,516	190,345,540
Total equity plus net debts	783,179,938	853,535,888	202,800,817	226,400,355
Gearing ratio	0.63	0.57	0.20	0.16

The Group and certain subsidiary companies are required to comply with certain debt to equity ratios, interest coverage ratios and finance service cover ratios in respect of the term loan, revolving credits and Sukuk Murabahah facilities.

STATEMENT BY DIRECTORS

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

We, **TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH** and **YONG SHANG MING**, being two of the directors of **CREST BUILDER HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 72 to 143 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.

TENGKU DATO' SULAIMAN SHAH
BIN TENGKU ABDUL JALIL SHAH
Director

YONG SHANG MING
Director

Petaling Jaya

Date: 3 April 2024

STATUTORY DECLARATION

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

I, **GOH SIN HUAT**, being the officer primarily responsible for the financial management of **CREST BUILDER HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 72 to 143 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.

GOH SIN HUAT
Officer

Subscribed and solemnly declared by the abovenamed at Petaling Jaya, Selangor Darul Ehsan on 3 April 2024.

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CREST BUILDER HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Crest Builder Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 72 to 143.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group and Company

Investment properties (Notes 4.1 and 6 to the financial statements)

Risk:
The Group's investment properties are measured at fair value subsequent to their initial recognition. The directors estimated the fair value of the investment properties based on the market valuation performed by an external independent valuer. We focused on this area because the valuation requires significant judgement in determining the appropriate valuation methods and the key assumptions used in the valuations.

Our response:
Our audit procedures included, among others:

- understanding the competency, capabilities and objectivity of the external valuer which included consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation by assessing whether any matters that might have affected their objectivity or limited the scope of their work;
- reading the valuation certificates for all significant properties and discussing with external valuer on their valuation approach and the significant judgements made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; and
- understanding the valuation approach used and appropriateness of the key assumptions.

Investment in subsidiary companies (Notes 4.2 and 7 to the financial statements)
Goodwill (Notes 4.3 and 10 to the financial statements)

Risk:
The Group has significant balances of goodwill arising from the acquisition of Crest Builder Sdn. Bhd. The accounting policy of the Group is to test goodwill for impairment annually. The goodwill amount is required to be allocated to cash generating unit ("CGU") for impairment testing purposes.

The Company has a significant balance of investment in a subsidiary company. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in the subsidiary company. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment.

We focused on this area because the Group's and the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of cash-generating unit to which the goodwill was allocated and investment in a subsidiary company were determined based on value-in-use. The value-in-use calculation involves the discount rate applied and the assumptions supporting the underlying cash flow projections which include future revenue, gross profit margin and operating expenses.

Our response:
Our audit procedures focus on evaluating the cash flow projections which included, among others:

- understanding the methodology and method adopted by the directors in measuring the recoverable amount;
- comparing the actual results with previous budget to understand the performance of the business;
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess the reasonableness of the projections;
- performing sensitivity test on the key assumptions used; and
- testing the mathematical computation of the impairment assessment.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group and Company (Cont'd)

Receivables and contract assets (Notes 4.4, 13 and 16 to the financial statements)

Risk:
The Group has significant receivables and contract assets as at 31 December 2023 which include certain amounts which are long outstanding and/or in legal disputes. We focused on this area because the directors made significant judgements on assumptions about outcome of the legal dispute, risk of default and expected loss rate. In making these assumptions, the directors selected inputs to the impairment calculation, based on the Group's past history, existing market conditions, forward-looking estimates at the end of each reporting period, as well as legal opinion.

Our response:
Our audit procedures included, among others:

- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- where necessary, reading legal opinion obtained for identified receivable;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- testing the calculation of expected credit loss as at the end of the reporting period.

Revenue recognition for construction activities (Notes 4.5 and 24 to the financial statements)

Risk:
The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as any potential exposure to liquidated and ascertained damages. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:
Our audit procedures on selected projects included, among others:

- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in recording project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms and our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project manager;
- comparing the computed progress towards complete satisfaction of performance obligation for identified projects against consultant certificate; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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 the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

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 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

- 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.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No: 03264/04/2025 J
Chartered Accountant

Kuala Lumpur

Date: 3 April 2024

LIST OF PROPERTIES

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Carrying Amount @ 31.12.2023 (RM)	Approx. Age of Building (years)	Date of Valuation / Acquisition
Lot 60, Seksyen 45, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Leasehold	66,895 sq metres	Land use right for development of a single 47-storey integrated mixed development tower	2113	151,988,052	–	2023
Tierra Crest, Jalan SS6/3, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	280,549 sq ft	A commercial complex - 2 blocks of office building & parking bays	–	140,000,000	11	2023
The Crest, 3 Two Square, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan	Leasehold	120,514 sq ft 29,838 sq ft	16-storey office block, shops & parking bays	2106	98,527,612 14,825,148	17	2023 2018
Geran 338084, Lot 186033 (formerly known as GRN 155575 Lot 118324), Mukim Klang, Daerah Klang, Negeri Selangor	Freehold	2.65 hectares	Residential land	–	55,000,000	–	2019
Avenue Crest, No. 2A, Jalan Jubli Perak, 22/1, Seksyen 22, 40150 Shah Alam, Selangor Darul Ehsan	Freehold	29,210 sq ft	Retail lots & car parks	–	32,000,000	10	2023
Alam Sanjung, Retail Unit No. G-01 to G-15, No. 1, Jalan Budiman 22/3, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan	Freehold	29,366 sq ft	Retails	–	20,800,000	7	2023
H.S. (D) 46981, Lot No. 11073, Mukim Sg. Buloh, Daerah Petaling, Negeri Selangor.	Freehold	9,612 sq ft	3-storey shop office/office	–	3,800,000	23	2023

LIST OF PROPERTIES (CONT'D)

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Carrying Amount @ 31.12.2023 (RM)	Approx. Age of Building (years)	Date of Valuation / Acquisition
No. 28 & 30, Jalan SS 24/13, Taman Megah, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	12,939 sq ft	2 units of 3-storey shop office/office	–	3,205,386	27	2002
P.N. 19970 (Old title H.S. (D) 44166) P.T. No. 16311, Mukim Setapak, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan	Leasehold	4,200 sq ft	3-storey shop office/office	2075	1,000,000	38	2023
GM 22119, Lot No.113611, Mukim Kapar, Daerah Klang, Negeri Selangor	Freehold	2.048 hectares	Agricultural land	–	452,139	–	2002

ANALYSIS OF SHAREHOLDINGS
AS AT 3 APRIL 2024

Issued and paid-up share capital	:	176,921,657
Adjusted issued and paid-up share capital	:	162,107,557 (excluding 14,814,100 treasury shares)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 3 APRIL 2024

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,125	35.05%	103,043	0.06%
100 to 1,000	1,707	28.15%	632,212	0.39%
1,001 to 10,000	1,453	23.97%	7,434,777	4.59%
10,001 to 100,000	663	10.94%	21,261,404	13.12%
100,001 to less than 5% of issued shares	113	1.86%	62,594,921	38.61%
5% and above of issued shares	2	0.03%	70,081,200	43.23%
Total	**6,063**	**100.00%**	**162,107,557**	**100.00%**

SUBSTANTIAL SHAREHOLDERS AS AT 3 APRIL 2024
(In accordance with the Register maintained pursuant to Section 144(1) of the Companies Act 2016)

	Direct Interest		Indirect Interest	
Name	No. of Shares	%	No. of Shares	%
SC Yong Holdings Sdn. Bhd.	70,081,200	43.23%	–	–
Koh Hua Lan	–	–	70,081,200	43.23%
Yong Shang Ming	–	–	70,081,200	43.23%
Yong Tiok Chin	–	–	70,081,200	43.23%
Yong Tiok Keng	–	–	70,081,200	43.23%
Yong Tiok Nee	–	–	70,081,200	43.23%

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 3 APRIL 2024
(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
1	SC Yong Holdings Sdn. Bhd.	47,081,200	29.04
2	Kenanga Nominees (Tempatan) Sdn. Bhd. SC Yong Holdings Sdn Bhd.	23,000,000	14.19
3	Lembaga Tabung Amanah Warisan Negeri Terengganu	5,578,500	3.44
4	Cimsec Nominees (Tempatan) Sdn. Bhd. Cimb for Siow Wong Yen @ Siow Kwang Hwa	5,341,000	3.30
5	Tekad Maju Sdn. Bhd.	4,120,000	2.54
6	Siow Yuen Seng	4,000,000	2.47
7	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd.	3,826,000	2.36
8	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad	2,170,800	1.34
9	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Heng Ah Moi	2,149,500	1.33
10	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Han Weng	2,124,900	1.31
11	Lim Khuan Eng	2,000,000	1.23
12	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. For Lim Chee Beng	1,501,500	0.93
13	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	1,339,400	0.83
14	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Len Min Sin	1,120,000	0.69
15	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Han Peng	1,000,000	0.62
16	Lim Jit Hai	880,000	0.54
17	Yong Koon Wooi	880,000	0.54
18	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Bukit Fajar Sdn. Bhd.	770,000	0.47
19	Kang Kin Ngai	680,000	0.42
20	Ong Wan Chin	680,000	0.42
21	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sri Rahayu Binti Tajuddin	672,000	0.41
22	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB for General Technology Sdn Bhd	632,000	0.39

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 3 APRIL 2024 (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same person) (Cont'd)

No.	Name of Shareholders	No. of Shares	%
23	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khoo Ter Kern @ Stanley Khoo	600,000	0.37
24	Leong Ah Hoow @ Leow Yut Ngeor	551,500	0.34
25	Wong Yu @ Wong Wing Yu	535,000	0.33
26	Chai Min Hing	532,000	0.33
27	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loh Yong Huat	500,000	0.31
28	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Heng Ah Moi	500,000	0.31
29	Teh Bee Loon	500,000	0.31
30	Vignesh Naidu A/L Kuppusamy Naidu	500,000	0.31
		115,765,300	**71.42**

DIRECTORS' SHAREHOLDINGS

(In accordance with the Register maintained pursuant to Section 59 of the Companies Act 2016)

	Direct Interest		Indirect Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	–	–
Yong Shang Ming	–	–	70,081,200	43.23
Koh Hua Lan	–	–	70,081,200	43.23
Lim Boon Teng	–	–	–	–
Mahathir bin Mahzan	–	–	–	–
Tong Hock Sen	–	–	–	–
Yong Tiok Keng	–	–	70,081,200	43.23

CREST BUILDER HOLDINGS BERHAD
200201005719 (573382-P)

PROXY FORM

No. of Ordinary Shares Held	

I/We ....

NRIC No. .... /Passport No. ....

of ....

being a member/members of the abovenamed Company hereby appoint ....

.... [holding shares] ....

of ....

NRIC/Passport No. .... /Email and Contact No. ....

And/or failing him/her

.... [holding shares] ....

of ....

NRIC/Passport No. .... /Email and Contact No. ....

as *my/our proxy to vote for *me/us and on *my/our behalf at the 22nd Annual General Meeting of the Company, to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 29 May 2024 at 10:00 a.m. or at any adjournment thereof.

Ordinary business		For	Against
1.	To re-elect the Executive Director, Madam Koh Hua Lan.		
2.	To re-elect the Independent Non-Executive Director, Encik Mahathir Bin Mahzan		
3.	To re-elect the Independent Non-Executive Director, Mr Tong Hock Sen		
4.	To appoint Messrs Baker Tilly Monteiro Heng PLT, Chartered Accountants, as auditors for the ensuing financial year ending 31 December 2024 and authorise the fixing of their remuneration by directors.		
Special business		**For**	**Against**
5.	To approve payment of directors' fees for the financial year ending 31 December 2024 in accordance with Article 88 of the Company's Constitution.		
6.	To empower the directors to issue shares pursuant to Section 76 of the Companies Act 2016 and in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad as grant the waiver of pre-emptive rights pursuant to Section 85 of the said Act.		

Please indicate with a cross [x] in the box provided, how you wish to cast your votes. If no specific instruction as to voting is given, the proxy may vote or abstain at his discretion.

....
Signature of member/Common Seal of corporate member

Dated:

Director

Director/Secretary

....

Notes:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint anyone to attend and vote in his stead as his proxy without limitation and the provisions of Section 334 of the Companies Act 2016 shall apply.*
2. *If a corporation is a member of the Company, the corporation may by resolution of its Board or other governing body authorise a person or persons to act as its representative or representatives at any meeting of members of the Company. A certificate of authorisation by a corporate member shall be prima facie evidence of the appointment or the revocation of the appointment, as the case may be, of a representative pursuant to Section 333 of the Companies Act 2016.*
3. *Shareholders' attention is hereby drawn to the Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities.*
4. *A member may appoint more than one (1) proxy provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's office at No.2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*
6. *In respect to the deposited securities, only members whose name appear in the Record of Depositors on 21 May 2024 shall be eligible to attend the meeting or to appoint proxy to attend and/or vote on his behalf.*

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AFFIX
STAMP

THE SHARE REGISTRAR
CREST BUILDER HOLDINGS BERHAD
200201005719 (573382-P)

SHAREWORKS SDN. BHD.
NO. 2-1, JALAN SRI HARTAMAS 8
SRI HARTAMAS
50480 KUALA LUMPUR

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CREST BUILDER HOLDINGS BERHAD
200201005719 (573382-P)

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No. 2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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www.crestbuilder.com.my