



FOSTERING SUSTAINABILITY, SHAPING OUR FUTURE.

ANNUAL REPORT 2023

**Dato' Sri Ir
Chong Ket Pen**

Executive Chairman



**IN OUR JOURNEY
TOWARDS FY2024
AND BEYOND,**

we will continue to pursue value creation, business sustainability, and growth strategies on all business segments of the Group. This will benefit all management and staff in terms of instilling a sense of achievement and creating value for our shareholders and stakeholders.

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REFERENCE**

This icon indicates where more details can be accessed elsewhere in this report.

This icon indicates where more details can be accessed online.

**23RD ANNUAL
GENERAL MEETING**

VENUE

Conference Hall, 1st floor
Corporate Building
Unipark Suria
Jalan Ikram-Uniten
43000 Kajang, Selangor

DATE

30 May 2024, Thursday

TIME

11.00 a.m.

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**DIGITAL VERSION OF
ANNUAL REPORT 2023**

1

Run the QR Code Reader app and point your camera to the QR Code.



2

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3

Get access to the soft copy of the Annual Report.

The softcopy version of Protasco Berhad Annual Report 2023 is available on our website www.protasco.com.my



CORE VALUES

Result Oriented

- ✓ Stretch - Good to great
- ✓ Innovate
- ✓ Commitment

Ownership

- ✓ Accountable for outcomes
- ✓ Passionate in task execution
- ✓ Take pride - I Am Protasco

Customer Focused

- ✓ Wow them
- ✓ Create value
- ✓ Respect

Knowledge Driven

- ✓ Knowledge sharing
- ✓ Continual education
- ✓ Career development

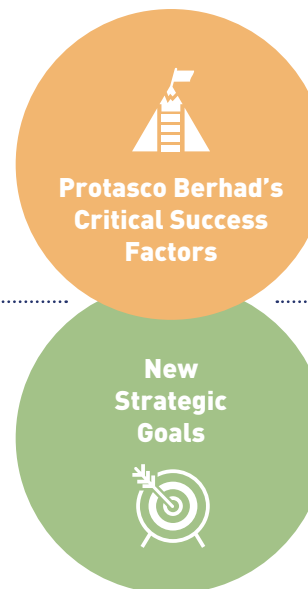
Integrity

- ✓ Do the right thing
- ✓ Trustworthy
- ✓ Transparent

Teamwork

- ✓ Robust communication
- ✓ Committed to team decisions
- ✓ Active participation

- Talent Management
- Business Process Innovation
- Culture Transformation
- Business Sustainability
- Digitalisation



- To obtain healthy financial improvements
- To achieve process and technology efficiencies through digitalisation
- To build skilled & high performance talent by optimising the ROCK IT values
- To improve customer satisfaction and experience
- To add value to work processes

**FOSTERING SUSTAINABILITY,
SHAPING OUR FUTURE.**

Protasco Berhad is committed to advancing sustainable practises that benefit both the society and the environment. By integrating sustainability into its core operations, Protasco Berhad is actively shaping a future where environmental responsibility is one of our priority. This approach not only ensures the long-term success of the company, but also contributes to the well-being of future generations.



CORPORATE INFORMATION



- Dato' Sri Ir Chong Ket Pen**
Executive Chairman
- Dato' Ir Kenny Chong Ther Nen**
Group Managing Director
- Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman**
Executive Director
- Dato' Tan Yee Boon**
Independent Non-Executive Director
- Suhaimi Bin Badrul Jamil**
Senior Independent Non-Executive Director
- Tham Wei Mei**
Independent Non-Executive Director
- Celine Chan Hooi Li**
Independent Non-Executive Director

COMPANY SECRETARIES

Khor Hooi Ling
MAICSA 7014879
SSM Practicing Certificate No:
202008000854

Seow Fei San
MAICSA 7009732
SSM Practicing Certificate No:
201908002299

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7803 1126
Fax : 603 7806 1387
Email : eadvisory@epsilon.com

PRINCIPAL OFFICES

Corporate Office
Unipark Suria
Jalan Ikram-Uniten
43000 Kajang
Selangor Darul Ehsan
Malaysia
Tel : 603 8738 3388

Kuala Lumpur Office
87, Jalan Kampung Pandan
55100 Kuala Lumpur Malaysia
Tel : 603 9286 4050
Fax : 603 9284 5881
Web : www.protasco.com.my
Email : ccd@protasco.com.my

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No.5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7890 4700
Fax : 603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
UOB (Malaysia) Berhad

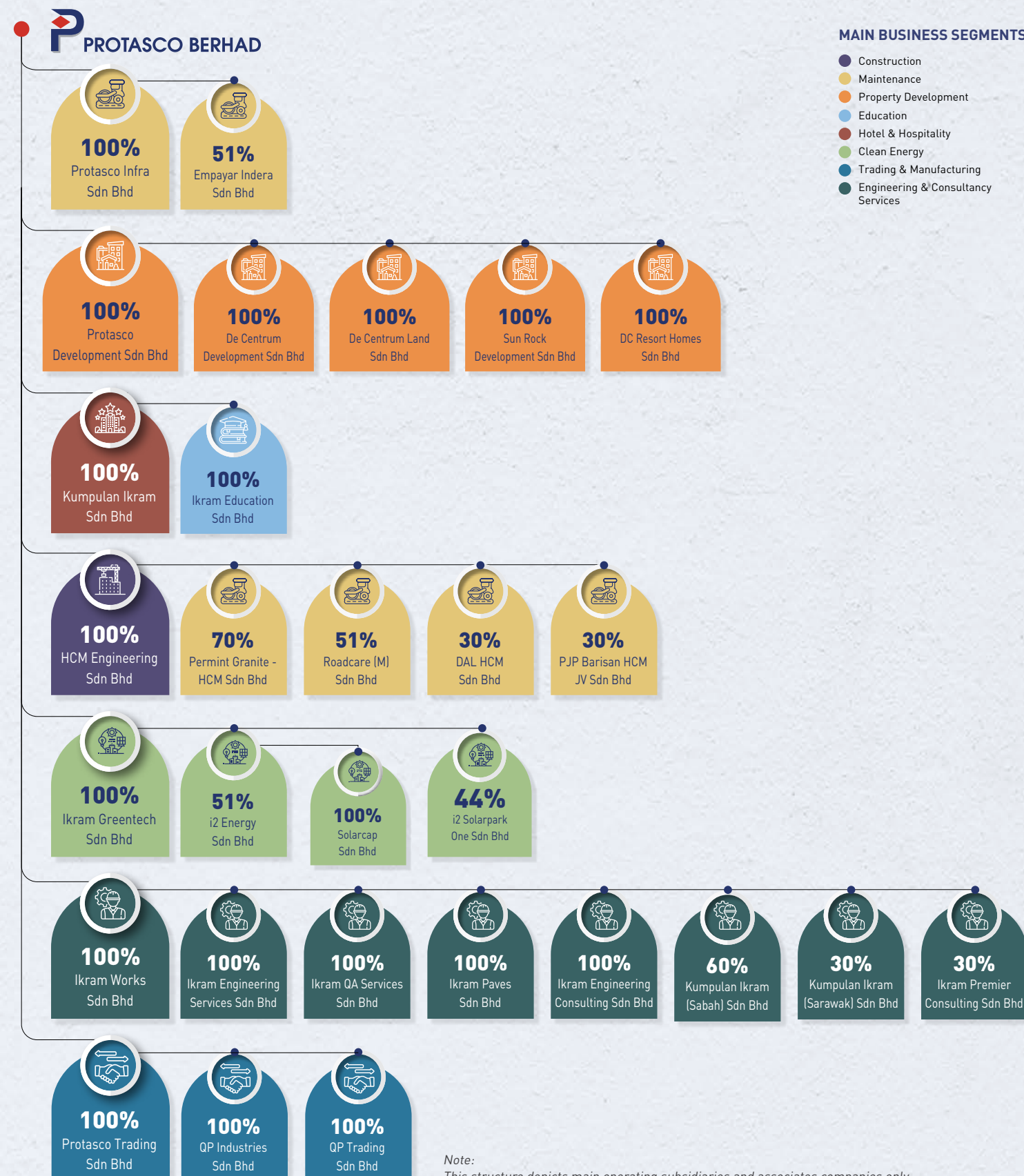
AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING

Main Board
Bursa Malaysia Securities Berhad Listed
Since : 8 August 2003
Stock Name : PRTASCO
Stock Code : 5070

CORPORATE STRUCTURE



Note:
This structure depicts main operating subsidiaries and associates companies only.

OUR PRESENCE

Protasco Berhad focusses its operations and projects primarily within Malaysia. The locations of our business units are shown below.

IPOH

- Empayar Indera Sdn Bhd

KUCHING

- DAL HCM Sdn Bhd
- PJP Barisan HCM JV Sdn Bhd
- Kumpulan Ikram (Sarawak) Sdn Bhd

KUALA TERENGGANU

- Permint Granite-HCM Sdn Bhd

KOTA KINABALU

- Kumpulan Ikram (Sabah) Sdn Bhd

KUALA LUMPUR

- Ikram Greentech Sdn Bhd
- i2 Energy Sdn Bhd
- Solarcap Sdn Bhd
- i2 Solarpark One Sdn Bhd
- Roadcare (M) Sdn Bhd

SELANGOR

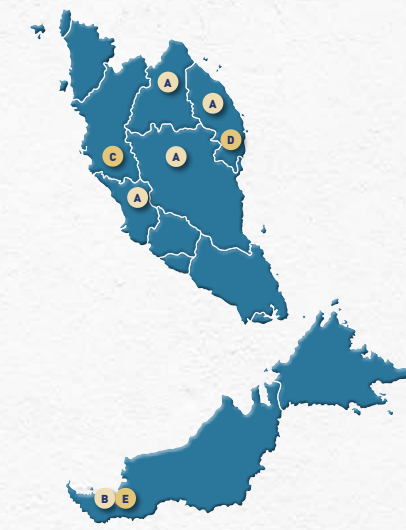
- Protasco Trading Sdn Bhd
- QP Industries Sdn Bhd
- QP Trading Sdn Bhd
- Protasco Infra Sdn Bhd
- Protasco Development Sdn Bhd
- De Centrum Development Sdn Bhd
- De Centrum Land Sdn Bhd
- Sun Rock Development Sdn Bhd
- DC Resort Homes Sdn Bhd
- HCM Engineering Sdn Bhd
- Ikram Education Sdn Bhd
- Kumpulan Ikram Sdn Bhd
- Ikram Works Sdn Bhd
- Ikram Engineering Services Sdn Bhd
- Ikram QA Services Sdn Bhd
- Ikram Paves Sdn Bhd
- Ikram Engineering Consulting Sdn Bhd
- Ikram Premier Consulting Sdn Bhd
- Ikram Skills Academy Sdn Bhd



* As at 31 December 2023

The Maintenance Division's operating sites can be further delineated based on the regions where road maintenance work is conducted. The following provides details on the locations of the companies within the division, the approximate length of roads being maintained.

A: Roadcare (M) Sdn Bhd Federal Roads Maintenance • Kelantan • Terengganu • Pahang • Selangor	Total Road Length: 7,263 km
B: DAL HCM Sdn Bhd Federal Roads Maintenance • Kuching to Lawas	Total Road Length: 751 km
C: Empayar Indera Sdn Bhd • Perak State Roads	Total Road Length: 1,959 km
C: Empayar Indera Sdn Bhd • Perak Agriculture Roads	Total Road Length: 13,084 km
D: Permint Granite-HCM Sdn Bhd • Terengganu Rural Roads	Total Road Length: Approximately 2,500 km
E: PJP Barisan HCM JV Sdn Bhd • Sarawak State Road - Mukah Division	Total Road Length: 820 km



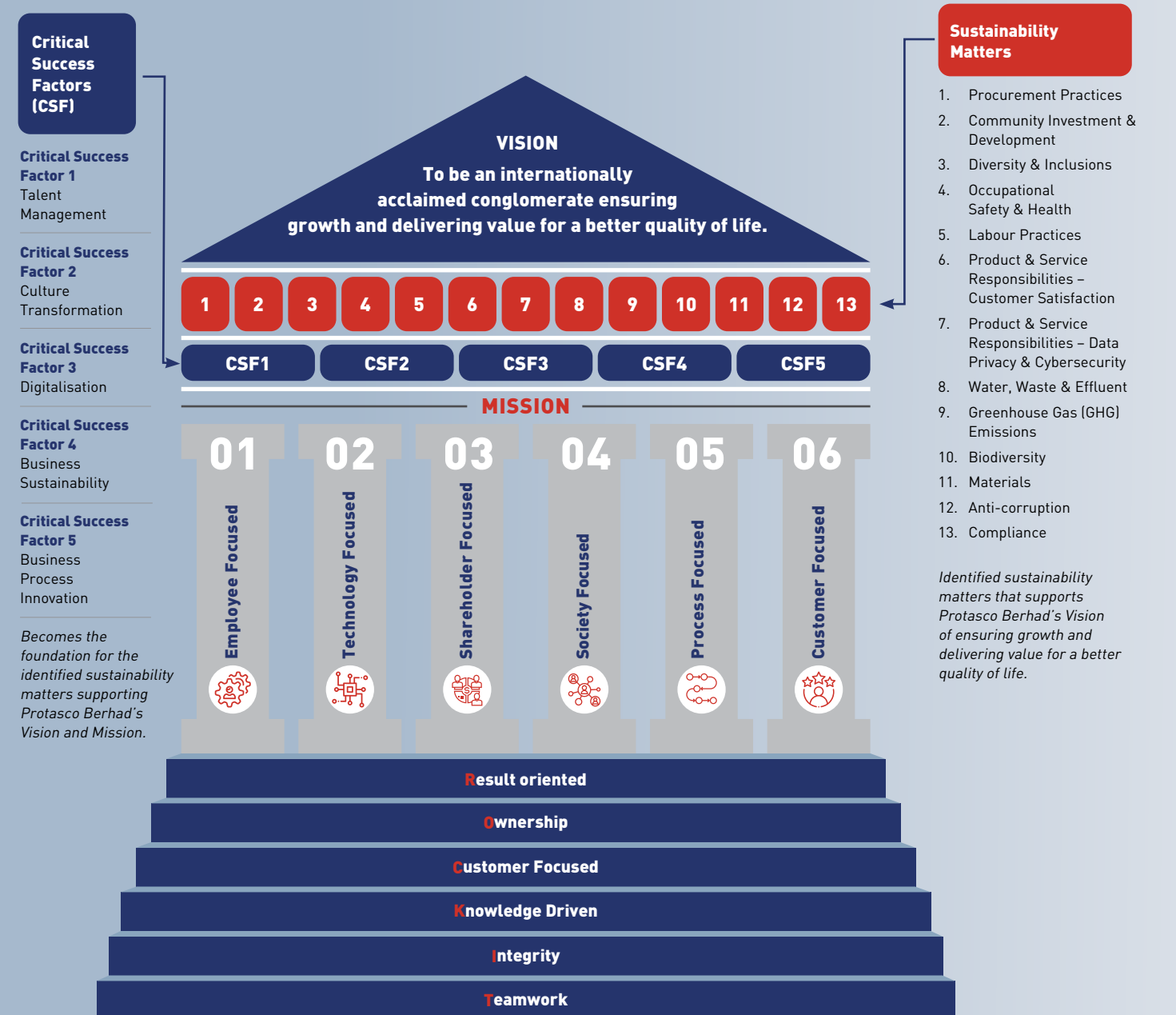
QUICK FACTS 2023

ABOUT PROTASCO BERHAD

With a rich history of more than 20 years, Protasco Berhad has firmly established its expertise in the areas of road maintenance; property development; engineering and consultancy services; construction; trading & manufacturing of road and construction material; and more recently in clean energy, and hotel & hospitality.

Protasco's extensive business portfolio and operational capabilities enable us to offer comprehensive infrastructure solutions to a wide range of stakeholders, including federal and state governments, local authorities, city councils, utility companies, and private sectors. With this, we keep up with sustainability practices, maintain transparency and accountability, and continuously improve our operations to meet the evolving needs of our diverse stakeholders.

Our steadfast commitment remains firmly grounded in our vision, mission, core values, and fundamental principles, shaped by the invaluable lessons learned through navigating and triumphing over the diverse array of challenges encountered since our inception.



Identified sustainability matters that supports Protasco Berhad's Vision of ensuring growth and delivering value for a better quality of life.

Quick Facts 2023

01



MAINTENANCE

The Maintenance Division provides road maintenance services and solutions to the Federal and State Governments, and local agencies. The Group has maintained more than 28,000 km of federal, state and rural roads awarded through two federal road maintenance agreements and various long term contracts lasting through to the year 2029.

02



PROPERTY DEVELOPMENT

Property development stands as a cornerstone activity for our Group, exemplifying our commitment to creating thriving communities. Our current focus lies in 137 acres of landed housing development at Jade Hill in Tampin, Negeri Sembilan. The first phase of the development is in its advanced stage of construction and is due for handover in August 2024. The construction for the next phase had commenced in July 2023 and is due for completion in the Q2 of 2025.

The Sentrion Business Park in Pasir Gudang has been completed in FY2023.

03



HOTEL & HOSPITALITY

Park Inn by Radisson Putrajaya, Protasco's very own hospitality arm offers services and amenities in a contemporary setup. Park Inn by Radisson Putrajaya hotel aspires to provide the best hospitality service to its customers. It is strategically located near Malaysia's administrative centre of Putrajaya and is connected to major highways, making accessibility to Kuala Lumpur City Centre very efficient. In FY2023 Park Inn by Radisson Putrajaya has received the ASEAN Food and Travel Awards (AFTA) 2023 - Malaysia's Best 4 Star Hotel (Central Region) and the HAPA AWARDS MALAYSIA SERIES 2023-2024 for Hospitality & Tourism Awards for Malaysia's 20 Service Excellence Establishments 2022- 2023 (SHT) - 4 Star Hotel; Hospitality & Tourism Awards for Malaysia's Best 20 Hotels & Resorts 2022-2023 (HRS) - 4-Star Hotel.

04



CONSTRUCTION

The Construction Division carries out building and infrastructure works. It has vast experience in the construction, rehabilitation and upgrading of buildings and roads. In the past, it had completed various road and highway construction, and rehabilitation works in various states in Malaysia.

Its completed projects include the overhead motorcycle bridge at Jalan 222, Petaling Jaya, Park Inn by Radisson Putrajaya Hotel, the PPAM Larai and PPAM Saderi government housing projects in Putrajaya, the Unipark Apartments at De Centrum City, South Kuala Lumpur, infrastructure works for the development of Pulau Indah industrial park, road connection work at Old Klang Road and the New Pantai Expressway in Kuala Lumpur and the Asian Football Confederation (AFC) Annex Building, at Bukit Jalil, Kuala Lumpur.

The division is currently heavily involved with the Jade Hill, Tampin project and the road upgrading works for Federal Road FT 004 in Kulim, Kedah.

05



CLEAN ENERGY

The Clean Energy Division excels in world-class solar engineering, procurement, construction and commissioning (EPCC) expertise. We deliver comprehensive energy solutions, including consultation on clean development mechanisms and the development, construction, and maintenance of solar farms and rooftop panels.

Our 9MWdc solar power plant in Masjid Tanah, Melaka operates under the Large Scale Solar 2 (LSS2) scheme and holds a power purchase agreement (PPA) with Tenaga Nasional Berhad for 21 years.

As a panel contractor for GSPARX (a subsidiary of TNB, Malaysia's National Energy Company) and Cleantech Solar (a subsidiary of Shell), we provide high-value, high-quality solar solutions, adhering strictly to international standards. We are registered with CIDB as a G7 contractor and recognised as a solar photovoltaic service provider by the Sustainable Energy Development Authority (SEDA) Malaysia.

06



ENGINEERING & CONSULTANCY SERVICES

The Engineering & Consultancy Services Division of the Group provides a full spectrum of engineering services encompassing consultancy, laboratory services, and data collection in Geotechnical, Pavement, and Structural fields. Additionally, we offer Construction & Project Management Consultancy, Product Certification, and Professional & Technical Training (Personnel Certification).

Positioned as a one-stop integrated engineering solutions provider, the division is committed to meeting customer expectations. In response to evolving business environments, we prioritise dynamism and adaptability to drive ongoing enhancements in systems and resources.

07



EDUCATION

Since more than two decades ago, Infrastructure University Kuala Lumpur (IUKL) has been providing quality education and professional services in various fields. All programmes offered by IUKL are approved by both the Ministry of Higher Education (MOHE) and the Malaysian Qualifications Agency (MQA).

IUKL receives professional recognition from the Board of Engineers Malaysia (BEM), the Board of Architects Malaysia (LAM), the Land Surveyors Board (LJT), the Royal Institution of Surveyors Malaysia (RISM), the Washington Accord, CISCO Certified Network Associate (CCNA), the International Organisation for Standardisation (ISO), the Association of Chartered Certified Accountants (ACCA), CPA Australia, Chartered Institute of Management Accountants (CIMA), MSC Status Institution, Global Compliance Certification (GCC) and the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), among others.

08



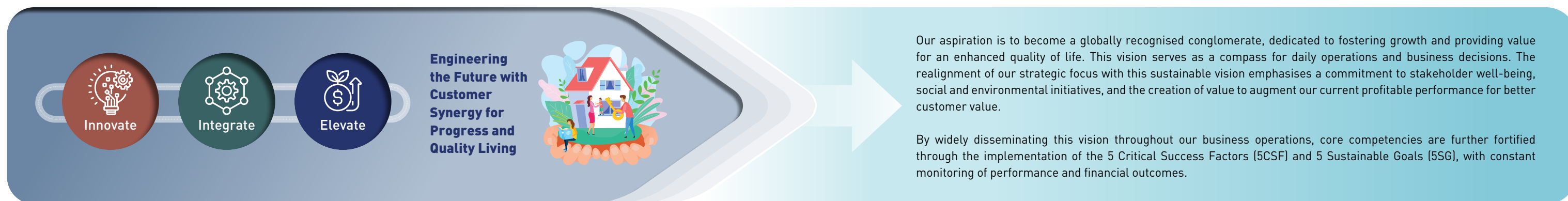
TRADING & MANUFACTURING

The Trading & Manufacturing Division specialises in the trading and distribution of various products, materials and equipment. This ranges from pavement maintenance products to construction building materials, petroleum-based products, highway safety products and equipment. At the forefront of our business is Protasco Trading Sdn Bhd, our subsidiary company that holds manufacturing and distributorship licenses from international brand and product owners. With our expertise in the industry, we are well-equipped to meet the needs of businesses across various sectors.

Quick Facts 2023

STRATEGIC MODEL

Strategic Model



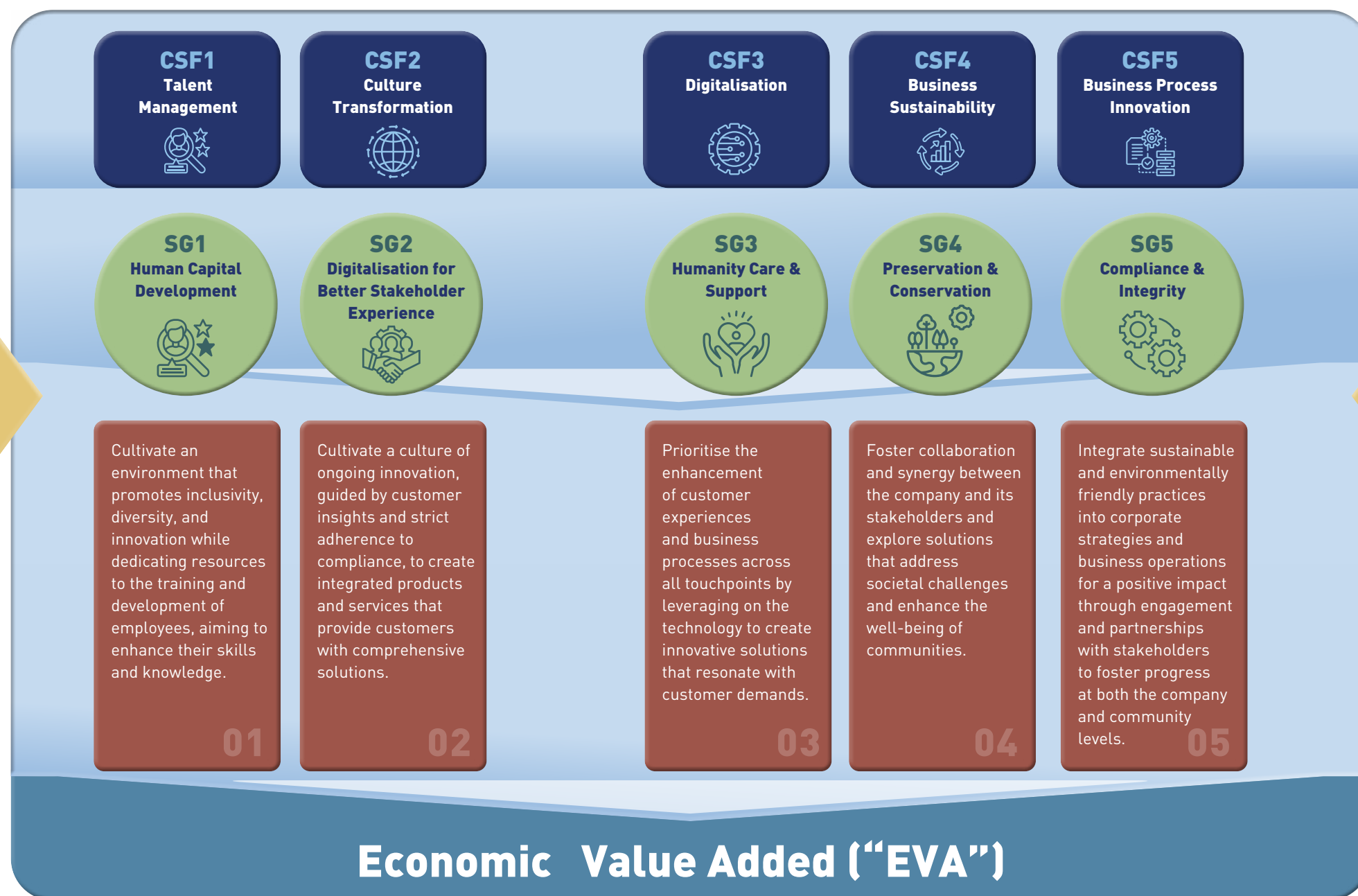
STRATEGIC FOCUS

PB takes the lead by redefining its **STRATEGIC FOCUS** and adding value to its target market segments both locally and internationally. The overarching theme guiding the entire PROTASCO Group of Companies is **CUSTOMER DRIVEN**. Our Strategic Business Planning Process aims to navigate towards our goals through identified critical success factors and sustainability goals, encompassing self-realisation, visionary innovation, business strategies, and progress tracking.

While certain Strategic Business Units (SBUs) may encounter challenges, the overall growth in Group's revenue and margin is commendable, and expected to achieve positive economic value added (EVA) for the years 2025 – 2026. Moving forward, overcoming these challenges requires additional effort and teamwork to sustain a positive EVA.

For the fiscal year 2023, PB allocated 25% of its revenue for strategic business growth.

As for EVA (refer to the economic performance section under the sustainability statement).



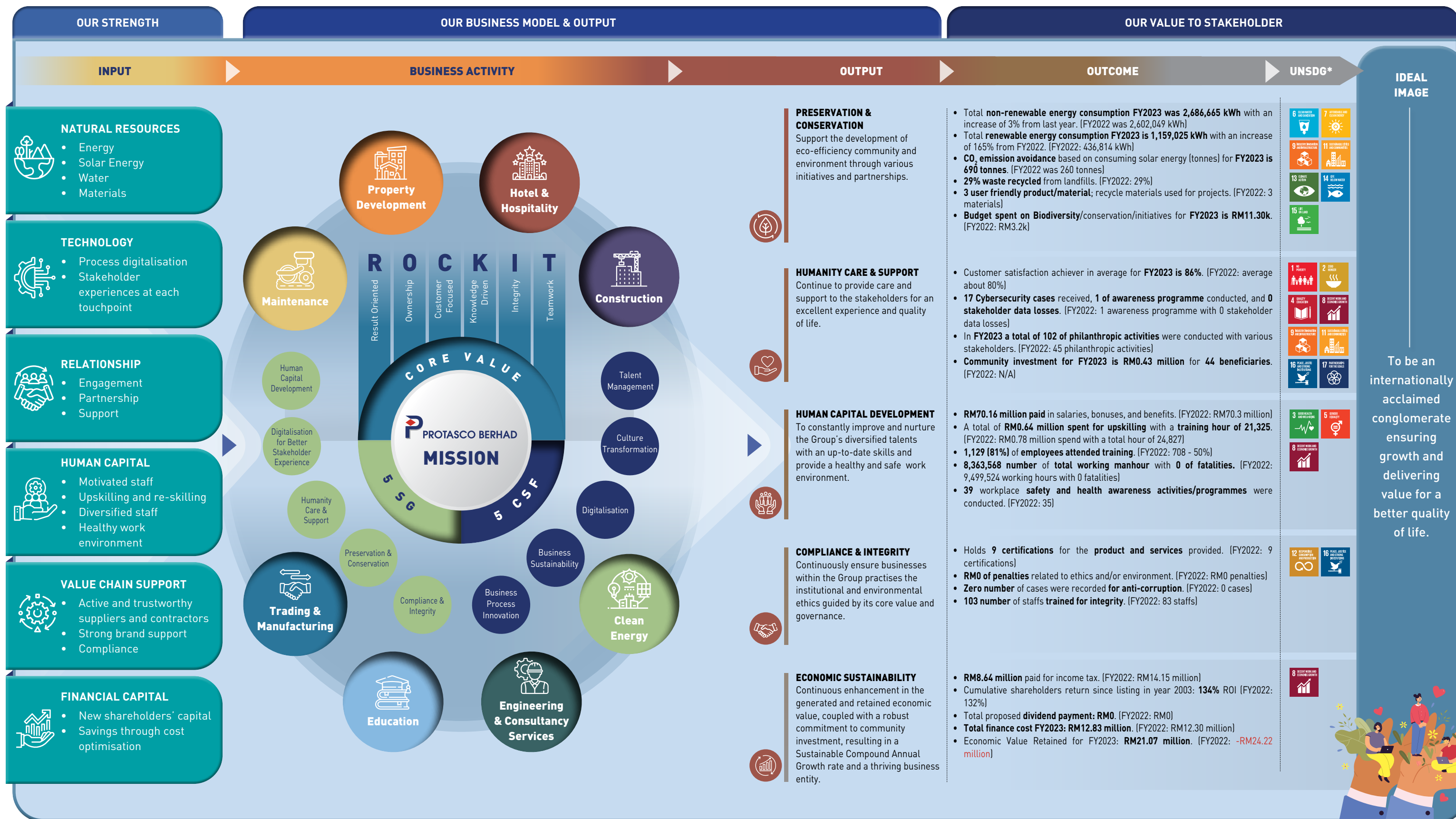
OUR CORE COMPETENCIES

As a cohesive entity, the PROTASCO Group of Companies has pinpointed operational efficiency, cost control, a robust brand portfolio, customer relationships, and technological enablement as the foundational strengths propelling our continuous growth across the sectors that we engage in.

These fundamental advantages have been further delineated into 5 critical success factors (CSF) and 5 sustainable goals (SG), accompanied by established Key Performance Indicators (KPIs). Detailed insights can be found in the Sustainability Statement Section.

VALUE CREATION BUSINESS MODEL

Value Creation Business Model

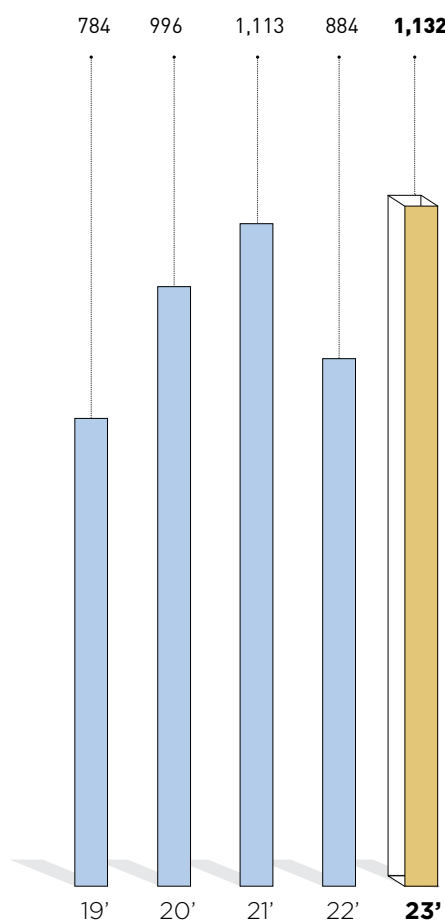


*UNSDG: United Nations Sustainability Development Goals

GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER	2019	2020	2021	2022	2023
Revenue (RM'000)	783,703	996,181	1,112,846	883,943	1,131,559
Operating Profit (RM'000)	39,637	40,235	62,879	6,636	35,822
Profit/(Loss) After Tax (RM'000)	19,267	(7,026)	38,406	(24,222)	21,073
Profit/(Loss) After Tax & Non-Controlling Interest (RM'000)	6,272	(25,233)	16,697	(29,376)	6,682
Earnings/(Loss) Per Share (sen)	1.29	(5.23)	3.47	(6.10)	1.39
Net Assets Per Share (RM)	0.68	0.63	0.66	0.60	0.61

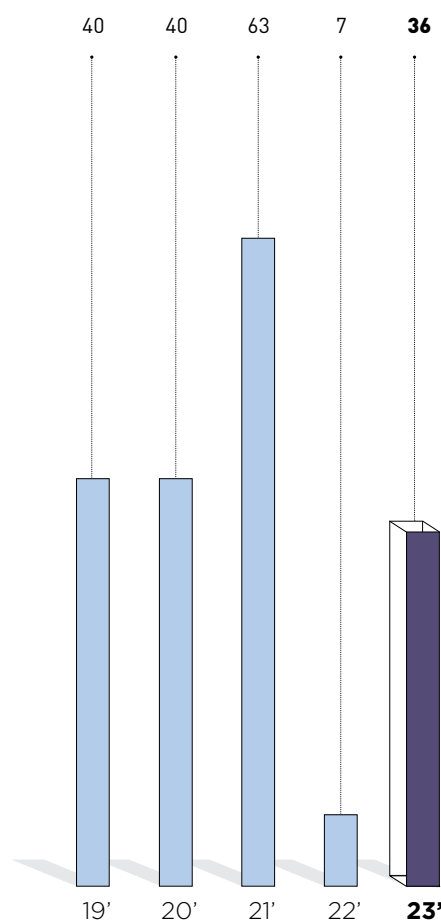
REVENUE (RM'Million)



2023

RM **1,132** million

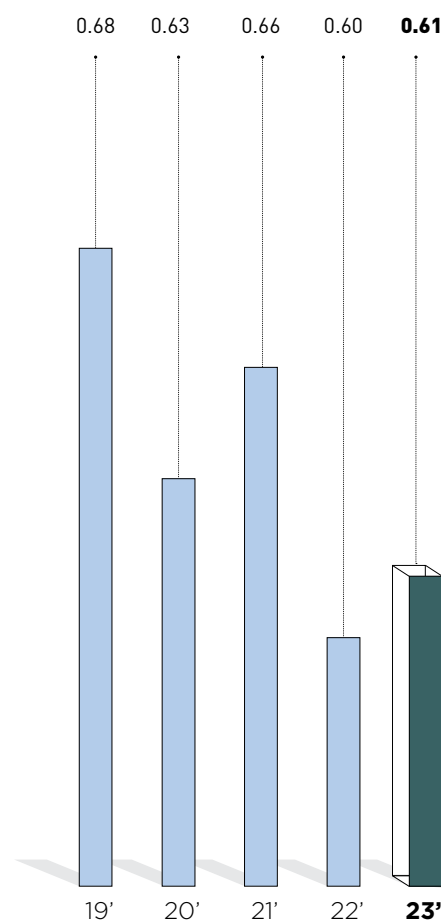
OPERATING PROFIT (RM'Million)



2023

RM **36** million

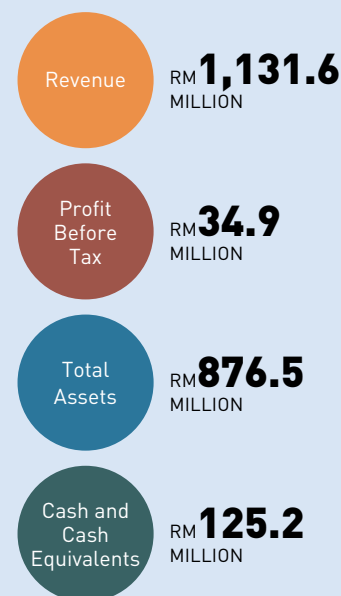
NET ASSETS PER SHARE (RM)



2023

RM **0.61**

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the **ANNUAL REPORT** of Protasco Berhad for the financial year ended 31 December 2023.

PERFORMANCE REVIEW

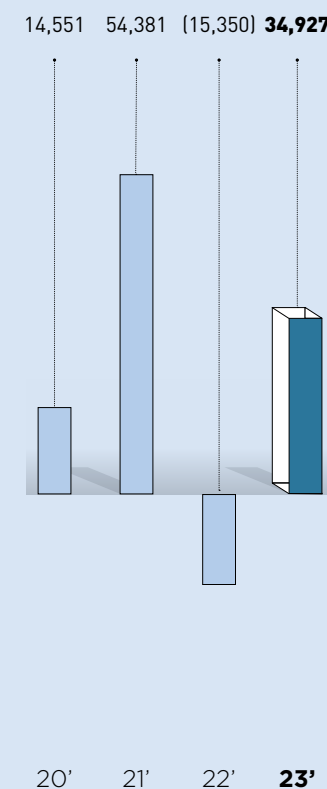
Our Group recorded a significant improvement in both revenue and profit for the financial year 2023. Group revenue reached RM1,131.6 million, a 28% increase as compared to the previous financial year. Profit before tax showed favourable growth at RM34.9 million, reversing the previous financial year's of loss before tax of RM15.4 million. The upswing in revenue and profit before tax were attributed primarily to the better performance of our Maintenance, Trading, and Engineering & Consultancy business segments.

During the current financial year, our Group posted a net profit after tax of RM21.1 million, indicating a 187% increase as compared to the net loss after tax of RM24.2 million in the preceding financial year. This surge in financial performance was attributed to the various conducive business and economic climate, and prudent financial and operating measures taken by the Group.

Our strong cash position, with RM125.2 million in cash and cash equivalents, indicated our prudent cash management and financial stability. The key note is the reduction in impairment of receivables of RM8.1 million, and write-back of impairment of receivables and non-financial assets of RM16.0 million in the financial year.

We invested RM13.6 million in capital expenditure for upgrading and expansion, underscoring our commitment to innovation and growth.

Profit/(Loss) Before Tax (RM'000)



Chairman's Statement

Moving forward, our focus remains on prudent financial management, business strategies to enhance business development and strengthen our collection efforts. We are committed to sustain profitability by monitoring profit margins regularly and optimising expenses for each and every business segment of the Group.

Where business and economic factors, such as the country's economic growth rates, interest rates, Government policies, etc. are beyond our control, we will monitor closely such changes and evaluate the financial impact on our business units, and relevant countermeasures will be taken to address such events. On the other hand, we will embrace firm and effective cost rationalisation programmes to ensure costs are incurred for the sole purpose of generating income.

For a more in-depth review of the Group's financial performance, please refer to the "Management Discussion and Analysis Report" in this Annual Report.

COMPLIANCE WITH CORPORATE GOVERNANCE

We are dedicated to the highest standards of corporate governance which underpins our operations of the Group. This dedication is intrinsic to fulfilling our roles and responsibilities in safeguarding shareholders' interests, thereby augmenting prospects of the Group and shareholders' value. Our compliance to the Malaysian Code on Corporate Governance 2021 is detailed in the Corporate Governance Overview Statement, found on pages 107 to 114 of this Annual Report.

FUTURE OUTLOOK & PROSPECTS

The Group aims to minimise or reverse altogether the business losses incurred by the loss-making business segments and to expand and maximise the business profits of the profit-making business segments.

The Maintenance business segment, being the largest revenue and profit contributor to the Group, is expected to benefit from the recent announcement of the Malaysian Budget 2024, in which the Government will allocate RM2.8 billion for the maintenance of federal roads and bridges.

With the expected increase in business volume from the Maintenance business segment, the Trading & Manufacturing business segment, being the supplier of construction material to the sub-contractors of the Maintenance business segment, is expected to gain from this development.

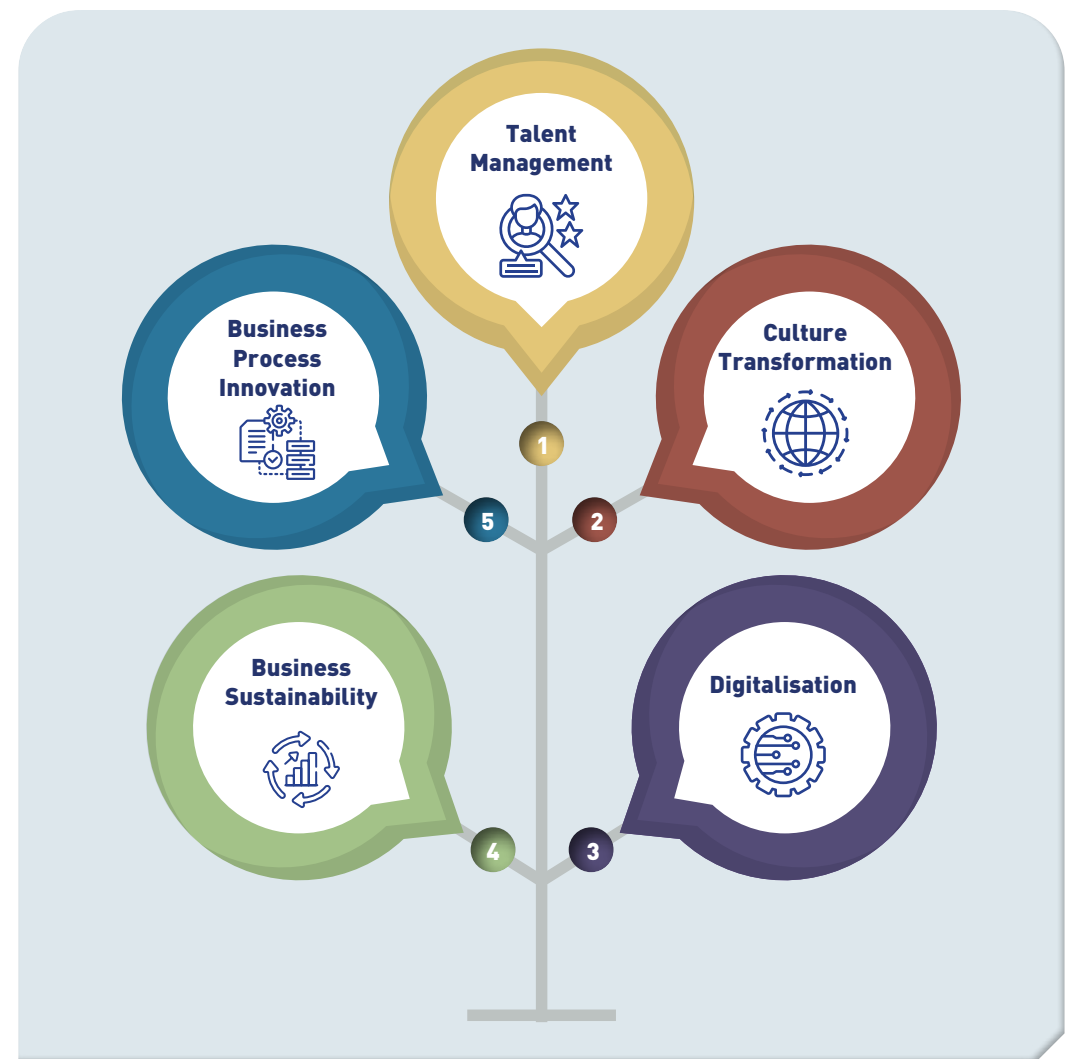


Both the Maintenance and Trading & Manufacturing business units are expected to continue to contribute positively to the earnings, cash flows, and net assets of the Group.

On new business ventures, the Group is expected to commence the Agriventure business segment in FY2024. We are confident that this business unit will open-up a new stream of income and contribute positively to the earnings, cash flow and net assets of the Group.

The Group will revisit our business models and emphasise business strategies that are focused on improving financial results, strengthening financial position, and building strong liquidity. In this regard, the Group is confident in rolling out and achieving the targets and business plans for FY2024.

During the launch of IAP (I Am Protasco) 1.0 in the Year 2014, we established our Vision, Mission and Core Values. We refreshed our commitments and values by launching IAP 2.0 - A Journey of Discovery, Change & Growth in Quarter 4 of 2021. Our journey will continue into 2024 and thereafter, to realise in full our activation of 5 Critical Success Factors (CSF) on a progressive basis:



We are guided by these 5 CSFs, vision and strategy and performance development framework in our pursuit of business excellence, career development for our employees, and return on shareholders' funds.

Chairman's Statement

The Maintenance business segment, being the largest revenue and profit contributor to the Group, is expected to benefit from the recent announcement of the Malaysian Budget 2024.



On new business ventures, the Group is expected to commence the Agriventure business segment in FY2024.



We refreshed our commitments and values by launching IAP 2.0 - A Journey of Discovery, Change & Growth in Quarter 4 of 2021. These initiatives continue to date.



Chairman’s Statement



DIVIDENDS

We do not have an explicit dividend policy. While we recognise the importance of rewarding our shareholders for their support, the decision to declare any cash dividend is subject to several factors, including and not limited to; financial performance, cash availability, and requirements for capital expenditure, working capital, and future business expansion.

Therefore, after careful deliberations, the Board has decided not to propose any payment of dividends for the FYE2023.

The Board is committed to resume dividend payments at the earliest possible juncture, once it deems the Company is in a good position to distribute dividends.

APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to all our valued shareholders, customers, business associates, bankers, suppliers, and contractors for their continued support, mutual trust and utmost confidence in the Group.

My deepest appreciation to the management and staff (our Protasco Champions) at all levels for their contribution, dedication, loyalty and hard work, towards the Group’s business sustainability as well as building their career path with the Group. I am very confident that with their continued commitment, perseverance, right attitude and teamwork, the Group will be able to realise its Vision, Mission, and Core Values.

In our journey towards FY2024 and beyond, we will continue to pursue value creation, business sustainability, and growth strategies on all business segments of the Group. This will benefit all management and staff, boosting a sense of achievement and creating value for our shareholders and stakeholders.

Last but not least, I wish to place on record, my deepest appreciation to my fellow members of the Board, both at Group and subsidiaries level for their immense contribution, wise counsel and confidence in the direction of the Group.

Thank you.

Dato’ Sri Ir Chong Ket Pen
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



DATO’ IR KENNY CHONG THER NEN

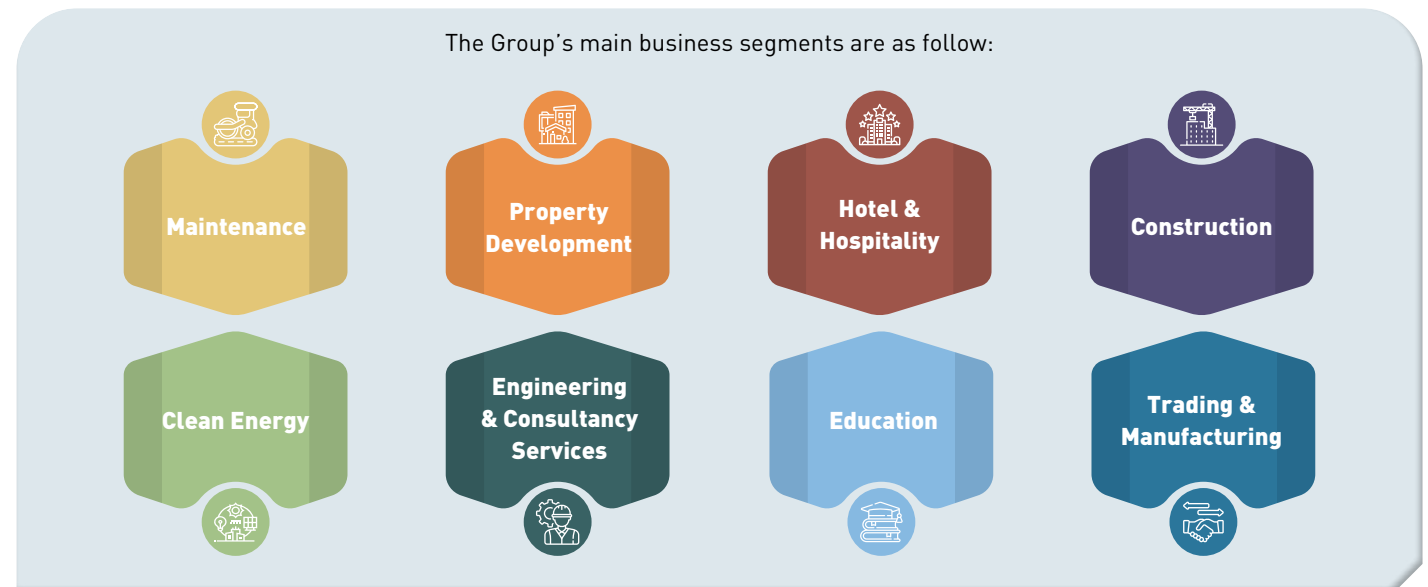
Group Managing Director



This Management Discussion and Analysis (MDNA) of Protasco Berhad (“PB”, “Company”, “we”, “us” or “our”) and its subsidiaries (Group) provide shareholders an overview and better understanding of the Group’s financial and operational performance for the financial year ended 31 December 2023. The information presented in this MDNA should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the related notes. Please take note that the discussion of results, causes and trends should not be construed to imply any conclusions that such results, causes or trends will necessarily continue in the foreseeable future.

INTRODUCTION

PB was incorporated on 18 May 2001 and listed on the Main Market of Bursa Malaysia Securities Berhad (then Main Board of KLSE) on 8 August 2003.



Management Discussion and Analysis

Please refer to SEGMENTAL PERFORMANCES for the business nature, financial performance, future prospects, and other information of the respective business segments.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

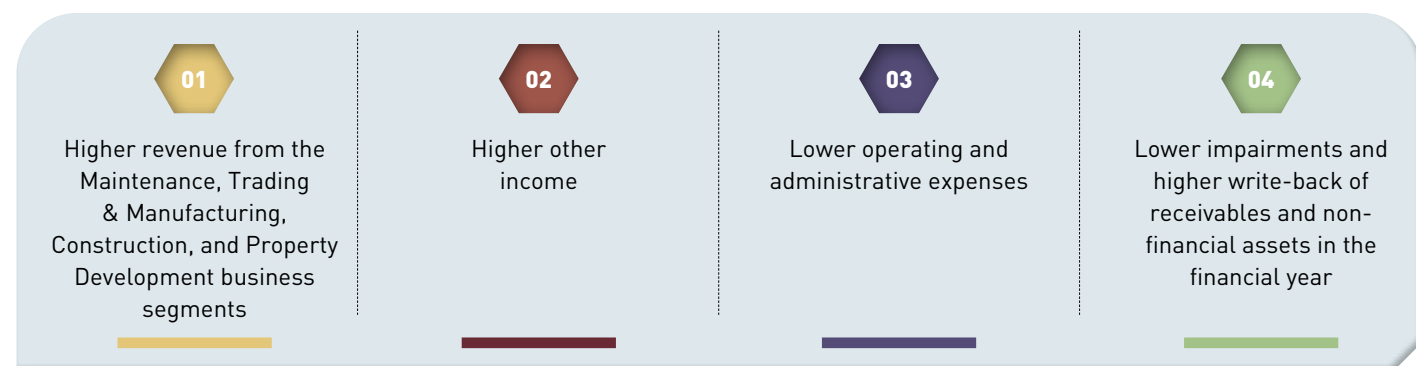
Group Financial Performance

	FY2023	FY2022	CHANGES	
	RM'000	RM'000	RM'000	%
Revenue	1,131,559	883,943	247,616	28%
Profit/(Loss) after taxation	21,073	(24,222)	45,295	187%
Profit/(Loss) after taxation attributable to:				
Owners of the Company	6,682	(29,376)	36,058	123%
Non-controlling Interests	14,391	5,154	9,237	179%
	21,073	(24,222)	45,295	187%
Earnings/(Loss) per share (sen)	1.39	(6.10)	7.49	123%

For the financial year ended 31 December 2023 (FYE2023), the Group's revenue increased by RM247.6 million or 28% as compared to the previous financial year ended 31 December 2022 (FYE2022). The increase in revenue was mainly contributed from the Maintenance and Trading & Manufacturing business segments as a result of higher periodic maintenance works performed in the financial year.

Both the Maintenance and Trading & Manufacturing business segments continued to be the main contributors to the Group's revenue in the financial year.

The Group posted a reversal of loss after taxation of RM24.2 million in FYE2022 to a profit after taxation (PAT) of RM21.1 million in FYE2023 due to:



The favourable financial performance was made possible as a result of conducive business and economic climate, and prudent financial and operating measures taken. Consequently, the Group recorded a reversal of loss after taxation and non-controlling interest of RM29.4 million for the FYE2022 to a profit after taxation and non-controlling interest of RM6.7 million for the FYE2023.

A summary of the Group's 5-years financial performance is presented in the Group Financial Highlights.

Management Discussion and Analysis

FINANCIAL POSITION

Group Financial Position

	FY2023	FY2022	CHANGES	
	RM'000	RM'000	RM'000	%
Non-current Assets	376,479	380,749	(4,270)	(1%)
Current Assets	500,052	455,514	44,538	10%
Total Assets	876,531	836,263	40,268	5%
Total Equity	336,259	327,854	8,405	3%
Non-current Liabilities	69,969	86,976	(17,007)	(20%)
Current Liabilities	470,303	421,433	48,870	12%
Total Liabilities	540,272	508,409	31,863	6%
Total Equity & Liabilities	876,531	836,263	40,268	5%
Net assets per share (RM)	0.61	0.60	0.01	2%

The total assets of the Group increased by RM40.3 million from RM836.3 million in FYE2022 to RM876.5 million in FYE2023 mainly due to an increase in Trade Receivables.

Total liabilities as at FYE2023 were RM540.3 million as compared to RM508.4 million in FYE2022. The increase of RM31.9 million was mainly due to higher trade payables and short-term borrowings.

The Group's net assets per share increased from 60 sen in FYE2022 to 61 sen in FYE2023 due to the Group registering a profit after taxation attributable to the owners of the Company, of RM6.7 million in the financial year. Consequently, there was a reversal of loss per share of 6.10 sen in FYE2022 to earnings per share of 1.39 sen in FYE2023.

Our cash and cash equivalents stood at RM125.2 million as at FYE2023 with a decrease of RM30.6 million as compared to RM155.8 million in FYE2022 mainly due to increase in receivables, capital expenditure, and repayment of term loans.

The Group's net gearing ratio for FYE2023 is at 0.108 times as compared to 0.001 times for FYE2022 due to the increase in bank borrowings while the gross gearing ratio increased marginally from 0.635 times in FY2022 to 0.645 times in FY2023.

LIQUIDITY AND CAPITAL RESOURCES

Group Statements of Cash Flows

	FY2023	FY2022
	RM'000	RM'000
Net cash flows (for)/from operating activities	(5,090)	69,993
Net cash flows for investing activities	(7,613)	(5,950)
Net cash flows for financing activities	(17,905)	(71,589)
Net change in cash and cash equivalents	(30,608)	(7,546)
Cash and cash equivalents at the beginning of the financial year	155,774	163,320
Cash and cash equivalents at the end of the financial year	125,166	155,774

Management Discussion and Analysis

The Group has net decrease in cash and cash equivalents of RM30.7 million in FY2023 as compared to RM7.5 million in FY2022. The net change in cash and cash equivalents in FY2023 are as follows:

- (i) Net cash used in operating activities for FY2023 was RM5.1 million as compared to net cash generated from operating activities of RM70.0 million in FY2022. This was mainly due to the net outflows from working capital changes of RM42.6 million (FY2022: net inflows of RM62.4 million) mitigated by the operating profit before working capital changes of RM49.5 million (FY2022: RM24.1 million).
- (ii) Net cash used in investing activities for FY2023 was RM7.6 million as compared to RM6.0 million in FY2022 due to higher capital expenditure in the current financial year.
- (iii) Net cash used in financing activities for FY2023 was RM18.0 million as compared to RM71.6 million in FY2022 mainly due to drawdown of bank borrowings, mitigated by higher dividends paid to non-controlling interest and higher repayment of term loans and interest paid in the current financial year.

SEGMENTAL PERFORMANCES



Maintenance

The Group's Maintenance segment is currently being undertaken by the following companies through concessions and long term contracts awarded by the Federal and State Government

CONCESSION – FEDERAL ROAD MAINTENANCE (FRM)

01

A 10-year FRM concession of 7,263km commencing February 2016 by Roadcare (M) Sdn Bhd.

- Group's equity interest is 51%
- Routine maintenance – recurring approximately RM140 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM130 million – RM150 million per annum)
- Covering the states of Selangor, Pahang, Kelantan and Terengganu

02

A 10-year FRM concession of 751km commencing September 2018 by DAL HCM Sdn Bhd.

- Group's interest is 30%
- Routine maintenance – recurring RM24 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM10 million – RM20 million per annum)
- Covering federal roads from Kuching to Lawas in Sarawak.

LONG TERM CONTRACTS (LTC)

1. A 7-year contract followed by a 5-year contract with an extension of another 2 years for 1,959km, State Road Maintenance in the State of Perak.

Contract sum: RM126.1 million for 2 years

Date of commencement: 1 January 2013

Undertaken by Empayar Indera Sdn Bhd in which the Group's equity interest is 51%

LTC expires in December 2026

2. A 2-year contract followed by a 5-year contract with an extension of another 2 years for 13,084km, Agriculture Road Maintenance in the State of Perak.

Contract sum: RM90.1 million for 2 years

Date of commencement: 20 February 2017

Undertaken by Empayar Indera Sdn Bhd in which the Group's equity interest is 51%

LTC expires in February 2026

LONG TERM CONTRACTS (LTC) (Cont'd)

3. A 10-year contract of Rural Road Maintenance in the State of Terengganu of approximately 2,500km.

Contract sum: RM171.8 million for 10 years

Undertaken by Permint Granite-HCM Sdn Bhd where the Group's equity interest is 70%

LTC expires in April 2027

4. A 10-year Performance Based Contract for the Long Term Management and Maintenance of State Roads [Jalan Raya Negeri (JRN)] in Sarawak, Package 3 (Mukah Division) awarded by Jabatan Kerja Raya (Public Works Department) of 820km.

Contract sum: RM24.6 million per year (subject to review every 3 years with a maximum increase of 7.2% per revision)

Undertaken by PJP Barisan HCM JV Sdn Bhd in which the Group's equity interest is 30%

LTC expires in December 2029

REVIEW OF OPERATIONS

The Maintenance segment recorded an increase in revenue of RM144.5 million or 26% from RM560.0 million in FYE2022 to RM704.5 million in FYE2023. The Maintenance segment revenue represented more than 62% of the Group's revenue in FYE2023.



Management Discussion and Analysis

The increase in revenue for the FYE2023 was due to higher periodic maintenance and emergency works performed and this has resulted in the increase in profit before taxation (PBT) from RM28.2 million in FYE2022 to RM48.0 million in FYE2023.

Our 30% associate companies, DAL-HCM Sdn Bhd and PJP Barisan HCM JV Sdn Bhd, contributed a total of RM2.7 million to the PAT of RM35.4 million of the Maintenance segment.

SEGMENTAL RISKS

Our road maintenance activities are dependent on numerous factors including the Government's budget for periodic maintenance, the occurrence of events that require additional emergency maintenance and the success of our bids for new and renewal of contracts and concessions.

MOVING FORWARD

The Government will allocate RM2.8 billion for the maintenance of federal roads and bridges as announced in the Malaysian Budget 2024. This budget allocation is expected to benefit our Maintenance Business segment.

We are confident that our concessions will continue and be extended together with the revision of the schedule of rates. This will boost our revenue and margins for the maintenance works to be performed in FY2024 and thereafter.

Our Maintenance segment is expected to continue as the primary revenue contributor to the Group in the FY2024. The Group is actively pursuing other opportunities to improve the Maintenance segment's financial results.

Management Discussion and Analysis



Construction

The Construction segment refers to activities of project management and sub-contracting of residential or commercial properties, infrastructure works, etc based on contracts entered into with clients.

REVIEW OF OPERATIONS

Revenue for the Construction segment increased from RM13.4 million in FYE2022 to RM23.8 million in FYE2023 due to the increase in progress billings for the upgrading roadwork project in Kulim, Kedah.

Despite the increase in revenue, the Construction segment posted higher loss before tax (LBT) of RM11.5 million in FYE2023 as compared to LBT of RM4.4 million in FYE2022 due to the higher overhead expenses and impairment losses on amount owing to related companies.

SEGMENTAL RISKS

Our construction activities depend on the ability to replenish the order book and the general economic climate of the country. Other factors that may affect the profit contribution of our Construction segment include the cost of raw material, labour and other related expenses.

MOVING FORWARD

The Construction segment will actively continue to pursue opportunities both locally and abroad, to replenish its order book.

The construction sector remains challenging and competitive due to fewer infrastructure jobs and contracts with lower values. The process of awarding public infrastructure and housing projects has been slow. Other issues affecting the construction sector include worker shortages and rising material costs, as well as the challenges in price variation, contract mediation and project delays.

Nevertheless, we are cognisant of the need to replenish our order book and will continue to bid for lucrative projects.

We will emphasise on managing project costs, increase efficiency and timely delivery to achieve better profit margins in each and every project that we secure.



Management Discussion and Analysis



Property Development

The Property Development segment refers to the full spectrum of development activities from land acquisition to handover of completed property units to buyers.

Property Investment refers to the asset management activities where income is derived from rental or usage of assets.

1.0 OVERVIEW OF THE PROPERTY MARKET

The Malaysian economy expanded by 3.0% in Q4 2023 (Q3 2023: 3.3%; Q2 2023: 2.9%), supported by expansion in domestic demand, improving labour market conditions, growth in investment activity, commodities and services sectors. Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, after a strong growth registered in the previous year (2022: 8.7%).

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

2.0 PROPERTY MARKET ACTIVITY

The property market has gradually increased in 2023, higher after the downturn in 2020 due to COVID-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively, while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas the agricultural sub-sector recorded otherwise, declining by 7.8% in volume.

Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

(MOF : Property Market Report 2023)

We launched the JADE Hill project in Tampin, Negeri Sembilan in FY2022. The development project comprises 74 units single storey terrace houses (Type B) and 21 units of single storey terrace houses (Type A Rumah Mampu Milik) under Phase 1A. We achieved a take-up rate of 95% as of to date for Type B. We expect to handover Type B units to homeowners by August 2024.

During the financial year, we commenced the development project for Phase 2A-1 which comprises 54 units of double storey terrace houses. We also aim to commence the development project of Phase 2A-2 by Q3 FY2024, which comprises 62 units of double storey terrace houses.

Management Discussion and Analysis

To remain competitive, new property projects are now aligned to affordable homes where demand is still strong. We will adopt a cautious and resilient approach towards the new changes in the property market.

The Property Development segment will concentrate its efforts in prudent management of construction and operating costs, positive operating net cash flows, innovative marketing campaign and digital platform to maximise profits. At the same time, we provide high quality product at affordable prices and excellent customer service to attract house buyers.

For Property Investment, the momentum of recovery in FY2023 was still lagging due to lower than expected student recruitment in IUKL. This had affected the financial performance of our De Centrum Mall (DC Mall) and student accommodation.

REVIEW OF OPERATIONS

Revenue was RM20.2 million in FY2023 as compared to RM9.0 million in FY2022 due to the development progress of the ongoing JADE Hill project, sale of one (1) unit of shoptlot in Sentrio Pasir Gudang, one-off disposal of vacant land at Pasir Gudang, and improved occupancy rates in the student accommodation.

The increase in revenue has resulted in the reduction of LBT from RM9.7 million in FY2022 to RM8.7 million in FY2023 mainly due to lower operating and administrative costs, and finance cost.

SEGMENTAL RISKS

The performance of our Property Development segment is dependent on consumer demand for new units. Factors such as economic conditions and lending policies will have a direct impact on consumer appetite for property investment. Our property activities are also affected by general risk factors.

MOVING FORWARD

The Real Estate and Housing Developers Association (REHDA) expects property prices to rise significantly in the first half of 2024 (1H24) on the back of building material cost hikes. The costs of construction are expected to increase by 15% in 1H24.

Property players remain neutral about the economic and business outlook for 1H24, with a more optimistic view for second half of 2024 (2H24).

Despite the challenges that the industry faces, the higher optimism for the second half of FY2023 indicates that property developers at large are still confident that the market will improve.

In view of the property market prospects for 2024, we have decided to postpone the Rimbawan Residency project commencement to a future date.

We have yet to commence the project development of Residensi Perihatin Keluarga Malaysia due to budget allocation of the Government.

For Property Investment, we are in the midst of refreshing the right sizing, tenants mix, and repositioning of the DC Mall to cater for better retail offering and increasing footfall, taking into consideration the location and demographic profile of the catchment area. We are also exploring the possibility of introducing special theme health and wellness-related activities in DC Mall.

The registration of international students at IUKL has increased in FY2023 and is expected to further improve in FY2024. This growth will benefit our student accommodation and DC Mall as they often require local rentals and shopping for basic needs and leisure activities.



Management Discussion and Analysis



Engineering & Consultancy Services

Our Engineering and Consultancy Services segment provides engineering solutions in the areas of geotechnical, pavement, structural, and forensic engineering, while consultancy services are in the area of material certification and technical training.

We provide engineering services and capacity building to DBKL, with an average annual turnover of RM5 million, subject to actual consumption by DBKL. Our agreement with Dewan Bandaraya Kuala Lumpur (DBKL) will be expiring in May 2024.

The provision of engineering and capacity building services to Tenaga Nasional Berhad is now on a project-by-project basis.

REVIEW OF OPERATIONS

Revenue increased by 9% from RM52.4 million to RM57.2 million due to higher structural, geotechnical, and construction works performed.

In line with the increase in revenue, the profit before tax increased from RM0.4 million to RM3.2 million due to higher other income resulting from the write-back of receivables, lower cost of sales and reduced operating and administrative expenses mainly from the lower impairment of receivables.

SEGMENTAL RISKS

Demand for our engineering and consultancy services are dependent on the overall economic environment as a slowing economy would affect any capital expansion and thus for our services. We closely monitor our progress on the deliverables to our clients to mitigate the risk of any potential liability claims relating to negligence in managing and safe guarding their assets and interests.

MOVING FORWARD

Our Engineering & Consultancy Services segment operates mainly within the engineering and project management services in the country. Growth within the engineering and project management services market derived from:

- government-led initiatives and spending;
- sustained economic growth to support spending and investment in properties;
- increasing participation by professionals into the provision of engineering and project management services; and
- strategic need for engineering and project management services.

Thus, we are enhancing and rebranding our "IKRAM Brand" as "Total Integrated Engineering Solutions Provider" specialising in Geotechnical & Geo Environmental Engineering, Pavement, Highway & Transportation Engineering, Structural & Material Engineering, Product & Personal Certification, and Technical Training.

We will continue to work with other highway concessioners to expand our pavement condition assessment and evaluation works.

We expect our Engineering & Consultancy Services segment to continue its good financial performance in FY2024 as more construction and engineering contracts are expected to be secured. This business segment will increase its efforts not only to sustain the existing business but also to secure new Long Term Service Agreement, and consider various business options in line with the economic conditions of the country.



Management Discussion and Analysis



Trading & Manufacturing

The Trading & Manufacturing segment refers to activities of buying and selling of construction materials, equipment and other resources for project use.

Our Trading & Manufacturing segment complements and supports our Maintenance, Construction and Property Development segments by sourcing and supplying raw material, equipment and other required resources to the sub-contractors of these segments.

REVIEW OF OPERATIONS

Revenue increased by 29% (RM65.4 million) from RM225.0 million to RM290.4 million due to higher periodic works undertaken by the Maintenance segment, whereby this segment is the main supplier to the sub-contractors for bitumen and quarry materials.

In line with the increase in revenue, the PBT increased by RM2.4 million or 267% from RM0.9 million to RM3.3 million.

SEGMENTAL RISKS

Demand for our products is linked to the amount of construction activity by our business partners.

MOVING FORWARD

Our Trading & Manufacturing segment supports our other business segments. Thus, the prospects of this segment will depend on the Maintenance segment's ability to secure more road maintenance work, and the Construction segment to secure and perform more construction projects.



Management Discussion and Analysis



Education

The Education segment refers to the business activity of provision of tertiary education and related services.

Our education segment is undertaken under the brand Infrastructure University Kuala Lumpur (IU KL).

Being in the education industry for more than 20 years, IU KL has been providing quality education and excellent professional services in various fields. IU KL is among one of the top ranking universities and the only Infrastructure University in Malaysia. We would like to champion ourselves in the area of infrastructure education.

REVIEW OF OPERATIONS

The enrolment of international students improved in the financial year but was offset by the reduction in the recruitment of local students due mainly to some secondary school leavers opting to join the employment market instead of pursuing further studies.

Revenue increased by 3% (RM0.8 million) from RM24.2 million to RM25.0 million, mainly due to higher international student fees and franchise fees.

This segment recorded a decrease in a loss before tax from RM15.7 million in the prior year's corresponding period to RM6.4 million in the current year, attributed to lower cost of sales, mainly from lecturer fees, and a decrease in operating and administrative expenses mainly from office upkeep, marketing expenses and the reversal of impairment of financial and non-financial assets.

SEGMENTAL RISKS

The Education segment is exposed to competitive risk from other private tertiary institutions and other risks in the form of government policies which may be introduced and imposed on tertiary education.

The success of an education institution is dependent on its reputation as well as the ability to attract students, both local and international.

MOVING FORWARD

FY2024 remains competitive for the education industry and IU KL will look at various business strategies including strategic partnerships, enhance marketing and recruitment strategies, various marketing programmes, and further costs optimisation to overcome the existing challenges and obstacles.



Management Discussion and Analysis



Clean Energy

We have completed the construction of the large scale solar (LSS) PV plant of 6.8 MW at Masjid Tanah, Melaka in Q1 of FY2021 and commenced billings for the power generation and supply of energy to TNB as per the 21-year Power Purchase Agreement signed in April 2018.

Our dedicated operation team manages the solar plant efficiently which led to the achievement of near full capacity power generation in the FY2023.

The Clean Energy segment will continue to participate in the subsequent roll-out of the LSS as announced by the Government. We will continue to explore opportunities to participate in more Government or private projects, either through direct participation or as EPCC contractor.

REVIEW OF OPERATIONS

Revenue increased by 29% (RM2.5 million) rising from RM8.5 million to RM11.0 million, primarily due to the increase in solar panel installation works performed.

In line with the increase in revenue, this segment posted a reversal from a loss before tax of RM1.0 million to a profit before tax of RM87K. This turnaround was attributed to higher other income and a decrease in administrative expenses mainly from reduction in staff costs, travel expenses, professional fees, exhibitions, and marketing expenses.

SEGMENTAL RISKS

Change in government policies and incentives directly affects the business of Clean Energy. On the other hand, pandemic or local infectious diseases will disrupt the business operations.

The success of our business segment relies on controls and mitigation strategies to overcome numerous risks such as liquidity, operational, environmental, compliance and internal management.

MOVING FORWARD

We expect a steady revenue and cash flow stream from the billings for power generation and supply of energy to TNB on a monthly basis.

This will improve the financial performance of the Clean Energy segment in FY2024. We will continue to participate in the LSS tenders, secure more EPCC contracts for the installation of solar panels and other related services, and rooftop solar system.



Management Discussion and Analysis



Hotel & Hospitality

The hotel industry, having suffered the most during the pandemic period, is now recovering.

Despite facing difficulties in labour force and high staff turnover, our Park Inn by Radisson Putrajaya (PIRP) continued providing excellent services to all our guests and patrons.

REVIEW OF OPERATIONS

Revenue increased to RM13.4 million compared to RM10.7 million due to higher average occupancy rates, average room rates, and food and beverages income.

This segment recorded a reversal from a loss before tax of RM118K to a profit before tax of RM289K, due to lower operating expenses mainly from reduction in staff costs and marketing expenses.

SEGMENTAL RISKS

Pandemic, spread of local infectious diseases, competition from AirBNB, changing customers demand, technological change, and cybersecurity are some of the risks that are applicable to the hotel industry.

Control procedures are put in place to mitigate such risks and regular monitoring is performed to ensure the control procedures are still applicable, relevant, and effective.

MOVING FORWARD

PIRP will enhance its marketing and promotional activities through various platforms to attract varied guests and thereby increasing occupancy rates while providing value-for-money services to strengthen its average daily rental rates.

The hotel industry is very competitive and requires updating and fulfilling the latest demands of its guests, continuously providing courteous services and sumptuous food.

For FY2024, the visa-free entry for Chinese tourists from 1 December 2023 to 31 December 2024 will encourage more Chinese tourists to visit Malaysia and we expect the hotel industry to benefit and improve its business performance.



Management Discussion and Analysis

RISK MANAGEMENT

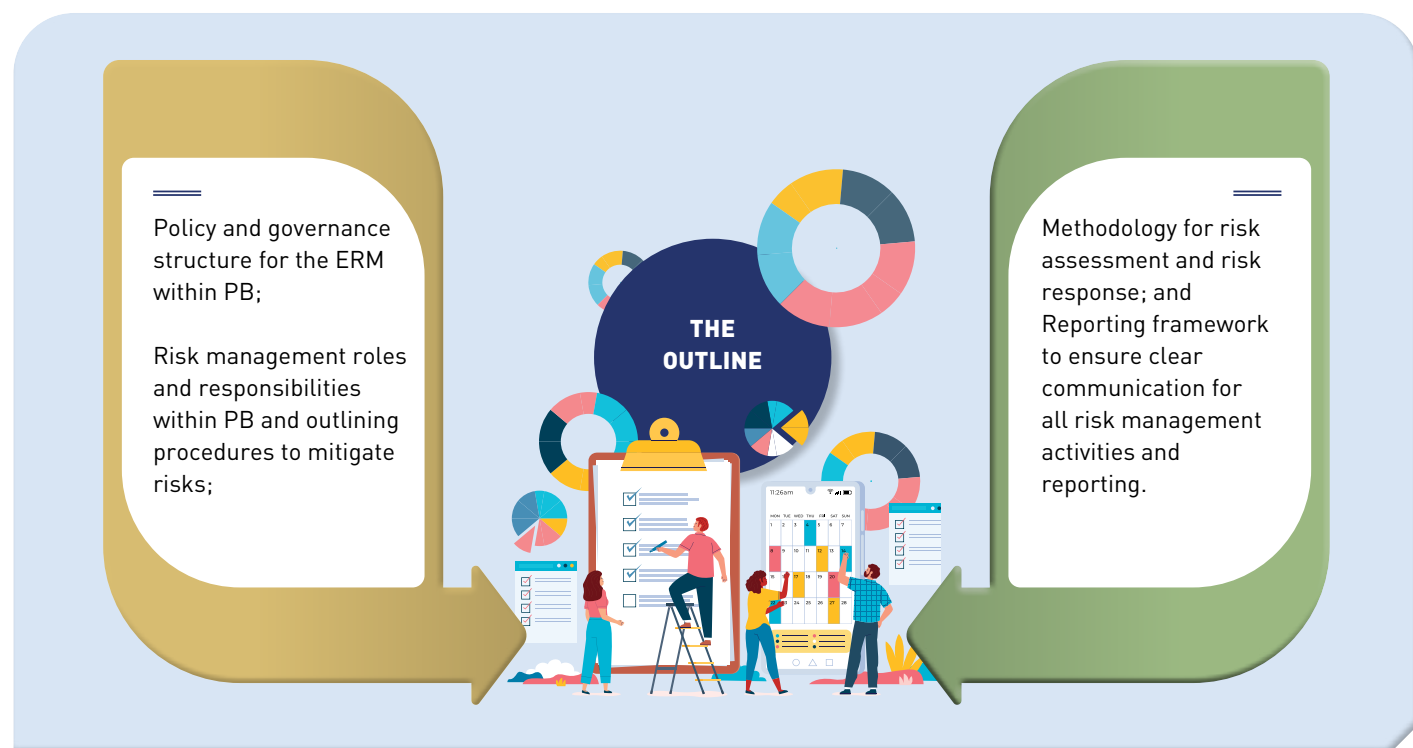
The underlying premise of Enterprise Risk Management (ERM) is that every entity exists to provide value for its stakeholders. All entities face uncertainty, and the challenge for management is to determine how much uncertainty to accept as it strive to grow stakeholders value.

Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. ERM enables management to effectively deal with uncertainty, and associated risk and opportunity, enhancing the capacity to build value.

Value is maximised when management sets strategy and objectives to strike an optimal balance between growth, return goals and related risks, while efficiently and effectively deploying resources in pursuit of the entity's objectives.

The Group ERM framework provides guidelines on the effective management of risks through the application of the ERM process at varying levels and within the specific context of PB.

The framework ensures that the risk related information derived from the ERM process, is adequately reported and used as a basis for decision making and is accounted for at all relevant organisational levels. The framework shall be continuously assessed and improved to ensure its adaptability with the changing business environment.



Management Discussion and Analysis



For the current financial year risk management progress, please refer to the Statement of Risk Management and Internal Control on pages 115 to 122 of this Annual Report.

Thank you.


Dato' Ir Kenny Chong Ther Nen
Group Managing Director

SUSTAINABILITY REPORT

Sustainability Report

Protasco Berhad (“PB” or “the Company” or “Group”) takes pride in presenting a true and fair view of the Group’s current environmental, social and governance (ESG) practices aligned with its vision and mission through our annual Sustainability Statement (SS) or Sustainability Report (SR) for the year 2023.

This statement offers a comprehensive overview of the Group’s sustainability performance throughout the period from 1 January 2023 to 31 December 2023 (FY2023), unless specified otherwise.

 For details regarding this reporting cycle, refer to the Performance Data table on pages 81 to 82.



SCOPE AND BASIS

This Statement covers the Group’s sustainability activities, performance, and progress of our business operations within Malaysia. There is no international based operation as of FY2023 even though initiatives were being taken to expand into the international market.

01 Clean Energy	02 Engineering & Consultancy Services	03 Maintenance	04 Property Development and Construction	05 Trading & Manufacturing	06 Education	07 Corporate Office
a. i2 Energy Sdn Bhd	a. Ikram Engineering Services Sdn Bhd b. Ikram QA Services Sdn Bhd c. Ikram Paves Sdn Bhd d. Ikram Engineering Consulting Sdn Bhd e. Ikram Premier Consulting Sdn Bhd	a. Roadcare (M) Sdn Bhd b. Permint Granite-HCM Sdn Bhd c. DAL HCM Sdn Bhd d. Empayar Indera Sdn Bhd	a. Protasco Development Sdn Bhd b. HCM Engineering Sdn Bhd c. DC Resort Homes Sdn Bhd	a. Protasco Trading Sdn Bhd b. QP Industries Sdn Bhd c. QP Trading Sdn Bhd	a. Ikram Education Sdn Bhd	a. Protasco Berhad

Note: The information presented in this SR is based on the available data provided by the respective segments (where applicable) at the time of preparation of the statement.

The reporting scope does not encompass the hotel and hospitality business associated with Park Inn by Radisson Putrajaya. This decision stems from the Group’s current emphasis on enhancing data collection efficiency within its other well-established ventures. Subsequently, sustainability data from the hospitality business will be incorporated once improvements have been implemented moving forward.

In addition to presenting the latest data and performance metrics, this report incorporates comparison data spanning two to three years (where feasible). This inclusion is aimed at offering stakeholders a comprehensive insight into our evolving sustainability endeavours and progress over time.

REPORTING FRAMEWORKS AND STANDARDS

This report was prepared with reference to Bursa Malaysia’s Listing Requirements, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (GRI) Standards, Malaysian Code on Corporate Governance (MCCG) 2021, Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) Standards, the International Sustainability Standards Boards (ISSB) and UNSDGs.

ESG CONTENT AND DATA ASSURANCE

The content presented in this statement has been compiled and synthesised to align with both local and international regulatory standards, stakeholders’ expectations, and Protasco’s primary

ESG factors and risks within its operational context. Thus, the reporting is guided by GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

LIMITATIONS AND DISCLAIMERS

Protasco recognises the potential for enhancements in both the depth and quality of disclosure related to certain ESG indicators. Where data may be incomplete or unavailable, explanations have been provided.

We are actively working on refining our data tracking and gathering mechanisms to elevate the quality of our disclosures in upcoming reports.

The forward-looking statements in this report, used to discuss future plans and targets are made based on reasonable current assumption. However, they should not be regarded as conclusive as actual plans and results may differ due to changes in the operating environment.

FEEDBACK

Aligned with our commitment to continuous improvements, we encourage our stakeholders to provide feedback on our sustainability reporting and practices.

Please send your comments and recommendations to ccd@protasco.com.my.

FY2023 SUSTAINABILITY AT A GLANCE

Here, we present our sustainability in a glance in contrast to the previous year.



→ No changes from previous year. ↑ Increase from previous year. ↓ Decrease from previous year. ○ Newly monitored.

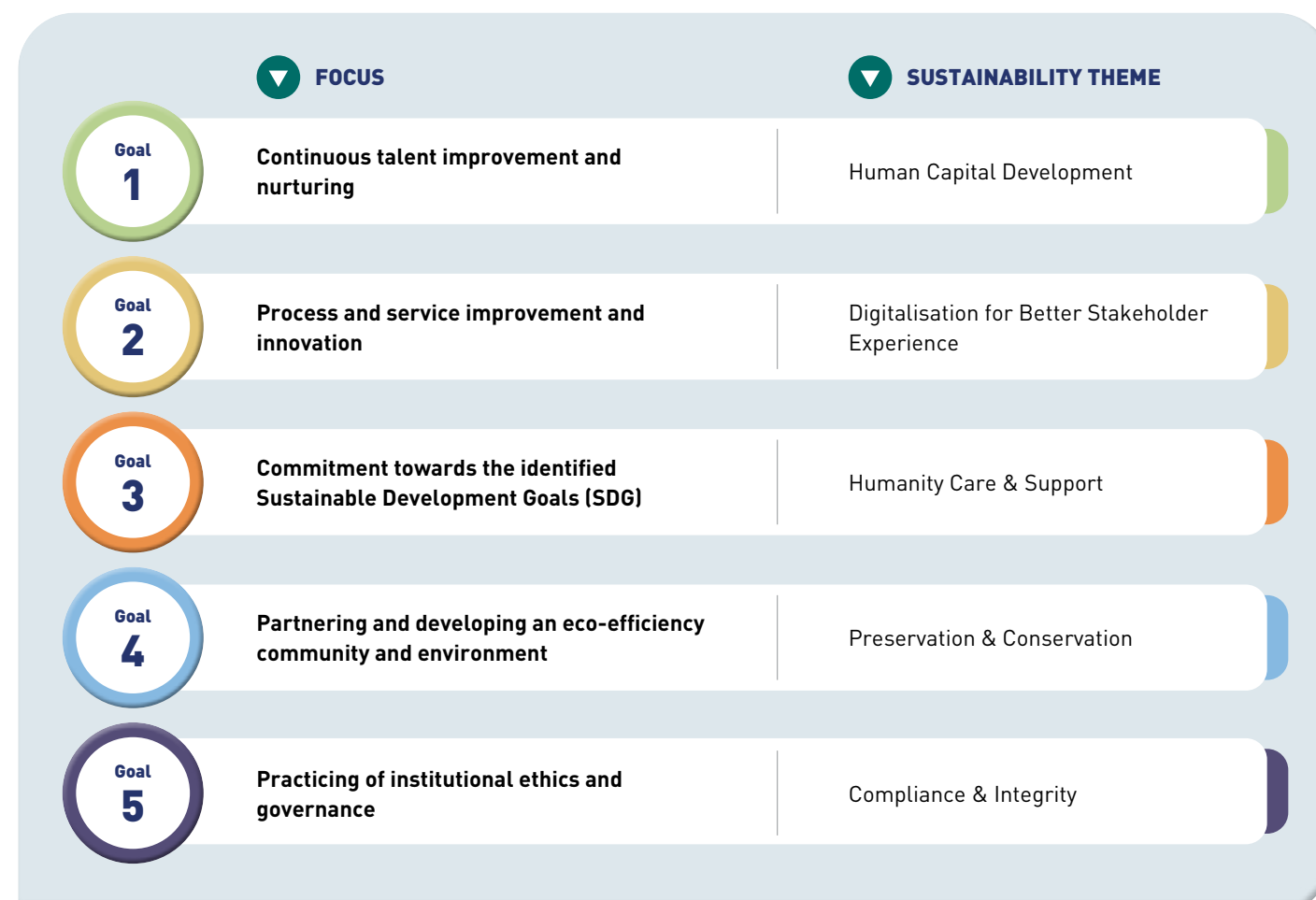
OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORK

Protasco has been steadily advancing alongside its stakeholders and sustainability-focused agendas since 2014 through its I Am Protasco (IAP) journey. The table below illustrates our journey and the key areas of emphasis.

Progress	Year(s)	Theme(s)	Emphasis
IAP1.0	2014 – 2020	A New Journey	<ul style="list-style-type: none"> The establishment of the Vision, Mission and ROCK-IT Values as the foundation and culture for the Group.
IAP2.0	2021 – 2023	A Journey of Discovery, Change & Growth	<ul style="list-style-type: none"> To rediscover the focus area and the necessary changes for growth. Identification of 5 Critical Success Factors – Talent Management, Culture Transformation, Business Process Innovation, Digitalisation and Business Sustainability. Establishing the Sustainability Goals that align with the Vision and Mission of Protasco.

With the Sustainability Policy (Revision 2) in place, Sustainability Goals have been revisited as part of the IAP2.0. Below are the 5 Sustainability Goals that Protasco is currently focusing in the next 5 years.



Sustainability Report

Protasco Berhad has set forth a clear vision for its subsidiaries, underscoring the importance of driving growth and delivering value to improve quality of life, with a strong emphasis on stakeholders as the foundation of its strategic approach.

The integration of five sustainability themes and their corresponding strategic objectives play a vital role in advancing the realisation of the Group’s overarching vision. By embedding these goals into the Senior Management’s key performance indicators (KPIs) and establishing targets through a balanced scorecard framework, each business unit, regardless of industry, aligns seamlessly to propel the Group towards its desired direction.

In FY2023, a new IAP Framework has been established for the subsequent five years, during which Protasco Berhad is dedicated to prioritising the reduction of greenhouse gas (GHG) emissions, in line with Malaysia’s commitment to attaining a Net-Zero Carbon Footprint. Departing from previous efforts centered on data collection and environmental concerns, the Company has undertaken broader initiatives to guarantee that both Protasco Berhad and its subsidiaries actively support the national objective of achieving Net-Zero Carbon by 2050. Additional details regarding these initiatives are presented in the GHG Emissions Reduction Plans and Initiatives.

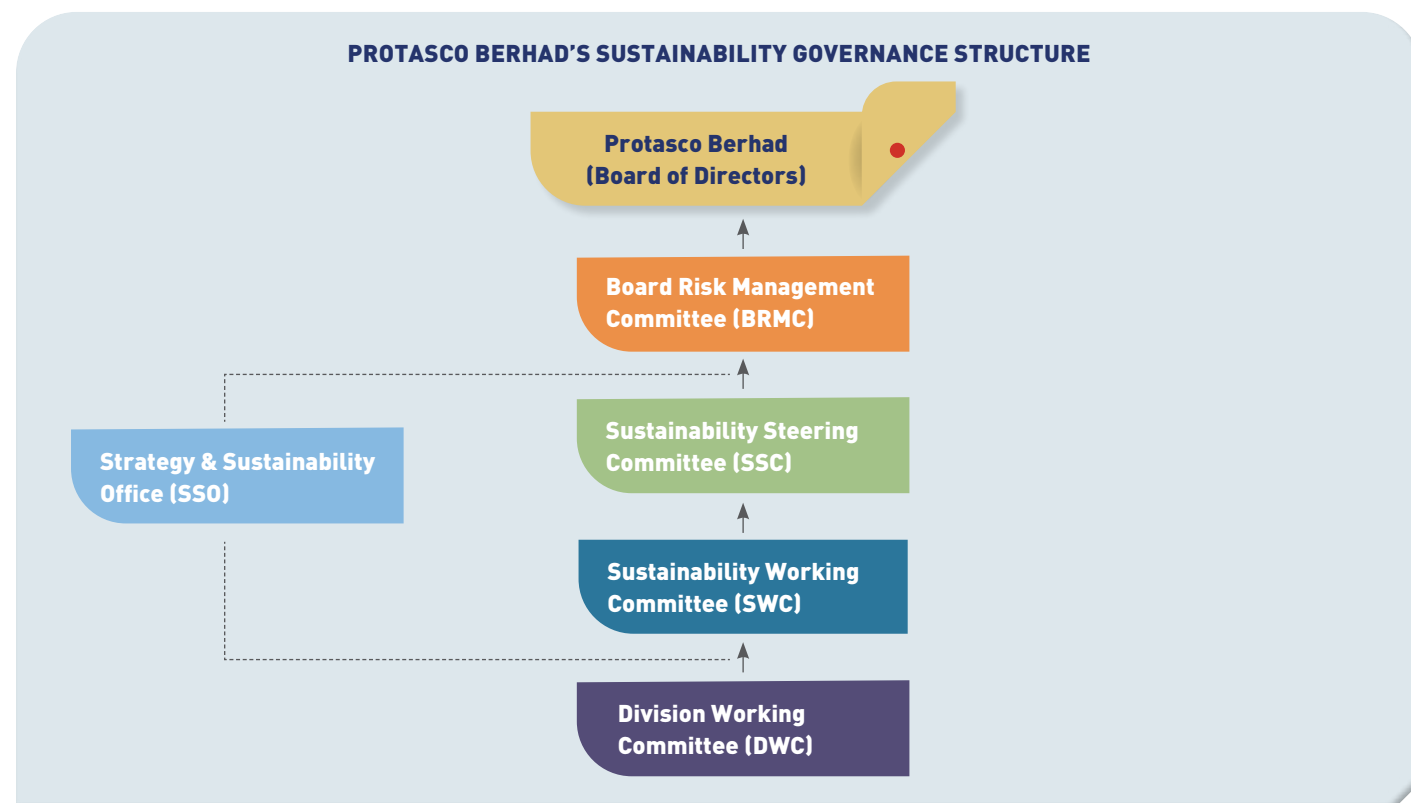
 Please refer to page 80.

SUSTAINABILITY GOVERNANCE

To ensure that all business operations and processes adhere to the parameters set and approved by the Senior Management and the Board, significant emphasis has been placed on governance.

To effectively monitor the sustainability related agenda, a clear process has been adopted with the approval of the Board. Any changes made to the governance structure will be updated to the Board Risk Management Committee (BRMC) prior to implementation.

As of FY2023, the governance structure has not changed from FY2022.



Sustainability Report

Structure	Responsibility
Protasco Berhad (Board of Directors)	Oversees and ensures all the sustainability agenda are committed to and complied with the requirement of authorities through the appointment of BRMC.
Board Risk Management Committee (BRMC)	Oversees the sustainability agenda as part of Protasco Berhad’s risk management functions.
Sustainability Steering Committee (SSC)	Deliberates and develops the sustainability strategies and policies of Protasco Berhad and commits into sustainability decision-making efforts for the Group with the input provided by SSO. SSC is chaired by the Group Managing Director (GMD).
Sustainability Working Committee (SWC)	Scrutinises the data and information compiled from DWC before presenting it to SSC for further deliberation. The SWC is chaired by the Head of SSO.
Division Working Committee (DWC)	Provides data and information on all sustainability related agendas for the BUs. There are 6 DWCs in FY2023.
Strategy & Sustainability Office (SSO)	Plans, monitors and coordinates all the data provided by DWC, compile into Group level data and present to SWC, SSC and BRMC.

SSO serves as both subject matter expert and coordinator of the Group’s efforts and performance, including the materiality assessment process. Among its responsibilities are proposing sustainability initiatives, overseeing data monitoring and analysis, and providing feedback for performance improvement. SSO ensures compliance with materiality and governance requirements related to sustainability, in accordance with the standards set by Bursa Malaysia and other relevant authorities.

Each business unit has its own DWC, and the designated individual responsible for related materials, is expected to update their data and submit it biannually. The submitted data must be presented to the respective Senior Management team for approval before submission to SSO.

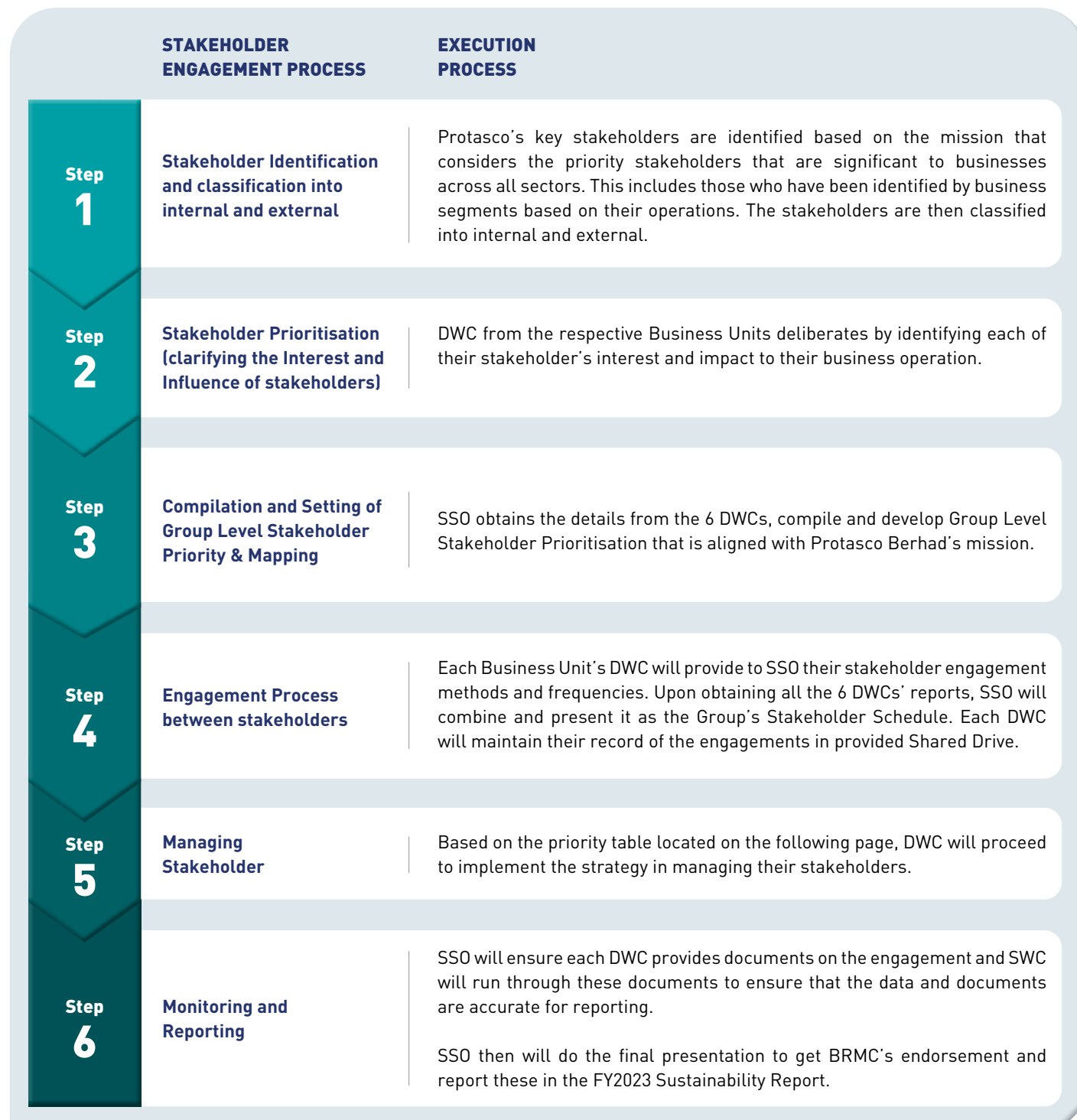
SSO integrates data from all business units for each material and conducts analysis. The department ensures that the submitted data has obtained clearance from all heads of business units by presenting the progress of each material and comparing it to previous years. The group-level results are then presented to the SWC, for feedback and improvements. Once this process is completed, the results are presented to the SSC. The SSC is chaired by the GMD and the members includes Senior Management members.

Upon receiving feedback and clearance from the SSC Chairman, progress reports and updates related to sustainability, are presented to the BRMC by the Head of SSO.

Sustainability-linked KPIs have been established and incorporated into the Senior Management’s performance evaluation scorecard to drive group-wide accountability in steering our sustainability performance. Improvements in the flow of information and data collection within the structure are continuously being undertaken.

STAKEHOLDER ENGAGEMENT

Protasco's Stakeholder Engagement Process has been adapted from Bursa's Toolkit (3rd Edition).

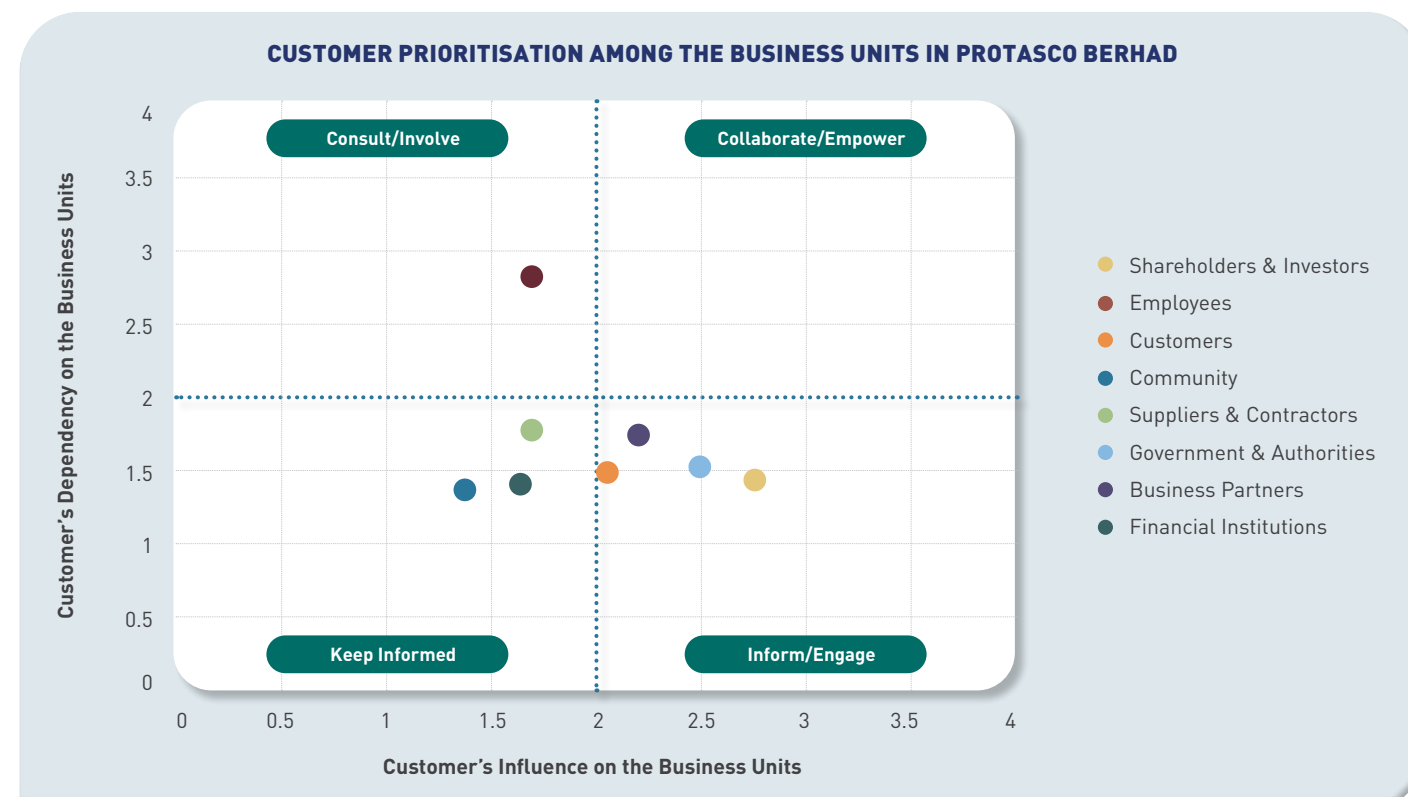


In accordance with Protasco Berhad's corporate mission, we have recognised employees, shareholders, investors, customers, and communities as key stakeholders whose expectations we strive to meet. Additionally, government and authorities, suppliers and contractors, business partners, and financial institutions, play a crucial role in achieving our operational goals and vision, making them significant stakeholders as well.

The subsequent table and matrix outline our prioritised engagements and strategic approach with stakeholders. Utilising various channels, the Group and its Business Units communicate effectively to keep stakeholders informed. These interactions serve not only to provide insights into emerging risks and opportunities for each Business Unit but also to fulfil stakeholder expectations.

Priority Table

Nos	Stakeholders	Priority Management
1	Shareholders & Investors	Highly Focused
2.	Government & Authorities	
3.	Employees	Must Focus
4.	Suppliers & Contractors	
5.	Customers	
6.	Community	Manage/Keep Informed
7.	Business Partners	
8.	Financial Institutions	



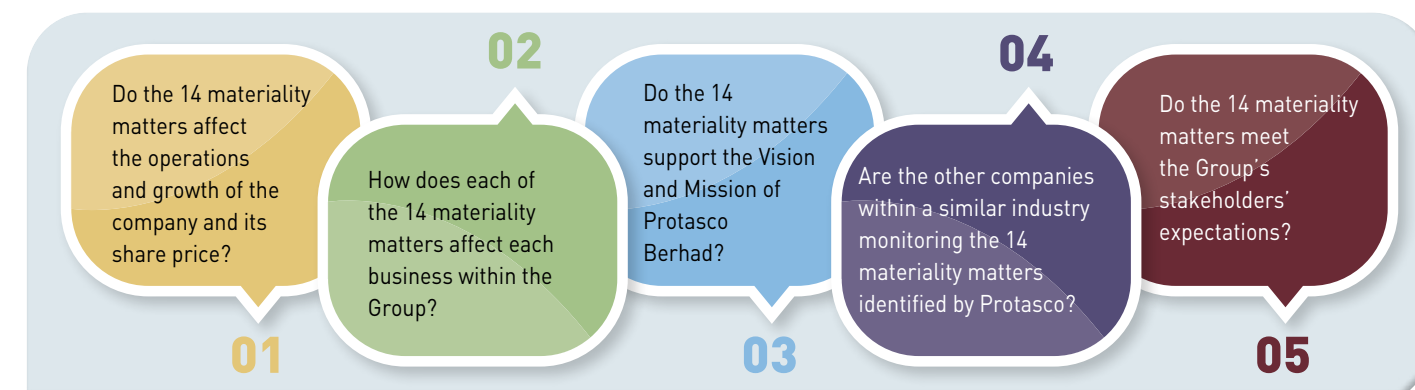
Sustainability Report

Sustainability Report

Stakeholder Groups	Specific Stakeholder Addressed	Type of Engagement	Frequency	Areas of Interest	Materiality Matters Addressed
Shareholders & Investors	1. Board of Governors 2. Shareholders	1. Board Meeting 2. Annual General Meeting	1. Quarterly 2. Yearly	1. Business strategy 2. Financial 3. Operations 4. Risk Management	1. Economic Performance 2. Diversity - Board Compliance 3. Anti-corruption
Customers	1. Students 2. End user of the product/service 3. Project owner	1. Academic activities 2. Customer Feedback 3. Customer Satisfaction Survey 4. Strategic CSR event 5. Meetings	1. Ongoing 2. As required 3. Annually 4. Ongoing 5. As required	1. Financial support (for education) 2. Work progress 3. Quality of work 4. Relationship Building	1. Product & Service 2. Responsibility - customer satisfaction 3. Data Privacy & Cybersecurity
Employees	1. Management 2. Staffs	1. Survey 2. Meetings 3. Engagement and events 4. Training	Ongoing	1. Staff career development 2. Staff welfare 3. Motivation and teamwork	1. Diversity 2. Labour Practices 3. Anti-Corruption 4. Data Privacy & Cybersecurity
Suppliers & Contractors	1. Suppliers 2. Contractors	1. Meetings 2. Events	Monthly/ Base on project basis	1. Financial 2. Work progress 3. Quality of works 4. Build up good relationship	1. Occupational Safety & Health 2. Procurement Practices 3. Waste & Effluent
Government & Authorities	1. State Authorities 2. Local Authorities 3. Government Bodies 4. Licensing Bodies	1. Meetings	Base on requirement Quarterly	1. Regulation 2. Work progress 3. Quality of works 4. Build up good relationship 5. Compliance	1. Compliance 2. Occupational Safety & Health 3. Anti-Corruption 4. Energy Management 5. Water Management 6. Waste & Effluent 7. Data Privacy & Cybersecurity 8. Governance
Community	1. Local Communities	1. CSR Event 2. Meeting	Ongoing	To work harmoniously with the surrounding community and support for natural causes	1. Community Development SDG
Business Partners	1. Franchisees 2. Industry partners	1. Virtual meetings 2. Progress reports	Base on requirement	1. Business strategy 2. Financial 3. Operations	1. Economic Performance 2. Compliance 3. Governance
Financial Institutions	Financial Providers such as Banks	1. Meeting 2. Construction progress (Site visit by Financial Institution)	Base on requirement Half yearly		1. Economic Performance

MATERIALITY MATTERS

Protasco has identified 14 materiality matters that are material and relevant to its business' sustainability, to achieve both financial and non-financial benefits. The 14 materiality matters identified for Protasco are based on the questions below.



Sustainability Issues Identified	Stakeholder Group	2023 Materiality
Environmental Impact		
GHG Emissions	Community Authority Financial Institutions	Water Management
Climate Change		Energy Management Materials Waste & Effluent
Deforestation and Loss of Biodiversity		
Unemployment and Economic Growth	Employees Community	Labour Practices (Training & Development) Labour Practices (Employment)
Labour Rights	Employees	Labour Practices (Training & Development) Occupational Safety & Health
Personal Data Protection	Customers Employees Authority	Data Privacy & Cybersecurity
Consumer Protection	Customers	Product & Service Responsibility - Customer Satisfaction
Women Empowerment at Management Level	Employees Shareholders	Diversity
Business Continuity	Employees Shareholders Suppliers Business Partners	Procurement Practices Compliance Product & Service Responsibility - Customer Satisfaction
Humanitarian Aid	Community	Community Development
Sustainability Supply Chain Management	Suppliers	Procurement Practices
Regulations and Government Actions	Authority	Compliance Anti-Corruption

Sustainability Report

The 14 Materiality Matters have been identified, agreed by the SSC and endorsed by BRMC. The 14 Materiality Matters are presented below according to the ESG category and its percentage of focus.



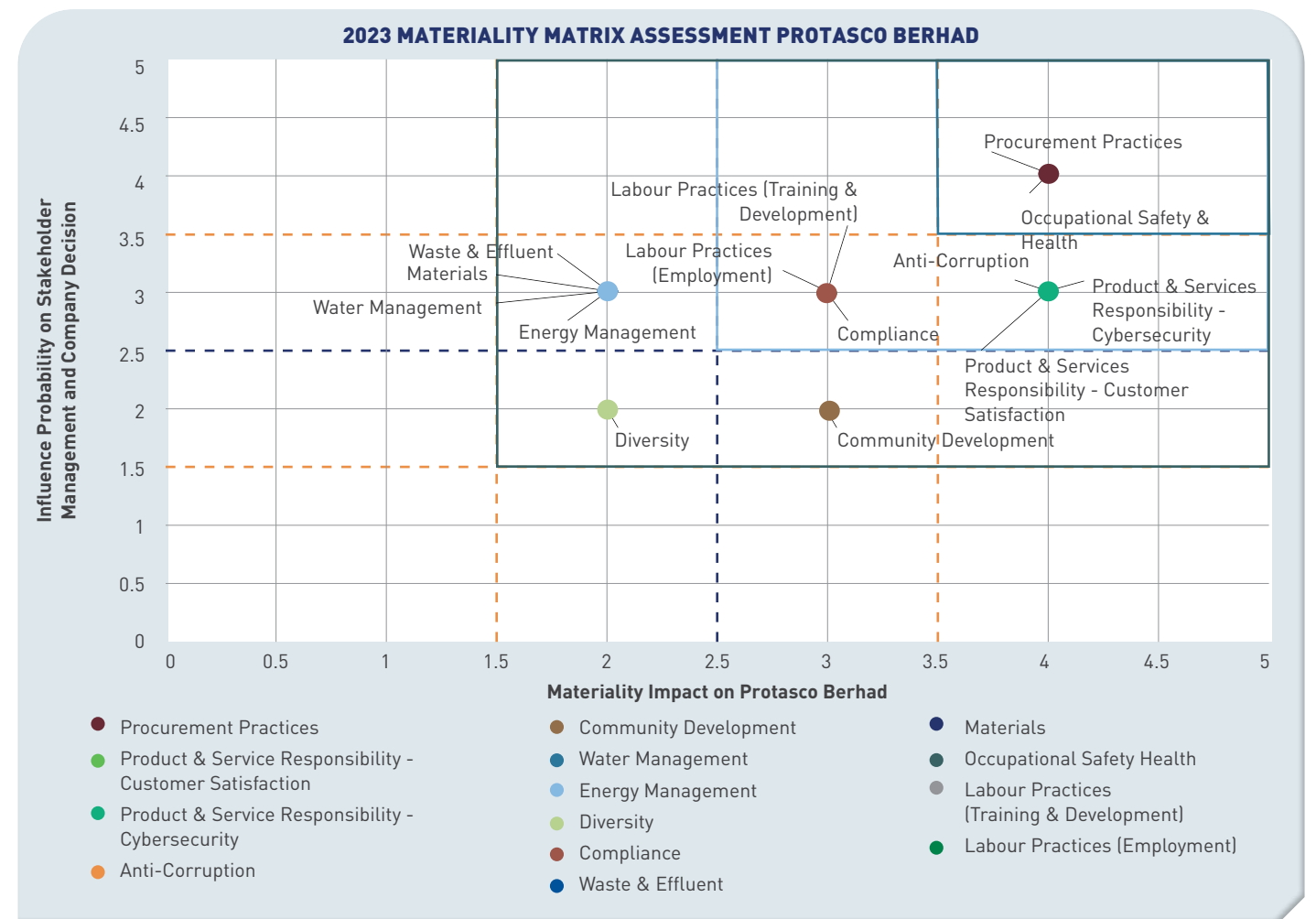
MATERIALITY PRIORITY MATRIX

The Group conducts the materiality assessment together with the internal stakeholders, specifically the Senior Management and employees.

The materiality process drew upon Bursa Malaysia’s Sustainability Reporting Guide and GRI Standards, with ongoing adjustments by the Group. Continuous improvements will be implemented to ensure the inclusion of each stakeholder’s perspective in the materiality assessment.

A comprehensive assessment is planned for FY2024, involving surveys distributed to all stakeholders identified within each BU.















Sustainability Report



Based on the Materiality Priority Matrix provided above, Protasco has classified and organised materiality into categories of low, medium, high, and highest focus.



Sustainability Report

Priority	Materiality Matters	Strategy
Highest	 Procurement Practices	The Group closely monitors and obtains data, reports and feedback on the BUs performance and directions on the identified materiality.
	 Occupational Safety & Health	
High	 Labour Practices (Training & Development)	The Group works directly with BUs to ensure that materiality concerns are consistently understood and considered in the BU's plans and initiatives.
	 Labour Practices (Employment)	
	 Product & Service Responsibility - Customer Satisfaction	
	 Data Privacy & Cybersecurity	
	 Anti-Corruption	
	 Compliance	
Medium	 Community Development	The Group monitors and ensures all tasks related to the materiality are measured and informed to relevant stakeholders.
	 Diversity	
	 Waste & Effluent	
	 Water Management	
	 Energy Management	
	 Materials	
	Low	

In FY2023, following our limited-scale materiality review, we determined that all 14 existing materiality matters align with the Group's strategic priorities and stakeholders' expectations. These materiality matters were identified as emerging risks and are guided by relevant frameworks such as Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), GRI Standards, International Integrated Reporting Council (IIRC), and SASB Materiality Map and Standards.

However, two crucial materiality matters related to the environment i.e.: GHG Emissions and Biodiversity have not been explored further due to the absence of processes or initiatives for data capture. Nevertheless, the Group plans to incorporate these two important materiality matters through the implementation of GHG Emissions Reduction Plans and Initiatives in FY2024.

Sustainability Report

ESG RISK MANAGEMENT

Protasco Berhad is actively incorporating its ESG Risk-Opportunity Register into its existing framework, aligning with a commitment to sustainability and addressing climate change. Oversight of the ESG Risk-Opportunity is centralised within the Corporate Office, facilitated by the SSO. Progress in managing ESG risks and opportunities is reviewed and discussed by both the BRMC and the SWC. Moving forward, Protasco Berhad aims to enhance its governance and refine its processes to further strengthen its integrated risk register.

















Materiality	Risk	Opportunity
 Economic Performance  Page 49	Leading into reduced profitability, market competitiveness, and investor confidence, impacting long-term sustainability and growth prospects.	Improve financial stability, optimise profitability, and uphold investor confidence to cultivate long-term growth, and sustainability by enhancing operational efficiency and making strategic decisions.
 Anti-Corruption  Pages 50 to 52	Financial loss through penalty and damage of organisation's reputation due to non-compliance of the employer and employee to Section 17A, Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act 2018).	Managing anti-corruption measures and its related risk allows our businesses to foster trust with stakeholders, enhance reputation, and mitigate legal and financial risks, ensure ethical business conduct and long-term sustainability.
 Compliance  Pages 52 to 53	Can lead to a legal suit or revoke of license to operate, thus disrupting business operation and financial of the company.	Proactively addressing non-compliance with regulations imposed by authorities, enable our business to mitigate legal risks, enhance reputation, and demonstrate commitment to ethical and responsible practices, fostering trust with stakeholders and ensuring long-term sustainability.
 Procurement Practices  Pages 54 to 56	ROI affected due to the quality and price of product material or service provided by suppliers/contractors.	Local sourcing benefits our business by boosting revenue, supporting neighbouring suppliers and manufacturers, and fostering a healthier local economy. Additionally, encouraging adherence to ESG principles among our suppliers and contractors aids our business in proactively identifying and mitigating potential risks.
 Community Development  Pages 56 to 57	Obstruct or threaten company operations to express frustration regarding their socioeconomic, cultural, and political rights, even when the cause is not directly related to the company.	Enhance reputation and stronger customer loyalty through active involvement in initiatives.
 Diversity  Pages 58 to 60	Unable to attract diversified talents that meets the requirement and need of the project/company.	Improve reputation and brand image through a commitment to inclusivity, attracting top talent and fostering a positive perception among stakeholders.
 Occupational Safety & Health  Pages 61 to 62	Possible imposition of high penalty, stop work, revoking of licence, and legal suits.	Enhance not only our employee well-being and productivity but also lead to cost savings by reducing injuries and legal liabilities.


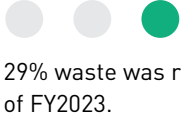





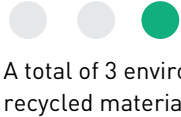

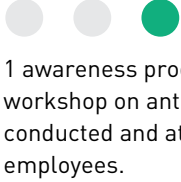
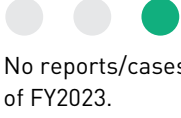

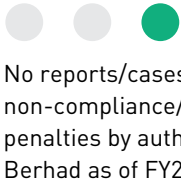
Sustainability Report

Materiality	Risk	Opportunity
 <p>Product & Service Responsibility - Customer Satisfaction Pages 63 to 64</p>	<p>Loss of customer confidence on the brand/image, and reputation.</p> <p>Sales and revenue affected, which will affect the short-term business plans.</p>	<p>Compliance with standards mandated by authorities and the market enhances trust, expands market access, reduces legal risks, fosters innovation, and enhances brand reputation, driving business success.</p> <p>Enhance our customer trust, improve product and service quality, strengthen reputation, and foster innovation, driving long-term success and sustainability.</p>
 <p>Data Privacy & Cybersecurity Page 65</p>	<p>Loss of data, disruption to business, damage to reputation and costs – getting the affected systems up and running.</p>	<p>Strengthen IT security, reputation, and competitive advantage through the implementation of robust measures to safeguard sensitive information. This effort attracts security-conscious customers and ensures compliance with regulations.</p>
 <p>Labour Practices (Employment) Pages 66 to 70</p>	<p>Affects employees productivity, morale, and business operation. Costing more to recruit and train new employees.</p>	<p>Our business can be a more attractive and stable organisation, with benefits ranging from improved employee retention and productivity to a stronger reputation and talent attraction.</p>
 <p>Labour Practices (Training & Development) Pages 71 to 72</p>	<p>Not able to provide up-to-date and improved product and/or services to customers/clients.</p>	<p>Aligning employees' skills with industry needs and our business vision, enhancing efficiency and productivity while reducing training costs, fostering innovation, and boosting morale, ultimately strengthening our competitive position and driving business success.</p>
 <p>Water Management Page 73</p>	<p>Water shortage may lead to disruption on some businesses and operations and affects employee's health due to unhygienic condition.</p>	<p>Proactive water management helps us to minimise risks, guaranteeing sustainable practices and regulatory adherence in the long term.</p>
 <p>Waste & Effluent Pages 74 to 75</p>	<p>Contaminated water used for consumption and irrigation causes health hazards to humans. Toxic effluents accumulate in aquatic organisms as well as in crops leading to biomagnification and entering the food chain and ultimately reaching humans.</p>	<p>Present our business with opportunities for cost savings through efficient resource utilisation and environmental responsibility, enhancing reputation and ensuring compliance with regulations.</p>
 <p>Materials Page 76</p>	<p>Harmful material affects customers, society, and our planet directly or indirectly, thus leading to legal and reputational issue.</p>	<p>By managing and mitigating risks associated with harmful and non-environmental friendly material, the Group can enhance their reputation, attract environmentally-conscious customers, and contribute to a healthier planet and society, fostering long-term sustainability and success.</p>
 <p>Energy Management Page 77</p>	<p>Increase in operational cost due to the overuse of electricity and increase in CO₂ emission which may lead to a high carbon tax.</p>	<p>Lead to cost savings, improved environmental sustainability, and enhanced reputation, attracting environmentally-conscious stakeholders and ensuring regulatory compliance.</p>










Sustainability Report

ESG PERFORMANCE SCORECARD

Nos	Materiality Matters	Key Performance Indicators (KPI)	
		Target	Actual
1	 <p>Procurement Practices</p>	To have at least 70% allocation spent on local suppliers	 <p>99% allocation has been spent on local suppliers.</p>
2	 <p>Community Development</p>	To have a minimum of 10 yearly community development programmes with a minimum allocation of RM200,000 for the year	 <p>102 philanthropic activities reported with an amount of RM811,896 with RM425,056 on community investment for 44 beneficiaries.</p>
3	 <p>Diversity</p>	To have 6% women leadership in the managerial position within the Group	 <p>5% woman leadership in the managerial position.</p>
4	 <p>Occupational Safety & Health</p>	To have at least 5 safety trainings and awareness programmes	 <p>A total of 172 safety trainings conducted by 7 BUs with 48 awareness programmes undertaken.</p>
5	 <p>Labour Practices (Training & Development)</p>	To ensure 70% of the Group's employees upgrade in their skills	 <p>About 83% of employees within the Group have obtained at least one training to upgrade their skills.</p>
6	 <p>Labour Practices (Employment)</p>	To maintain 10% Group employee turnover annually	 <p>Group turnover is 1.7% as of FY2023.</p>
7	 <p>Product & Service Responsibility - Customer Satisfaction</p>	To maintain 70% customer satisfaction	 <p>The customer satisfaction score as of FY2023 on average is 86.16%.</p>
8	 <p>Data Privacy & Cybersecurity</p>	To have a minimum of 1 awareness programme on cybersecurity annually	 <p>3 awareness programmes on cybersecurity have been conducted.</p>

Nos	Materiality Matters	Key Performance Indicators (KPI)	
		Target	Actual
9	 Waste & Effluent	To ensure 10% of waste recycled/treated/diverted by projects under Protasco Berhad	 29% waste was recycled and reused as of FY2023.
10	 Water Management	To reduce water usage by 3% from the previous year	 An increase of 13% from previous year.
11	 Energy Management	To reduce energy usage by 3% from the previous year	 An increase of 3% in energy usage from previous year.
12	 Materials	To ensure a minimum of 3 materials used are from environmental-friendly or from sustainable sources	 A total of 3 environmental-friendly or recycled materials used as of FY2023.
13	 Anti-Corruption	To conduct a minimum of 1 anti-corruption activity for any 2 levels of employees	 1 awareness programme and 1 workshop on anti-corruption were conducted and attended by 4 levels of employees.
		To ensure zero reports/cases of anti-corruption within Protasco Berhad	 No reports/cases have been recorded as of FY2023.
14	 Compliance	To ensure zero non-compliance/business ethics cases/penalties by authorities within Protasco Berhad	 No reports/cases have been recorded on non-compliance/business ethics cases/penalties by authorities within Protasco Berhad as of FY2023.

Legend: progress tracking

-    On track to meeting set targets.
-    Falling short on meeting target for 1 year, review current practices.
-    Falling short on meeting target for more than 2 years, review and revise targets (if necessary).

- Each materiality matter has its own set of KPIs that have to be met by the Senior Management team. These, along with the KPI scores from business and operational activities, are tracked and evaluated through Protasco's Performance Management System to determine the remunerations for the Senior Management team.

MANAGEMENT APPROACH FOR MATERIALITY MATTERS

Economic Performance



Related UNSDGs:



WHY IS THIS IMPORTANT?

Protasco places significant emphasis on economic sustainability, considering it a top-priority material concern for the Group. This emphasis stems from its impact on the Group's ability to consistently generate long-term value for stakeholders, encompassing both the financial values generated and distributed. Protasco is committed to fulfilling its responsibilities by creating meaningful employment opportunities, fostering economic development in local communities, and contributing to the nation's gross domestic product (GDP). The company actively supports a vibrant local supply chain. The indirect economic impact of Protasco's activities extends to the development, maintenance, and improvement of infrastructure and amenities which are aligned to the UN SDG. These initiatives collectively contribute to enhancing the overall quality of life in the communities served by Protasco.

OUR APPROACH

Protasco's Board and Management consistently exhibit prudence in the financial management of the Group. They have identified PBT, Cost Optimisation, and Resource Utilisation—including the reduction of Operating Expenses (OPEX) and Capital Expenditures (CAPEX)—as crucial performance indicators for evaluating and overseeing Group's business performance.



We remain vigilant in monitoring our operating landscape to proactively mitigate emerging risks. Simultaneously, we carefully consider growth opportunities that may enhance our performance and contribute to the sustainability of our business performance.

OUR PERFORMANCE

In the current fiscal year, the Group achieved a total revenue of RM1,131.6 million with the predominant share of 87% originating from our Maintenance and Trading & Manufacturing segments of 62% and 25% respectively. Protasco Berhad consistently creates value for our stakeholders, as illustrated in the table provided below.

Economic Details	2023 (RM'000)
Economic Value Generated	
<i>[i.e., Revenue and other income]</i>	1,142,663
Economic Value Distributed	
Operating Cost	1,010,113
Employee Wages & Benefits	84,365
Payment to providers of capital	
<i>[i.e. Dividend and Financial Cost]</i>	12,833
Payment to government	
<i>[i.e. Tax]</i>	13,854
Community Investment	425
Economic Value retained	21,073

Anti-Corruption



Related UNSDGs:



WHY IS THIS IMPORTANT?

Protasco Berhad upholds high standards of business ethics and compliance across the Group as a reflection of our ROCK-IT core values: Result Oriented, Ownership, Customer Focused, Knowledge Driven, Integrity and Teamwork. This is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing stakeholders' confidence in us. Non-compliance with disclosure obligations may affect the continuity of our reputation, license, and trade on the public bourse.

OUR APPROACH

At the Group level, the Board oversees matters related to ethics, integrity, and anti-corruption through the AC, particularly since the enforcement of Section 17A of the MACC Act 2018. Assisting the AC in this domain are the Corporate Assurance (CA), the Legal Unit and the Senior Management team.

Protasco maintains a zero-tolerance stance towards bribery and corruption, affirming its commitment to conducting business professionally, fairly, and with integrity across all operations. Comprehensive policies and procedures governing this commitment, including Discretionary Authority Limits, are outlined in the Integrity & Anti-Corruption Policy adopted 2020, revised in March 2021 and as of 2023 is under review for further improvements.

The Group reinforces its anti-corruption initiatives through the Whistleblowing Policy, providing a secure and confidential channel for employees and external parties to report any instances of misconduct. The whistleblowing function falls under the purview of the Executive Chairman, while CA, directly under the AC, conducts thorough and immediate investigations. CA is responsible for implementing internal control measures to detect misconduct or fraud by personnel. Any red flags or fraud identified during operational audits by CA are subject to investigation.

OUR PERFORMANCE

Whistleblowing Report
3-Years Summary of Cases via Whistleblowing

Details	FY2023	FY2022	FY2021
Number of cases received through whistleblowing platform	0	0	0
Number of cases resolved internally after investigation	0	0	0
Number of cases not valid after investigation	0	0	0
Number of cases pending	0	0	0
Number of cases reported to authorities	0	0	0

Under the whistleblowing category, data for 3 years have been collected. No cases were reported in the last 3 years. Moving forward, we are committed to enhancing the effectiveness of our whistleblowing process. We will implement improvements to ensure that it is more robust, transparent, and supportive of those who come forward with concerns. Our goal is to create a safer and more accountable environment for all stakeholders involved.

Corruption risk assessment

Each BU has incorporated items aimed at mitigating the risks associated with anti-corruption operations into their existing risk registers.



The Group's assessment of operations for corruption-related risks over the past three years is outlined below.

Details	FY2023	FY2022	FY2021
Total number and percentage of operations assessed for risks related corruption	12 (12.25%)	16 (16.32%)	16 (16.32%)
Number of corruption risk assessments/audits conducted	9	7	7
Significant risks related to corruption identified through the risk assessment	10	6	6

Note:
The data for FY2021 and FY2022 has been restated from the previous report for comparative purpose.

Corruption-related training

To ensure all the employees are well aware and have the relevant knowledge on being ethical and act with integrity, knowledge sharing, and other awareness programmes are being conducted each year. The Board ensures that at least 2 levels of employees attend and understand their responsibilities. Below is the comparison data for the last 3 years.

Numbers and Percentage of employees that have received training on anti-corruption by level of employees

Level of Employees	FY2023	FY2022
Senior Management	7 (7%)	0 (0%)
Middle Management	30 (29%)	21 (25%)
Executive	59 (57%)	62 (75%)
Non-Executive	7 (7%)	0 (0%)



Sustainability Report

Corruption incidents

As of 31 December 2023, there have been **no reported incidents of corruption** within Protasco Berhad’s business operations.

Number of cases recorded for bribery/anti-corruption by level of employees

Level of Employees	FY2023	FY2022	FY2021
Senior Management	0	0	0
Middle Management	0	0	1
Executive	0	0	0
Non-Executive	0	0	0
Total	0	0	1

Compliance



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Board underscores the significance of the Group and its subsidiaries adhering to regulatory and stakeholders’ expectations. It is imperative to deliver high-quality products and services that align with regulatory requirements. Non-compliance with these standards, as well as policies of regulators and authorities, not only impacts the businesses’ reputation but also jeopardises business continuity.

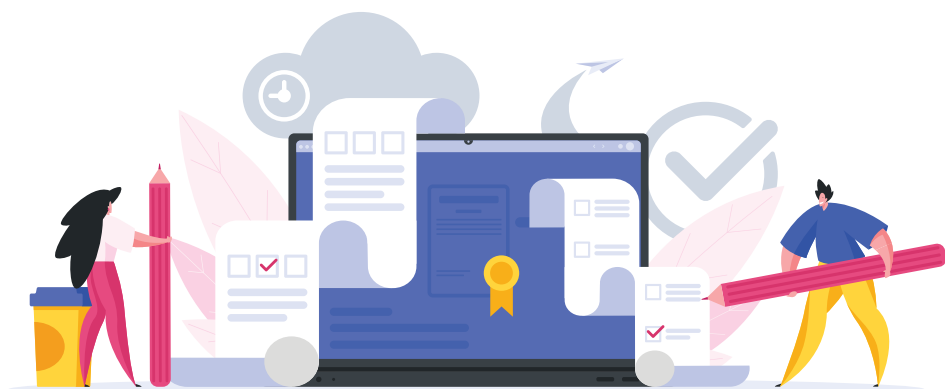
OUR APPROACH

The success of our company is closely tied to the trust and confidence that our stakeholders place in the quality and value of our products and services for our customers and consumers. Given its substantial impact on our business

performance, this matter is diligently overseen by both the Board and Management. Clear KPIs are established for all businesses to ensure adherence to these standards. This consideration has been incorporated into the risk registers of all BUs. In FY2023, SSO has requested each BUs to submit a list of authorities that require compliance, along with their respective status. This proactive approach ensures that updates on non-compliance can be monitored and addressed promptly.

OUR PERFORMANCE

This report has been formulated to provide stakeholders with a transparent view, encompassing three categories of compliance.



Sustainability Report

Authority Compliance

Below are some of the mandatory authority and business-related compliances that affiliated businesses within the Group have been adhering to:

01

Compliance with the Construction Industry Development Board Act 1994, ensuring the validity of the Construction Industry Development Board (CIDB) license, and ensuring that all workers involved in construction sites possess valid CIDB Green Cards.

02

Adherence to the Occupational Safety and Health Act (OSHA) (Amendment) 2022, guaranteeing that workplaces and construction sites comply with the regulations set forth by the Department of Occupational Safety and Health (DOSH).

03

Compliance with the Environment Quality Act (EQA) (Amendment) 2023, focusing on preventing the discharge of wastes into Malaysian water bodies.

04

University Licence renewable for continuity of the education business along with Kementerian Dalam Negeri (KDN) license to recruit foreign students.

Product & Service Compliance

These are compliance measures integrated into the products and/or services, aligning with the requirements of authorities, customers, or communities. They are incorporated to meet the expectations of identified our stakeholders.

Value Adding Compliance

These additional compliance measures, contributed by the respective BUs, aim to enhance value for stakeholders and improve overall quality of life. Adopting the ISO to have continuous improvement in serving our customers is one in particular that the Group emphasises.

Some of ISOs undertaken by the BUs can be found on page 63.

Non-compliance Incidents

At the Group level, a target of zero instances of non-compliance, business ethics cases, or penalties by authorities has been set. This goal is intended to ensure that all BUs adopt appropriate measures and effectively adhere to regulations and procedures. Below is a comparison table showing the compliance performance by the Group.

Nos	Compliance Materiality Details	FY2023	FY2022	FY2021
1.	Number of non-compliance in relation to business ethics	0	0	0
2.	Total cost of environmental fines and penalties during financial years	0	0	0
3.	Total monetary value of fines and total number of nonmonetary sanctions for noncompliance with laws and regulations	0	0	0

Sustainability Report

Procurement Practices



Related UNSDGs:



WHY IS THIS IMPORTANT?

Protasco, as a diversified enterprise engaged in all facets of the construction and infrastructure value chain, plays a crucial role in bolstering the local marketplace. This is achieved through responsible procurement practices that support local industries, facilitate the transfer of local knowledge, and promote shared prosperity within local communities. The implementation of fair and equitable procurement practices enhances trust with our external providers, allowing us to effectively source competitively priced products and services that align with our specific needs.

OUR APPROACH

The Purchasing & Procurement Department (PPD) at the Corporate Office currently oversees procurement for their employees, Clean Energy, Engineering & Consultancy Services, Education, and Property Development and Construction segments. However, businesses undertaking projects, such as Maintenance, Property Development, Construction and Trading & Manufacturing have their own dedicated procurement departments and procedures. Moving forward, purchasing and procurement processes will become decentralised, with each BU representative establishing their policies and responsibilities for procurement. Corporate office will provide guidance on matters essential for standardisation and sustainability initiatives, ensuring alignment across all units.

External providers undergo evaluation based on both their performance and their capability to deliver services on time and at competitive prices. Responsible local contractors, who have demonstrated a positive contribution to the nation's economy through a strong performance track record, receive thoughtful consideration. However, the assessment of external providers primarily focuses on their performance in delivering quality services at reasonable prices.

In FY2023, the Group has taken steps to disseminate surveys to all its suppliers to gather information about their ESG practices. This initiative is in its early stages and requires further refinement. Moving forward, improved reporting on our suppliers' ESG adoption will be provided. As for FY2023, the information obtained will be shared based on the current status of the initiative.

In project-specific procurement, a more detailed examination of safety track records is conducted to verify adherence to the pertinent laws and regulations of the OSHA and the Department of Environment (DOE). This scrutiny is particularly emphasised in the areas of Maintenance, Property & Construction, and Trading & Manufacturing.

Protasco follows the ISO9001:2015 Quality Management Systems for the procurement of construction and building materials. Contractors working with us are required to responsibly source construction materials and supplies from entities approved by the CIDB, Standard and Industrial Research Institute of Malaysia (SIRIM), or IKRAM Quality Assurance's approved material list.

OUR PERFORMANCE

Prior to presenting our FY2023 procurement performance in this report, we would like to acknowledge a minor error identified in SR2022. Please refer to the details below:

"Procurement in all our project-based subsidiaries is carried out by their respective Contract and Administration Departments in accordance with the procurement practices and procedures established by the Purchasing and Procurement Department (PPD). Plans are underway to further synchronise the procurement practices of the subsidiaries at the Group level. The effectiveness of our procurement process has a bearing on the Group's financial performance. Currently, suppliers are not evaluated for their environment performance, OSH track records, commitment to worker welfare etc. Once a better process in place, the Group will take account these ESG factors." (FY2022 Sustainability Statement; page 42 (2nd paragraph).

Should be read as:

"Procurement in all our project-based subsidiaries is carried out by their respective Contract and Administration Departments of subsidiaries in accordance with the procurement control practices and measures from the PPD, Corporate Office at the Group level. Plans are underway to further synchronise the procurement practices of the subsidiaries at the Group level. The effectiveness of our procurement process has a bearing on the Group's financial performance. Currently, suppliers are not evaluated for their environment performance, OSH track records, commitment to worker welfare etc. Once a better process in place, the Group will take account these ESG factors."

This report consolidates a comprehensive record of procurement activities across all BUs, offering a comparative analysis over the past three years. To enhance future reporting, the data collection process will be refined by categorising current and new suppliers separately. As of FY2023, the data presented incorporates information from both new and existing suppliers who are actively engaged in business transactions.

Sustainability Report

Prioritising ESG practices and anti-corruption policies is essential for maintaining ethical and sustainable business operations. As a Group, we recognise that conducting comprehensive screening is vital to mitigate risks and ensure alignment with our organisation's values and goals. In FY2023, only 3% of our suppliers underwent ESG screening, marking the initial phase of our efforts. We now intend to intensify our evaluation of ESG practices and reinforce compliance with anti-corruption policies.

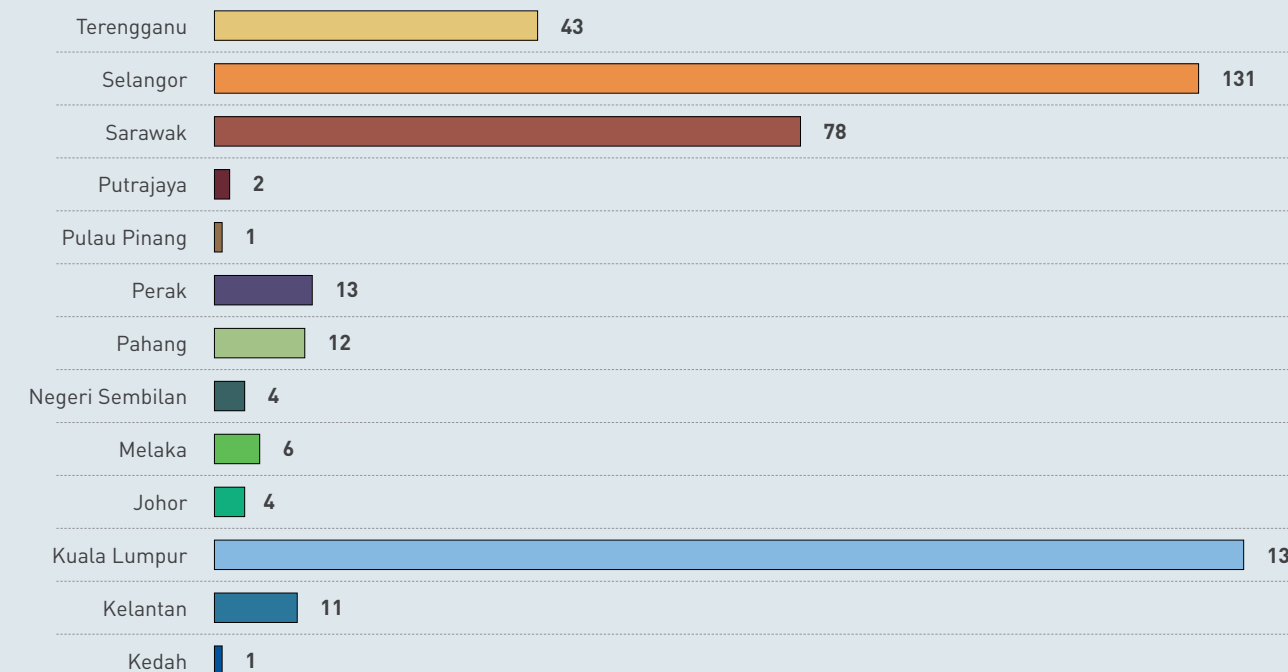
Suppliers by countries and Malaysian State for FY2023

The pie chart shows our Group's supplier by countries.

Based on the data for FY2023, the vast majority (97%) of our suppliers are based in Malaysia, while the remaining 3% are overseas suppliers. We choose to engage overseas suppliers only when necessary due to factors such as insufficient quantity, quality, or availability of supply within Malaysia, and when their costs align with our project or business operation estimates.



SUPPLIERS BY STATE IN MALAYSIA



Approximately 31% of our suppliers are located in Kuala Lumpur, with Selangor, Sarawak, and Terengganu following closely. We also extend support to suppliers from other regions where our projects are undertaken.

Sustainability Report

3-Years Comparison for Procurement Practices at Group Level

No.	Details	FY2023	FY2022	FY2021
1.	Local Procurement Actual (RM)	RM298,483,995	RM259,381,475	RM4,942,232
2.	Foreign Procurement Actual (RM)	RM3,002,531	RM4,818,349	RM3,020
3.	Total Procurement Actual (RM)	RM301,486,526	RM263,199,824	RM4,945,252
4.	Percentage of Local Procurement Actual	99.56%	98.55%	99.93%
5.	Number of Local Suppliers	452	428	128
6.	Number of Foreign Suppliers	15	14	1
7.	Total Number of Suppliers	467	442	129
8.	Percentage of Local Suppliers	97%	97%	99%
9.	Number of suppliers screened/audited for good ESG performance	14	N/A	N/A
10.	Number of suppliers removed from procurement list or cautioned for poor ESG performance	N/A	N/A	N/A
11.	Number of suppliers endorsed anti-bribery anti-corruption policies	N/A	N/A	N/A

Community Development



Related UNSDGs:



WHY IS THIS IMPORTANT?

As a socially responsible corporate entity, Protasco is dedicated to investing our time and effort in fostering the growth of sustainable and inclusive communities. Through our active involvement in community development and employee volunteerism, we aim to improve the well-being of the communities in which we operate, aligning with our mission to deliver enduring and sustainable benefits to society.

Participating in diverse projects aimed at aiding B40 families, the Group actively contributes to improving their lives and prospects. One of the myriad



ways this is achieved is through the provision of support and quality education via the Group's Education segment.

OUR APPROACH

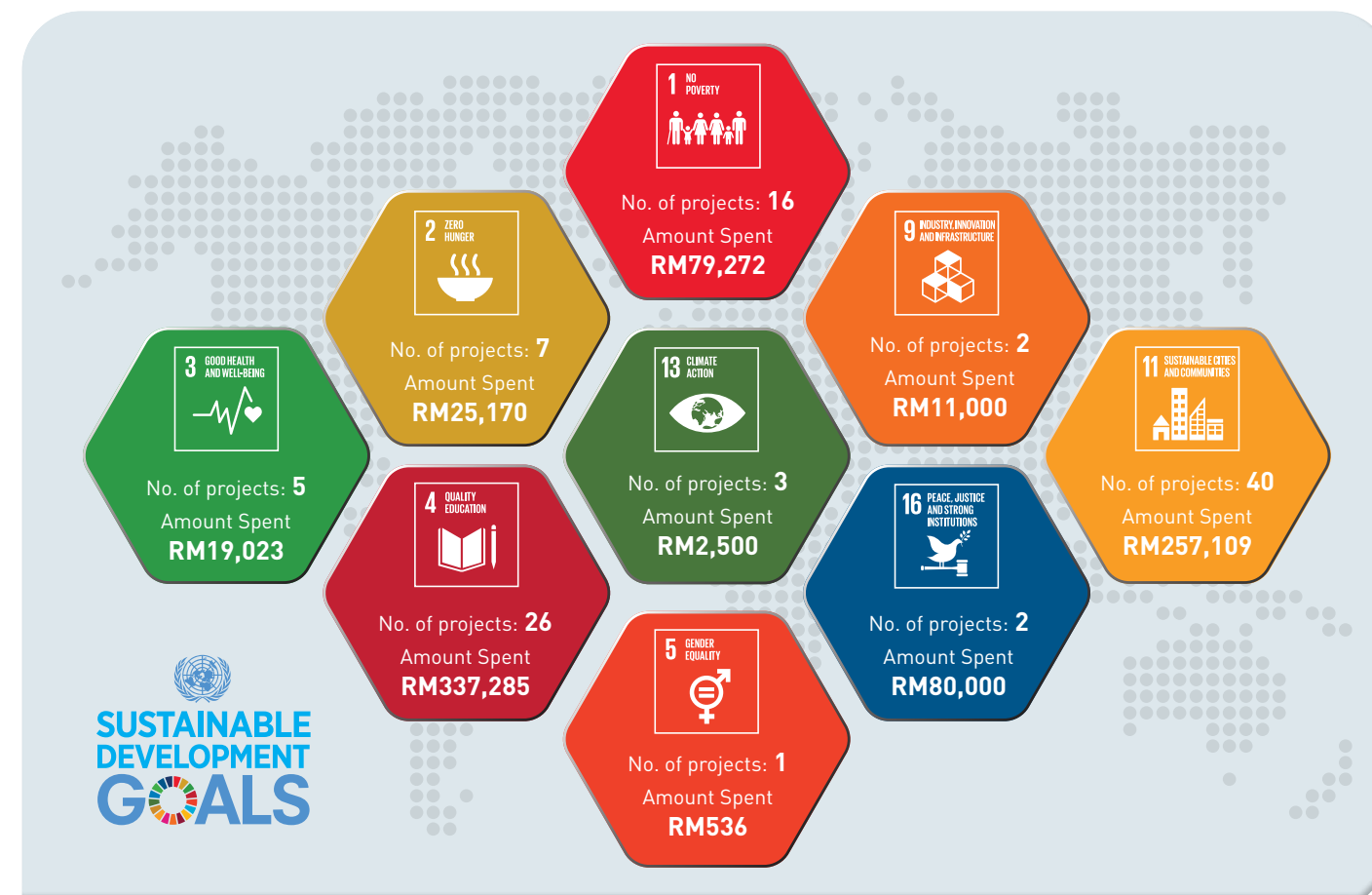
Each BU within the Group is tasked with contributing to community support aligned with the nature of its business and financial strength. The collaboration among BUs internally assumes significance, as it brings together diverse expertise to effectively support the community based projects and initiatives based on its specific needs.

Aligned with our strategic objective, specifically emphasising Sustainability Theme #3: Humanity Care & Support for our Sustainability Goals, we wholeheartedly embrace the UNSDGs as our guiding framework to actively support and contribute to the communities in which we operate.

Sustainability Report

OUR PERFORMANCE

This report offers an overview of our philanthropic endeavours and community investments, with a focus on data from FY2023. A total of RM811,896 has been allocated to support stakeholders such as customers, partners, employees, and the community within our business region, in alignment with the 17 SDGs.



Recognising the limitations of previous data collection methods, we have excluded information from FY2021 and FY2022 due to their inability to accurately portray the extent of community investment. During those years, philanthropic activities were consolidated without considering stakeholders' involvement, leading to less precise reporting.

However, beginning in FY2023, our data capture processes have undergone significant enhancements and rigorous auditing procedures. Consequently, the information provided in this report offers a more comprehensive and dependable account of our dedication to social responsibility and community engagement.

Referencing the Performance Table for FY2023 below, the Group has invested approximately RM425,056 in community initiatives, benefiting a total of 44 recipients.

Group's FY2023 Community Development

Details	FY2023
Total amount invested where the target beneficiaries are external to the Group	RM425,056
Total number of beneficiaries of the investment in communities	44
Number of employees participated in community impact programmes	391
Total hours spent on community impact programmes	283 hours

Diversity



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Group regards diversity as a valuable asset that facilitates the propagation of varied viewpoints, perspectives, and novel ideas, thereby fostering innovation and the creation of fresh strategies. In the current intricate business landscape, diversity plays a pivotal role in enhancing problem-solving capabilities and formulating solutions. This is achieved by leveraging on the diverse perspectives and approaches within multi-ethnic and multi-cultural talent pool.

OUR APPROACH

Protasco is dedicated to upholding a commitment to non-discrimination, which includes gender, age, and ethnicity in our workforce. Despite operating in an industry largely dominated by males due to its construction-related nature, Protasco actively acknowledges and values the talents of female employees through diverse recruitment and promotion initiatives. The Group consistently enhances its work culture and environment to be free from harassment and discrimination, aiming to attract and retain the participation of women.

To show the seriousness of our commitment, we have recently set target of 6% female participation in the managerial position within the Group. Even though the target is relatively small, we will consistently raise the bar as we progress further.

The emphasis remains on equal work for equal and meritorious performance, where only the performance, skills, capabilities, and qualifications of staff are assessed. Criteria such as ethnicity, gender, marital status, and other socio-demographic variables are excluded from the assessment process, and employees are evaluated solely based on their professional contributions.

Concerning the Board, we strongly advocate for fair gender representation, aligning with the directives of relevant authorities. This commitment is clearly articulated in our Gender Diversity Policy, with a specific focus on achieving gender balance in both the Board and Senior Management of Protasco Berhad.

From time to time, initiatives are implemented within the Group to aid women in diverse areas such as training, awareness, health and well-being, entrepreneurship, and the development of soft skills. Senior Management across all BUs provides crucial support for the well-being and health of the female employees for better productivity and efficiency.

In addition to promoting gender diversity, Protasco ensures that all programmes conducted by the Group and its subsidiaries are inclusive, accommodating individuals from diverse ethnicities and age groups.

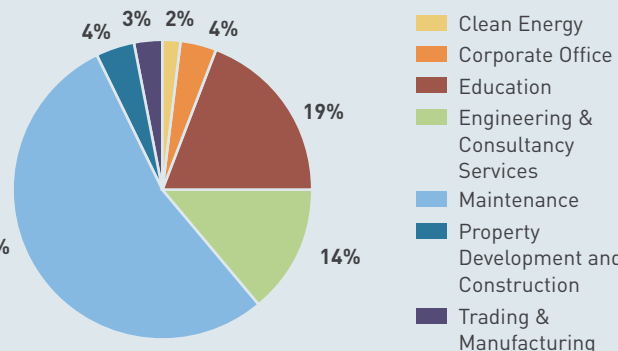
OUR PERFORMANCE

Workforce within the BUs

During FY2023, Protasco Berhad employed a total workforce of 1,566 individuals, with 1,389 receiving full company benefits, while the remaining were contractors and temporary staff. The majority of the employees comes from the Maintenance (54%), Education (19%), Engineering & Consultancy Services (14%), Property Development and Construction (4%), Corporate Office (4%), Trading & Manufacturing (3%) and Clean Energy (2%).



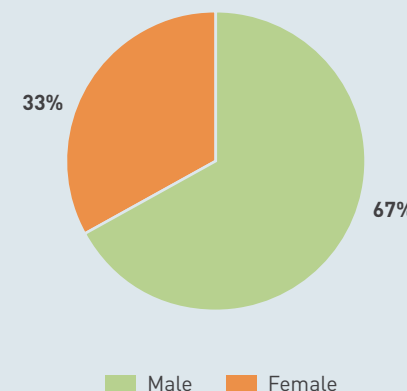
WORKFORCE BASED ON BUSINESS UNIT



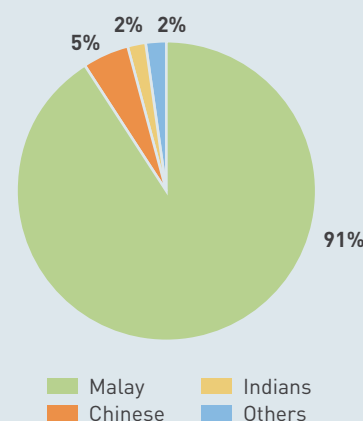
Group's FY2023 Gender, Ethnicity, Employment Type and Employment Level

From the total workforce 67% consists of male employees and 33% female employees.

BREAKDOWN BASED ON GENDER



BREAKDOWN BASED ON ETHNICITY

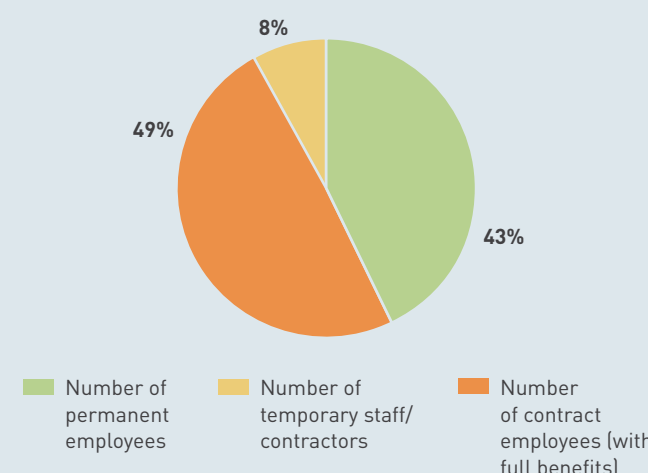


There are various ethnicities being employed and nurtured throughout their journey with Protasco Berhad. The employees comprise of Malay (91%), Chinese (5%), Indian (2%) and others (2%).

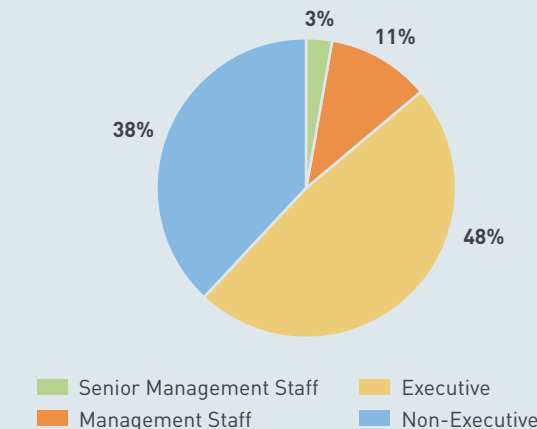
Protasco Berhad provides nearly 100% of its employees, both permanent and contract with full benefits. Contract staff are treated as permanent, with the option to continue or discontinue their employment. This approach is tailored to the demands of construction projects and ensures financial sustainability. Only 8% receives lesser or no benefits under the temporary/contractor employment status. The pie chart below shows the breakdown on employment status and level of employment.

We have almost 48% of our employees in the category of Executive and 38% as Non-Executive. Middle Management consists of 11% and Senior Management makes up 3% of our workforce.

BREAKDOWN BASED ON EMPLOYMENT



BREAKDOWN BASED ON LEVEL OF EMPLOYMENT



3-Years comparison of the Board Gender Representation

BOARD DIVERSITY A Comparison Table from FY2021 - FY2023						
Category Breakdown	FY2021		FY2022		FY2023	
	Nos	%	Nos	%	Nos	%
Gender						
Male	6	75%	5	71%	5	71%
Female	2	25%	2	29%	2	29%
Total	8	100%	7	100%	7	100%
Ethnicity						
Bumiputera	2	25%	2	29%	2	29%
Chinese	6	75%	5	71%	5	71%
Indian	0	0%	0	0%	0	0%
Others	0	0%	0	0%	0	0%
Total	8	100%	7	100%	7	100%
Nationality						
Malaysian	8	100%	7	100%	7	100%
International	0	0%	0	0%	0	0%
Total	8	100%	7	100%	7	100%

FY2023 Gender Pay

Gender Pay Ratio (%)	FY2023
Total Hourly Pay (Male)	RM22,563
Total Hourly Pay (Female)	RM16,236
Average Hourly Pay (Male)	RM256
Average Hourly Pay (Female)	RM199
Pay Difference (Male)	(RM56)
Pay Difference (Female)	RM56
Gender Pay Gap	22%

The gender pay gap of 22% in our organisation is primarily influenced by the nature of our business. The construction and maintenance industries have traditionally been male-dominated. As a result, there are fewer women employed in these sectors, leading to a skewed representation in our gender pay gap and potential wage discrepancies.

To address and reduce the gender pay gap in our organisation, we are committed to actively work to increase the recruitment and retention of women in all roles within our organisation, including leadership positions, invest in training and development programmes specifically designed to support the career advancement of women within the Group, and promote a more inclusive and supportive workplace culture that values and respects the contributions of all employees, regardless of gender.

Occupational Safety & Health



Related UNSDGs:



WHY IS THIS IMPORTANT?

The issue of occupational safety and health (OSH) is of significant importance to Protasco, particularly as the Group is engaged in construction operations. Maintaining a strong OSH performance is crucial, as even a single incident has the potential to cause substantial disruptions at construction sites. Such disruptions can adversely affect project completion, leading to challenges in revenue recognition. Furthermore, the Group's reputation may be compromised, affecting its ability to secure future construction-related projects, obtain financing, and may expose it to punitive measures such as fines and other sanctions from authorities. There is also the potential for adverse effects on workers and the local community, something that Protasco, as a responsible corporate citizen, strives to avoid at all costs.

Beyond project sites, workplace safety and health are also prioritised due to their potential to disrupt current operational performance and impact operating costs.

OUR APPROACH

Protasco places significant emphasis on robust Health, Safety, and Environment (HSE) practices as outlined in its regulated OSHE Policy. This policy is applicable to all employees on-site, including third-party workers, and is in alignment with the guidelines set forth by the DOSH and the EQA. The objective is to ensure that all necessary training, protective equipment, and other safeguards are provided to facilitate the safe execution of work on our projects.

Within the Maintenance Division and Property Development & Construction Segment, the Traffic and Safety department conducts Hazard Identification, Risk Assessment, and Risk Control (HIRARC) for each scope of work and site. This process aids in recommending the appropriate project safety plan before the commencement of work.

Beyond ensuring the safety of employees and project continuity, worksite safety is fundamental for the well-being of the public and the environment. Therefore, our safety practices also adhere to all relevant DOE guidelines to prevent adverse impacts on the environment and the surrounding community.

The HSE committees for both the Maintenance segment and the Property Development and Construction segments meet quarterly to review the execution of safe work practices and suggest enhancements as needed. Within these segments, all HSE issues are reported to the relevant Senior Management in accordance with their OSH Policy governance.

As a step forward, the Group has underscored the significance of Safety & Health by formulating the OSHE Policy, affirming its dedication to prioritising a mindset shift to establish an OSH culture across all BUs, irrespective of the business sector, as long as it employs more than 40 staff. With this policy in effect, all BUs are anticipated to conduct their quarterly meetings, audits, and training sessions. To ensure compliance with DOSH requirements, the Board oversees the process through KPIs set under one of its materiality considerations.



OUR PERFORMANCE

Health and safety trainings

In FY2023, a total of 225 participants were given various trainings on health and safety standards and the Table below provides a 3-year comparison of the training provided.

Details	FY2023		FY2022		FY2021	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Trained on health and safety standards	838	N/A	N/A	N/A	N/A	N/A
No. of training and awareness on safety & health	39	N/A	35	N/A	N/A	N/A

It is important to highlight that data for contractors was not previously recorded, but this will now be addressed and reported in future updates.

Work-related injuries

As a Group, we are dedicated to prioritising a mindset shift towards fostering a culture of workplace (OSH) through education, awareness, and training. We are committed to continually enhance the effectiveness of our OSH practices and improving environmental performance. Our employees are provided with awareness training to ensure during the 8 hours work with us they are safe and healthy from all aspects.

Through an ongoing improvement initiatives and progress monitoring, the Group is pleased to report zero fatalities recorded during operations. All BUs under the Group will continue to enhance their safety and health related processes and reporting mechanisms to ensure comprehensive data coverage.

OSH Details	FY2023		FY2022		FY2021	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Total Hours Worked	1,401,944	6,961,624	9,499,524	N/A	8,154,956	N/A
Number of Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	0	0	0	0	0	0
Incident Rate ("LTIR")	0	0	0	0	0	0
Occupational diseases rate (COVID + or any other diseases)	77	N/A	357	N/A	169	N/A
Absenteeism rate - headcount	N/A	N/A	N/A	N/A	N/A	N/A

Note:
For FY2022 and FY2021, previous reports combined the total hours worked by both employees and contractors. However, starting from FY2023, the data has been separated between employees and contractors, as depicted in the table above. The total hours worked, combining both employees and contractors, amount to 8,363,568. As for number of fatalities, lost time injuries and incident rate, Maintenance, Property Development and Construction reported as zero cases for FY2022 and FY2021 under the contractor's category. Moving forward, we intend to adopt a more inclusive approach by incorporating both employees and contractors in our data collection, as outlined in the Bursa's Illustrative Sustainability Report guidebook.

Product & Service Responsibility - Customer Satisfaction

Related UNSDGs:



WHY IS THIS IMPORTANT?

Protasco's success relies on the ongoing trust and confidence customers place in the excellence of our products and services, along with the value we provide. Our operations encompasses construction, property development, maintenance, education, clean energy, engineering & consultancy services and trading & manufacturing. Leveraging on our synergistic ecosystem of services, we enhance the quality, safety, and sustainability of our offerings by sharing skills and knowledge across these diverse sectors.

OUR APPROACH

The Board and Management closely monitor excellence of our products and services, along with the value they provide and its substantial impact on our business performance. Clear KPIs have been established for all BUs, focusing on stakeholders' satisfaction from customers, authorities, and suppliers/contractors.

To ensure customers' continued confidence in Protasco, we have put in place a robust set of quality management systems to enhance the integrity of our products and services:

Nos	Business Units	Quality Management System	Companies
1.	Education	ISO9001	Infrastructure University Kuala Lumpur (IUUKL)
		ISO9001	Ikram Engineering Services Sdn Bhd
2.	Engineering & Consultancy Services	ISO 17025	Ikram Paves Sdn Bhd
		ISO 17065	Ikram QA Services Sdn Bhd
		CIDB G3/SPKK	Ikram Engineering Services Sdn Bhd
		CIDB G7	Kumpulan Ikram Sdn Bhd
		BEM	Ikram Premier Consulting Sdn Bhd
		BAM	Ikram Premier Consulting Sdn Bhd
3.	Maintenance	ISO9001	Empayar Indera Sdn Bhd
		ISO9001	Roadcare (M) Sdn Bhd
4.	Construction	ISO 14001	HCM Engineering Sdn Bhd
		ISO 45001	
5.	Trading & Manufacturing	ISO9001	Protasco Trading Sdn Bhd

Sustainability Report

Roadcare (M) Sdn Bhd, Empayar Indera Sdn Bhd, Protasco Trading Sdn Bhd, Ikram Engineering Services Sdn Bhd, HCM Engineering Sdn Bhd, Ikram Paves Sdn Bhd and Ikram Education Sdn Bhd have ensured, through their ISO9001 certification, the establishment of comprehensive policies, processes, and procedures necessary for delivering products and services that meet customer and regulatory requirements, ultimately leading to enhanced customer satisfaction.

ISO 17025 accreditation demonstrates that a laboratory belonging to Ikram Paves Sdn Bhd has implemented a satisfactory quality management system and possesses the capability and competence to deliver accurate testing and calibration results.

HCM Engineering Sdn Bhd, which provides support to Maintenance and Property Development and Construction Segments, ensures the robustness of its operations not only with ISO9001 but also with ISO 14001 (aiming to enhance environmental performance by promoting more efficient resource utilisation and waste minimisation) and ISO 45001 (aiming to reduce occupational injuries and illnesses among employees). Through these quality management systems, the company safeguards all aspects related to people and the environment, ensuring safety during operations while delivering the best quality products and services to its customers.

In order to provide potential employers with quality and market-ready graduates, our Education BU, IUKL secures various additional accreditations beyond the mandatory programme accreditation by the Malaysian Qualifications Agency (MQA). Some of these additional accreditations come from the Board of Engineers Malaysia (BEM) and the Washington Accords for its Engineering Programme, as well as the Board of Architects Malaysia (BAM) along with other relevant bodies related to programmes provided by the Education Segment.

OUR PERFORMANCE

Customer Satisfaction Survey

Given our diverse businesses with distinct customer definitions and through surveys conducted according to their respective quality management systems, the Board ensures that a minimum target score of 70% is set uniformly across all businesses, and efforts should be directed toward continual improvement.

As of FY2023, the Group has reported an average score of 86% compared to 80% in FY2022.

Product & Service Responsibility	FY2023	FY2022	FY2021
Numbers of product/service-related complaints received	7,457	N/A	N/A
Numbers of complaints that has been dealt (Customer relationship management (grievance mechanism))	7,412	N/A	N/A
Customer Satisfaction Score	86%	80%	N/A

We are continuously taking efforts to document complaints related to environmental, health, and safety aspects at the Group level. We have enhanced our data capture methods to provide readers with a clearer insight into our commitment and dedication to addressing feedback from our valued customers, who are crucial stakeholders.

In the table above, the data collected in FY2021 primarily emphasised product compliance by some of the BUs to ensure customer satisfaction. However, in FY2022, the customer satisfaction score was consolidated at the group level across all BUs. This method of data collection will continue as described above. Moving forward, detailed feedback categorised by various aspects will be provided.

Quality Assessment System in Construction

As part of our commitment to improve our workmanship quality, we strive to exceed the average national Quality Assessment System in Construction (QLASSIC) score of 72% for both our landed housing and stratified building previously. We are pleased to report that we have consistently exceeded this average score. In FY2023, there has not been any score as the projects under the Property Development and Construction segments are still in progress.

Sustainability Report

Data Privacy & Cybersecurity



Related UNSDGs:



WHY IS THIS IMPORTANT?

Our mission explicitly outlines our emphasis on utilising technology to enhance efficiency and gain a competitive advantage through innovative approaches to deliver value for an improved quality of life for our identified stakeholders.

As a Group, we acknowledge that leveraging digitalisation is the most effective approach to connect with our stakeholders and optimise the efficiency of our operations. This acknowledgment is emphasised in our IAP 2.0, where digitalisation is identified as a critical success factor for our ongoing progress.

However, the Group also recognises the paramount importance of ensuring data privacy and safeguarding against potential hacking threats. Weak protection of our data not only disrupts operations but also poses reputational risks among our stakeholders. This lack of security may erode trust in the Group, ultimately affecting confidence in future business engagements.

OUR APPROACH

The Group reinforces its cybersecurity protocols by adhering to our Information Technology Acceptance Use Policy. This policy is applicable to employees, contractors, consultants, temporary staff, and other affiliated third parties within the Group. It explicitly outlines the proper utilisation of information, electronic devices, computing devices, and network resources when conducting business for the PB group of companies. This includes interactions with internal networks and business systems, whether owned or leased by the PB group of companies, the employees, or a third party.

Adhering to the fundamental tenets of effective corporate governance and in accordance with the guidelines outlined in Practice 10.1 of the MCCG 2021, our Board oversees cybersecurity incidents and related issues under sustainability agenda through KPIs reported through its BRMC. Besides setting KPI and monitoring it, the Board assesses critical risk associated to cybersecurity, and ensures the Group implements measures to alleviate or address those risks. While the present objective is to conduct a minimum of

one awareness session for all employees on cybersecurity, the severity and impact of cybersecurity incidents will be highlighted for better understanding.

In FY2023, the following measures were implemented to address data privacy and cybersecurity issues:

- a. The implementation of Sangfor firewall on all company-owned computers and personal laptops connected to the company servers is currently in progress.
- b. An audit was conducted on each computer utilised by employees to detect any cybersecurity risks. This process is ongoing, with further comprehensive actions planned for the future.

OUR PERFORMANCE

As of FY2023, there were 17 substantiated complaints concerning cybersecurity. However, no breaches in customer privacy or data loss have been reported.

Details	FY2023	FY2022	FY2021
Number of incidents of cyber attacks	17	N/A	N/A
Number of users affected by data breach(es)	0	N/A	N/A
Number of cybersecurity awareness and other related programmes	1	1	N/A



Sustainability Report

Labour Practices (Employment)



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Group places a significant emphasis on Talent Management, recognising our employees as the cornerstone of our operational efficiency and effectiveness. Our mission statement articulates our commitment to become the employer of choice for the most suitable talents. Regardless of the business sectors we operate in, we prioritise fairness, ethics, and cultivate a healthy and positive working culture that emphasises work-life balance.

Furthermore, the Group extends internship and employment opportunities to young talents from local universities and underprivileged backgrounds.

OUR APPROACH

As a Group, we are committed in upholding local labour and employment-related laws in all aspects of our human resources practices and management. Our organisational culture is guided by our Core Values, which include being Result Oriented, taking Ownership, maintaining Customer Focus, embracing a Knowledge-Driven approach, upholding Integrity, and promoting Teamwork. These values not only influence our interactions with people but also shape the overall ethos of our business.

Aligned with our dedication to ethical business practices, we endorse the United Nations Global Compact (UNGC) Ten Principles and uphold the Universal Declaration of Human Rights. Additionally, we strictly adhere to relevant laws and regulations governing our operations.

To ensure transparency and accountability, we have communicated our grievance handling process and whistleblowing policy to all employees and workers. Our whistleblowing channels provide a secure and confidential avenue for reporting any breaches of labour practices, disputes, or inappropriate behaviour anonymously. We are committed to safeguarding the identity of whistleblowers throughout the investigation process, and all reports are treated with the utmost seriousness.

As an integral component of the Group's Human Resource (HR) 5-year strategic plan (2023 – 2027), the primary focus areas will encompass:

- Driving HR excellence and innovation
- Deploying recruitment and retention strategies
- Investing in our employees' development
- Enhancing the employees' experience

In FY2023, the Group initiated the process of conducting human rights due diligence in the majority of our operations within Malaysia. This effort will be expanded to encompass all our global business operations in the subsequent phases. Furthermore, all our employees have successfully completed the human rights e-learning module, and we have conducted 10 on-site human rights training sessions involving contractors.

Process and Technology Improvement

As part of our HR transformation initiative, the HR department has advanced its journey toward digitalisation, which is part of our critical success factor to move forward, by streamlining various processes in the employee lifecycle through e-technology. The following enhancements have been implemented:

- Upgrading the existing employee e-kiosk system to a more advanced version.
- Launching an e-recruitment system to streamline the recruitment process.
- Introducing a payroll internal reporting dashboard for the Management Team.
- Implementing HR Service survey with real-time feedback mechanisms.
- Improving information sharing through Inet.
- Enhancing HR work processes and e-forms for increased efficiency.
- Achieving full flow automation and successfully implementing the Performance Development System (PDS).



Performance of our People

At Protasco, we staunchly adhere to our guiding principles of being result-driven, accountable, collaborative, and fostering shared success to enhance both individual and team performance. In our commitment to cultivate a high-performance culture, we have implemented a structured performance review process and measurement system, encompassing employees' KPIs. At the outset of each year, we initiate expectation-setting conversations to align goals.

Conducting a comprehensive year-end performance review for all employees is an integral part of our approach. This process allows employees the opportunity to engage in self-assessment, provide feedback, participate in competency discussions, and receive the necessary coaching and support.

We actively acknowledge and celebrate achievements when individuals demonstrate exceptional performance within their peer group, deliver high-quality results, and exhibit outstanding behaviour. Recognition is manifested through bonuses and promotions as a testament to our appreciation for their contributions.

Succession planning

We enhance our commitment to talent management by pinpointing individuals with the capacity to assume crucial roles in our succession planning strategy. In FY2023, we have identified and planned the implementation of a pilot model for selected key positions. This talent pool will be nurtured with the necessary leadership skills and competencies. Concurrently, we foster the development of the next-generation talent pipeline through our protégé programme.

Employee engagement initiatives

We place a significant emphasis on employee feedback, and as part of this commitment, we initiated an HR Service Survey in June 2023. This survey serves as a valuable tool to gain insights into our employees' experiences, expectations, and to comprehend their needs and concerns.

KEY ACHIEVEMENTS & ACTIVITIES IN FY2023

- Introduced e-LATiH Corporate Access platform – a free learning and development system that enables employees and company to apply, track, and monitor their learning journey.
- Conducted 24 employee engagement sessions within the Group.
- Implemented the e-Recruitment system through Inet.
- Conducted HR Happiness Score Survey with an overall happiness score of 93%.
- Conducted employee appreciation programmes such as long service awards.
- Organised festive celebrations throughout the year.

Sustainability Report

ONGOING INITIATIVES

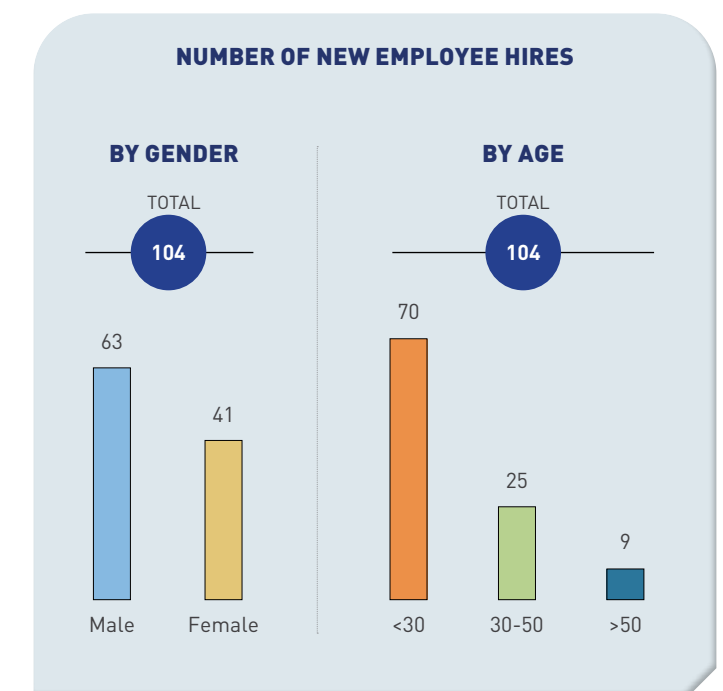
- Feedback system through HR Happiness Score Survey – improving employee experience.
- Engagement Sessions
- Revision of HR Policy and HR Manual
- Integrates e-Recruitment system
- Length of Service Recognition Programme
- Extend Succession Planning Pilot Programme
- Career and personal growth
- Employee Wellness Programme

We envision the future, with great anticipation and enthusiasm. We are currently in the process of revising our HR Strategic Plan and HR Manual. Our commitment remains steadfast in collaborating closely with all members of the Group to uphold service excellence, foster learning empowerment, and champion wellness initiatives.

OUR PERFORMANCE

Employee retention and attrition

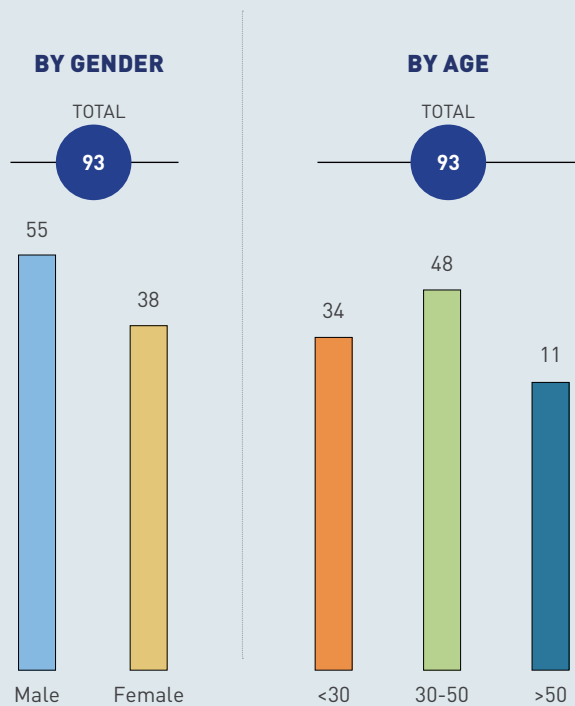
The table presented below offers an overview of the Group's hiring and turnover. The Group diligently monitors turnover to ensure it remains below 10%. Currently, the turnover rate stands at 1.7%.



Sustainability Report

Sustainability Report

NUMBER OF EMPLOYEE TURNOVER

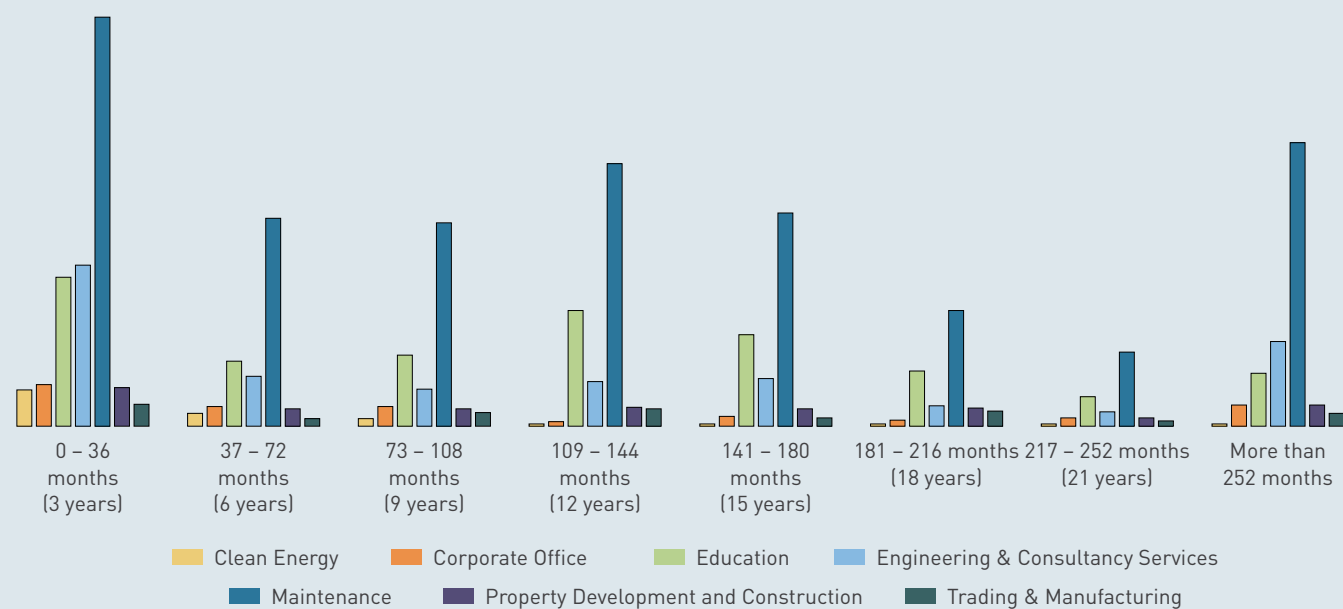


Protasco Berhad takes pride in its deeply committed workforce, a testament to the enduring tenure of our employees. On average, our employees remain with us for approximately more than 10 years. The table below illustrates the distribution of our employees' tenure.

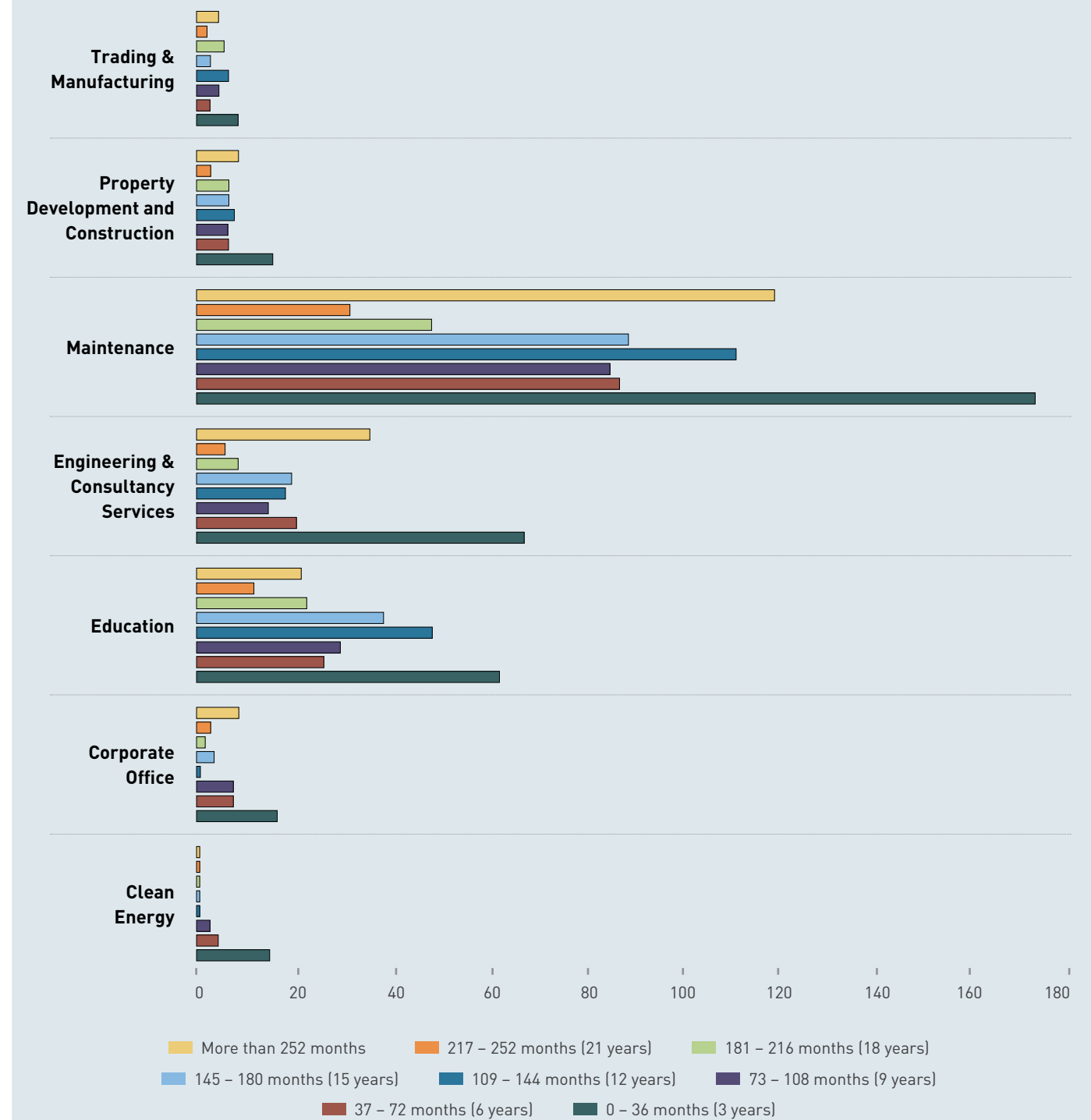
Nos	No. of Years in Service	No. of Employees	Percentage
1.	0 – 36 months (3 years)	362	26.06%
2.	37 – 72 months (6 years)	159	11.45%
3.	73 – 108 months (9 years)	154	11.09%
4.	109 – 144 months (12 years)	196	14.11%
5.	141 – 180 months (15 years)	163	11.74%
6.	181 – 216 months (18 years)	96	6.91%
7.	217 – 252 months (21 years)	58	4.18%
8.	More than 252 months	201	14.47%

The chart illustrates that the Group boasts a well-balanced distribution of employees across different lengths of tenure, fostering an optimal blend for improving operations and business growth. This diversity facilitates the exchange of ideas, drawing from the wealth of knowledge and experience among both new and existing staff.

FY2023 GROUP'S EMPLOYEES YEARS OF EMPLOYMENT



YEARS OF SERVICE (Based on Business Unit)



Sustainability Report

With a larger workforce in the Maintenance BUs, the distribution leans more heavily towards it, followed by Engineering & Consultancy Services and Education. Across all BUs, there is a noticeable influx of new talent, with a significant portion joining the Group within the past three years.

During our GMD's visits to each BU, he not only engaged with the employees but also presented certificates of appreciation and tokens of gratitude to long-serving staff, acknowledging their unwavering support to the Group.



The group's Sexual Harassment Policy is designed to safeguard the rights of female employees and protect them from any form of sexual harassment. We are pleased to report that there have been no incidents of sexual harassment, or any human rights violations reported within the group, affecting both male and female employees. Since the inception of our business, we have consistently prioritised human rights and have implemented strict penalties for offenders.

	FY2023	FY2022	FY2021
Number of substantiated complaints concerning human rights violations	0	0	0

More than 80% employees receives additional benefits in addition to their salaries. Our HR policy grants both paternity and maternity leave with full pay for those who are eligible.



Employee Benefits	Total
Total payments made to employees in terms of salaries, bonuses, and benefits	RM70,157,000
Total statutory payments made for employees' retirement benefits (EPF)	RM7,182,000
Total payments in medical insurance (SOCISO) for employees	RM7,026,000
Payments made for life insurance, including death and disability	RM1,281,517
Staff Training	RM626,165
Total	RM86,272,682

Parental Leave



Sustainability Report

Labour Practices (Training & Development)



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Group recognises the importance of upskilling and re-skilling within the Talent Management Programme for sustainability, acknowledging its pivotal role in cultivating a workforce adept at addressing challenges and seizing opportunities related to sustainable practices.

We affirm that ongoing training ensures employees stay current with the latest sustainability trends, technologies, and industry best practices, enabling each BUs to navigate evolving environmental and social expectations within their company. Additionally, it indirectly enhances employees' satisfaction and engagement, positioning the organisation as an appealing workplace for top talent valuing continuous professional development.

For Protasco Berhad, upskilling and re-skilling within the Talent Management Programme not only contribute to individual career development but also play a critical role in advancing the Group's sustainability agenda. This commitment ensures Protasco remains adaptable, responsible, and forward-looking in its approach to future challenges.

OUR APPROACH

Upskilling and Re-skilling

The Group is committed to investing in our workforce, giving priority to leadership development, recognition, compensation, career progression, and skills training. Our primary objective is to nurture a skilled, resilient, and adaptable workforce capable of thriving in a dynamic market environment marked by technological advancements and emerging trends. These efforts are concentrated within our Talent Management programme, identified as a Critical Success Factor through our IAP2.0. Our overarching responsibility is to develop a highly skilled workforce that enhances efficiency, improves customer service, and contributes to the reduction of operating costs. We accomplish this through continuous staff training and development. We consistently apply the 70-20-10 learning model, where 70% of talent development takes place through on-the-job training, 20% through developmental experiences such as coaching and mentoring, and the remaining 10% through formal development activities.

To bridge our employee's skill gaps and support them in achieving their career development objectives, our PDS mandates managers and employees to engage in career and development discussions, reaching agreements on the type of training/courses that will assist employees in setting and attaining their career goals.

In FY2023, our commitment to investing in training and development programmes persists, utilising both physical and online channels. Our comprehensive training and development initiatives encompass:

- 1 Corporate induction for management, executives, and non-executives
- 2 Leadership development programmes for middle and Senior Management levels
- 3 Upskilling programmes on technical courses related to job functions
- 4 Webinars from subject-matter experts and industry leaders
- 5 Capacity building via professional certification
- 6 Curated in-house programmes on IT, soft skills, and emotional intelligence
- 7 Continuous learning programmes through our on-demand e-learning platform



OUR PERFORMANCE

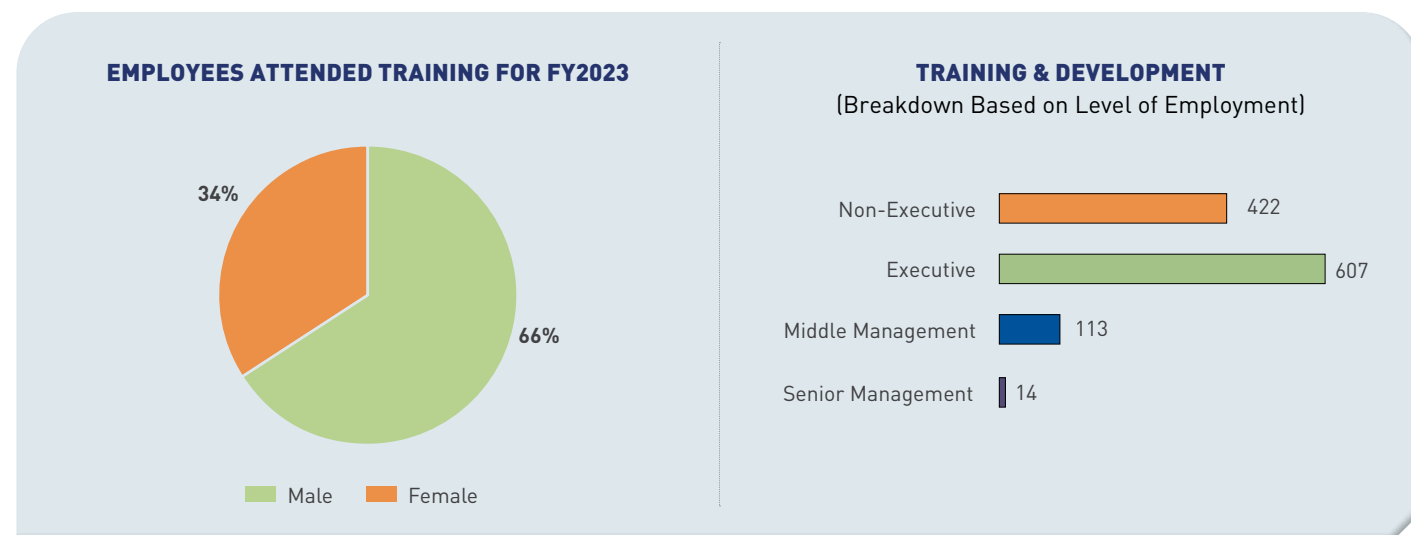
Employee training hours

In FY2023, we spent 21,324.50 hours on training, investing approximately RM636,143 in internal and external learning and development programmes. Below we present a table indicating our 3 years performance.

Details	FY2023	FY2022	FY2021
Total training hours as a company	21,324.50	24,827.00	6,592.50
Total training spends as a company	RM636,143	RM778,277	RM242,687
Total training hours Per Business Unit	3,046.36	3,010.56	824.06
Total training spends per Business Unit	RM90,878	RM97,285	RM34,670
Total Employees	1,389	1,411	1,408
Average Training Hours Per Employee	15.35	17.6	94.52
Average Training Days Per Employee	2.37	13.88	19.00
Average Training Spend Per Employee	RM458	RM552	RM3,205

Out of the total 1,156 employees who attended the training, 66% are male and 34% are female. Overall, 83% of the Group's employees have participated in at least one training session aimed at enhancing their skills to improve their tasks or soft skills.

The Group promotes self-improvement and the enhancement of current tasks through upskilling for all levels of employment. Both executives and non-executives are provided opportunities to enhance existing skills or acquire new ones through participation in upskilling and reskilling initiatives available within the Group.



Water Management



Related UNSDGs:



WHY IS THIS IMPORTANT?

According to the World Health Organisation (WHO), the escalation of temperatures due to climate change is causing arid regions to become drier and humid regions to become wetter. In dry areas, the heightened temperatures accelerate water evaporation, consequently increasing the vulnerability to drought or extending periods of drought.

Water, often referred to as the elixir of life, is pivotal for sustainability and poses a significant ESG risk on a global scale. The depletion of freshwater resources has become a source of conflicts, famines, and health crises. In Malaysia, where all our businesses operate, the National Hydraulic Research Institute of Malaysia (NAHRIM) predicts that the country is poised to encounter prolonged droughts between 2025 and 2030 due to the El Niño phenomenon. Threats to water security, such as droughts, can profoundly impact Protasco's operations in the Klang Valley and other regions of Peninsular Malaysia.

OUR APPROACH

Despite the Group's business activities not falling under the category of water-intensive industries, we maintain a steadfast commitment to the mindful use of this finite resource.

We actively encourage responsible water consumption practices among our employees and visitors, reinforcing these habits with reminders strategically placed at all water usage points, including pantries and toilets.

As a Group, we ensure water security stands as a crucial aspect of our environmental conservation initiative. While there were not many initiatives undertaken under this materiality for FY2023, moving forward, strategic goals will be established with a specific focus on prevention and conservation initiatives. KPIs will be set and closely monitored in alignment with these goals.



In our commitment to efficient water management, Protasco monitors its water consumption, quantifying it both in cubic meters (m³) and in terms of financial cost.

OUR PERFORMANCE

For FY2023, the Group's water consumption is documented approximately as 43,559 cubic meters (m³). The subsequent breakdown will detail the water consumption of each BUs, along with the Group's water usage performance over the last three years.

After investigating the increase in water consumption from the previous year, it was identified that pipe leakages in certain BUs were contributing to the elevated usage as indicated in the table below. Immediate measures have been undertaken to rectify these leakages and address the root causes. Additionally, proactive steps have been initiated to implement water-saving measures across all units to further reduce consumption. Continuous monitoring and improvement strategies will be deployed to ensure sustained efficiency in water usage.

No.	Details	FY2023	FY2022	FY2021
1.	Total volume of water used (m ³)	43,558.89	38,655.02	N/A
2.	Amount paid for the volume used (RM)	108,588	89,207	100,000
3.	Recycled water (m ³)	-	6,000.00	N/A
4.	Water usage per product/output	N/A	N/A	N/A
5.	Water intensity (total megalitres per square foot or metres)	N/A	N/A	N/A
6.	Water Efficiency (measured against revenue/earnings/or productivity)	N/A	N/A	N/A

Note:
The complete volume of water consumed in FY2021 was not recorded; only the volume usage for which payment was made. Therefore, "N/A" has been noted in the table provided. Starting from FY2022, data collection for entries 1 and 2 has been implemented, with ongoing enhancements and support through awareness and training initiatives.

Waste & Effluent



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Group recognises the importance of proper waste collection and disposal as a crucial step in keeping our operating environment clean and ensure the health and safety of our employees and the public.

Improper waste management may lead to significant negative impact to the environment and the company's reputation.

Besides waste management, monitoring the effluent from projects embarked by the Group is another area that is monitored by the respective BUs to ensure no hazardous liquid waste is produced and disposed from the operations.

The Group recognises the significance of effluent management in preserving the environment, ensuring human health, and adhering to regulations. It also plays a role in cultivating a positive corporate image, promoting sustainable practices, and nurturing the long-term viability of the business.

OUR APPROACH

We are implementing initiatives to address the general waste generated by each BU. This aims to assess the current waste output and formulate plans to reduce it, contributing to environmental conservation. Awareness initiatives among our employees have been established to promote waste reduction practices, including the segregation of recyclable and non-recyclable items, an e-waste recycling campaign, and going paperless campaign.

We are presently monitoring all waste generated from projects, categorising it based on the amounts recycled, reused, and sent to landfills. The current data does not indicate a substantial performance in the Group's waste and effluent management. Given that the primary responsibility for waste management lies with the contractors involved in the projects, the Group plans to extend its tracking efforts to encompass contractors and any organisations supporting the Group's projects in terms of waste and effluent management.

In the future, the Group will be venturing into numerous projects related to waste and effluent, aligning with the new direction set by the IAP 3.0 initiative.

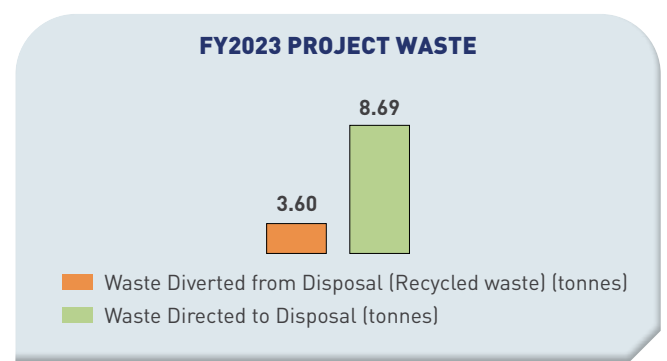
OUR PERFORMANCE

For FY2023, the Group generated a total of 12.29 tonnes of hazardous and non-hazardous waste, of which 30% was reused or recycled. While hazardous waste is categorised as scheduled waste, non-hazardous waste includes domestic waste, construction waste and recyclable waste.

The obstacles faced in waste reduction stem from the absence of standardisation and coordination among contractors and our project team. Consequently, we have opted to adjust our objective, focusing on monitoring, and documenting the waste sent to landfills, as well as the recycling and reuse efforts. This initiative involves our Group's project and operations teams, as well as the contractors responsible for waste management.

In order to ensure the achievement of waste management data capturing and monitoring, we will intensify our efforts by fostering collaboration among stakeholders and enhancing the efficiency of raw materials and resources utilised in our daily operations. By actively engaging and involving all relevant parties, we seek to address the existing gaps in coordination and implement innovative solutions, where possible, to drive sustainable waste management practices across the Group.

The data provided below pertains to two BUs engaged in project waste management: Maintenance, Property Development and Construction segments. Although the wastage quantities recorded are relatively low, as a Group, it is our responsibility to disclose these figures to our stakeholders.



In FY2023, the recorded waste amounted to 12.29 tonnes. This waste originated from project sites associated with the Maintenance, Property Development and Construction segments. It's worth noting that Property Development and Construction segments did not undertake any new major projects during FY2023. According to the chart provided, nearly 70% of the waste was disposed of by appointed contractors, while the remaining 30% was recycled.

Sending 97% of waste to landfills and 3% for incineration is generally not considered environmentally favourable. Landfills contribute to soil and water pollution, emit methane (a potent greenhouse gas), and take up valuable land space. Incineration, while reducing waste volume, can release pollutants unless it is properly managed.



To improve environmental sustainability in terms of waste and effluent, the Group will prioritise waste reduction, reuse, and recycling initiatives. Through these initiatives, we hope to minimise the amount of waste sent to landfills or incinerators, conserve resources, and reduce pollution.

3-Years Waste & Effluent Comparison

No.	Details	FY2023	FY2022	FY2021
1.	Total Waste Generated (tonnes)	12.29	23.09	N/A
2.	Waste Directed to Disposal	8.69	16.37	N/A
3.	Re-used waste (tonnes)	0	5.52	N/A
4.	Recycled waste (tonnes)	3.6	1.2	N/A
5.	Non-recycled waste generation (tonnes)	0	0	N/A
6.	Percentage of recycled & reused waste	29%	29%	N/A

Sustainability Report

Materials



Related UNSDGs:



WHY IS THIS IMPORTANT?

The team recognises the significance of the materials employed in its project. While completing the project is crucial, equal attention is given to using environmentally safe and recyclable materials. Recent emphasis from stakeholders underscores the importance of prioritising eco-friendly materials.

In the upcoming years, greater emphasis will be directed towards the materials utilised in projects or business operations, placing a strong emphasis on environmental friendliness, reusability, and recyclability.

OUR APPROACH

As of FY2023, one of the Group's Sustainability KPIs was to ensure that at least two materials used for projects met criteria for environmental friendliness, reusability, and recyclability. The Maintenance segment, with support from Engineering and Consultancy Services segments, conducts comprehensive assessments of road maintenance. This includes evaluating current materials to identify opportunities for enhancing environmental impact, reusability, and recyclability.

The Group is currently exploring another area, which involves sourcing sustainable materials. Our focus is on prioritising the procurement of materials certified as environmentally friendly, including those crafted from renewable resources or recycled materials. To kickstart this initiative, we have begun assessing suppliers through an ESG survey, marking our initial step in this direction. Additionally, the Group is urging contract departments within the BUs to collaborate closely with suppliers. Together, we aim to investigate sustainable alternatives and forge partnerships with those committed to eco-friendly practices.

OUR PERFORMANCE

We have been monitoring and recording the main road maintenance and construction materials used in our road maintenance via the Maintenance BU and in residential construction through the Property Development and Construction segment, as detailed below:

No.	Materials	FY2023
1.	Cement (tonnes)	1,969
2.	Crusher run (tonnes)	4,030
3.	AC28 (tonnes)	15,677
4.	AC14 (tonnes)	32,870
5.	Bitumen	41,316
6.	Crumb Rubber Modified Bitumen (CRMB)	8,688
7.	Cuplump Modified Bitument (CMB)	10,796
8.	Polymer Modified Bitumen (PG76)	208.41
9.	Bitumen Emulsion	82
10.	Diesel	82,330
11.	Latex	2,745.72
12.	Rejuvenator	6
13.	Hitex Type 1	668
14.	QP Fast Setting	896
15.	QC10F	140
16.	Cuplump Modified Asphalt (CMA)	20,864
17.	Crumb Rubber Gap Graded Asphalt (CRMA)	109,943

	FY2023	FY2022	FY2021
1. No. of recycled materials used	3	3	3

Moving forward, the Group and its affiliated BUs will undertake a more progressive effort on this matter.



Sustainability Report

Energy Management



Related UNSDGs:



WHY IS THIS IMPORTANT?

Energy consumption occurs across all our operational facilities and construction sites. Acknowledging that resultant carbon emissions can impact climate change, the Group recognises that effective management is crucial for minimising our environmental footprint.

Protasco firmly believes that incorporating effective energy management is crucial for a company's climate change agenda. This approach not only addresses environmental concerns but also aligns with financial goals, ensures regulatory compliance, enhances corporate reputation, and positions the company for long-term sustainability.

OUR APPROACH

As a Group, Protasco is dedicated to identifying avenues for reducing our energy consumption, and we have taken measures such as installing energy-efficient LED lights, implementing good housekeeping practices (including turning

off lights and equipment when not in use), and maintaining air conditioning units at a consistent temperature between 22 to 24 degrees Celsius. To reinforce these practices, employees undergo awareness training, and we consistently monitor our energy consumption levels. Moving forward, these initiatives will be further improved and wherever possible data captured for monitoring purpose across the Group.

As part of the Group's ESG initiative, the Clean Energy BU has installed solar panels within De Centrum City where some of the BUs such as Property Development and Construction Segment, Engineering & Consultancy Services segment, Education segment, and Corporate Office operates with a total capacity reported as 1,159,024.45 kWh for FY2023.

As part of our commitment to achieving National Net Zero Emissions, we have formulated four strategies, with one specifically targeting the reduction of emissions through the management of electricity consumption. This 5-year plan, commencing in FY2024, aims to provide a comprehensive overview of the Group's endeavours in minimising emissions through Scope 2.

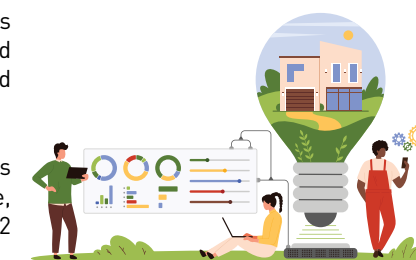
OUR PERFORMANCE

As of 31 December 2023, the total electricity consumption (renewable and non-renewable) as a Group is 3,845,689.23 kWh. The breakdown of the energy based on last 3 years is presented below.

No.	Details	FY2023	FY2022	FY2021
1.	Amount paid for the energy consumed	RM1,806,985	RM1,313,977	RM390,000
2.	Total energy consumption (kWh/MWh) from non-renewable sources	2,686,664.78	2,602,049	1,182,746.34
3.	Total energy consumption (kWh/MWh) from renewable sources	1,159,024.45	436,814	N/A
4.	Total energy consumption (kWh/MWh) from renewable and non-renewable sources	3,845,689.23	3,038,864	1,182,746.34
5.	CO ₂ emission avoidance based on consuming solar energy (tonnes)	690.78	260.34	N/A

Over the past 3 years, there have been improvements in data collected from within the BUs under the Group. In FY2023, energy consumption data had been meticulously recorded from the primary operational areas. Moving forward, our efforts will broaden as we extend data collection to encompass additional operating areas within each BU.

It is important to note here that the energy consumption data collected and presented in this report for FY2021 pertained only to the BUs operating within De Centrum City. Therefore, it would not be appropriate to use FY2021 data for Group-wide comparisons with FY2022 and FY2023.



Climate Change and Biodiversity



Related UNSDGs:



WHY IS THIS IMPORTANT?

The Board and Management of Protasco acknowledge climate change and the collapse of biodiversity as substantial global threats with the potential to impact not only the survival of mankind but also businesses like Protasco. Operating in a richly biodiverse environment, we consider biodiversity conservation a matter of great national significance. Additionally, as a participant in the construction sector, which is a major contributor to GHG emissions, we recognise our role in addressing environmental challenges.

In light of the identified risks, we acknowledge that adopting efficient green practices in our day-to-day activities not only presents reputational benefits but also offers opportunities for financial cost savings.

OUR APPROACH

Recognising environmental conservation as a pivotal element for the sustainability of Protasco, the Group has placed it under the purview of the Board. One of our key objectives is to ensure that no BUs face penalties for environmental pollution or any other damages towards the planet.

In FY2023, the Management within the Group approved a new plan outlining GHG Emissions Reduction Plans and Initiatives for the next 5 years. This commitment enables the Board to oversee progress in Scope 1, Scope 2, and Scope 3 in the upcoming years and provide guidance accordingly.

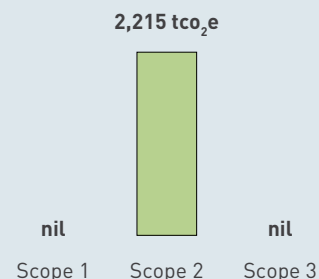
Under this strategic plan, which revolves around four key strategies—enhancing energy efficiency, decreasing total fuel consumption, promoting renewable energy, and preventing deforestation—all BUs will undertake initiatives within their capabilities and in alignment with their business

characteristics. Collaborative efforts will be encouraged whenever possible, with continuous monitoring of results to facilitate progressive improvements in reducing CO₂ emissions.

Our team within the Property Development and Construction segment, responsible for overseeing projects adopting the environmental management approach guided by the ISO 14001 Environmental Management System. This framework is further reinforced by adherence to the ISO 45001 standard for OSH. Additionally, we ensure that all projects within the Group align with the pertinent laws and regulations of the country, reflecting the Board’s serious commitment to compliance. Furthermore, we are dedicated to the effective management of biodiversity, and as part of this commitment, we engage an independent environmental consultant to conduct an Environmental Impact Assessment report before the commencement of new projects.

The primary KPIs for environmental conservation set by the Group currently focus on Scope 2 emissions related to electricity consumption across all BUs, with additional efforts directed towards minimising CO₂ emissions through initiatives undertaken by our Clean Energy Division and various other programmes. Looking ahead, the Group plans to intensify its involvement and data collection, progressively expanding into Scope 1, Scope 2, and Scope 3 over the next five years.

FY2023 PROTASCO BERHAD CLIMATE CHANGE



OUR PERFORMANCE

3-Years Group GHG Emissions

No.	GHG Emissions Detail	FY2023	FY2022	FY2021
1.	Scope 1	N/A	N/A	N/A
2.	Scope 2	2,215.47 tCO ₂ e	2,029.6 tCO ₂ e	922.54 tCO ₂ e
3.	Scope 3	N/A	N/A	N/A

Biodiversity

The emphasis on biodiversity for FY2023 has slightly diminished due to the project not progressing to the next stage of completion, where environmental considerations related to flora and fauna would be documented and reported. Nevertheless, our dedication to the environment persists, and some of our BUs have undertaken initiatives, even if the data may not be substantial. As a Group, we remain committed to demonstrating our dedication to the preservation of the planet we inhabit.

3-Years comparison on Biodiversity Performance

No.	GHG Emissions Detail	FY2023	FY2022	FY2021
1.	Number of Trees Planted (Tree Planting programme)	0	N/A	235
2.	Number of Tree Tagging Activities	0	N/A	N/A
3.	Budget spent on Biodiversity and conservation efforts/programmes/initiatives	RM11,296	RM3,200	RM1,900,000
4.	Identification of International Union for Conservation of Nature (IUCN) Red List of Threatened Species on owned sites	0	N/A	N/A
5.	Number of Operations within or adjacent to sites deemed rich in biodiversity (Based on RAMSAR, IUCN, etc.)	0	N/A	N/A
6.	Number of biodiversity assessments undertaken on new sites	0	N/A	1
7.	Number of biodiversity audits undertaken on existing sites	0	N/A	N/A
8.	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	0	N/A	N/A
9.	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species/habitats	0	N/A	N/A

In FY2021, there were biodiversity initiatives undertaken in the project area to some extent. However, in FY2022 and FY2023, due to the absence of residential and other types of projects, the focus on biodiversity was sidelined. In FY2023, Property Development and Construction segment dedicated some resources and effort to sustainability initiatives, including biodiversity. Looking ahead, there will be a collective effort within the Group to contribute to mitigating global warming and reducing temperatures in Malaysia.

Note:

The data above may not be suitable for making comparisons, as it is based on one or two BUs during their specific projects. Additionally, it may not accurately reflect the Group’s overall commitment and performance toward environmental initiatives. Looking ahead, a more comprehensive initiatives will be pursued beyond project-related activities, involving all BUs within the Group. This aligns with one of our Strategic Goal, which emphasises a focus on environmental preservation and conservation.

GHG EMISSIONS REDUCTION PLANS & INITIATIVES

Nos	Strategy	Action Plans
1.	Boosting Energy Efficiency	<ul style="list-style-type: none"> Plan initiatives for 2024 till 2029 for Scope 1 & 2 based on 4 pillars – operational improvements, effective maintenance, engineered improvements, and new technology. Emissions from the use of electrical equipment or appliances are calculated and monitored.
2.	Reduction in Total Fuel Consumption	<ul style="list-style-type: none"> Develop Green Mobility Project (Scope 1 Way Forward Initiatives). Relook into company policy pertaining to travel and company vehicles.
3.	Increasing Renewable Energy	<ul style="list-style-type: none"> Efforts to grow the renewable energy business, minimum of ONE (1) solar project each year. To provide the nation with renewable energy with a goal to achieve 2.0 Gigawatt of renewable energy capacity by 2050, serving commercial, industrial, and retail customers.
4.	Halting deforestation	<ul style="list-style-type: none"> Cultivate green areas that protect water sources from pollutants and erosion. Plant trees as shade management to reduce or remove CO₂. Community Plans through partnership with external societies and non-profit organisations in supporting efforts to GHG Emissions Reduction.

Considering the performance of the past three years and our dedication to the Climate Change initiative, particularly in addressing scope 2 energy consumption on a smaller scale, the Group made the decision in FY2023 to advance to the subsequent phase of our GHG Emissions reduction plans and initiatives. This entails a more intricate approach to data abstraction and risk management for climate change. The entirety of these plans will be implemented over the next five years and closely monitored.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	7.00
Middle Management	Percentage	29.00
Executive	Percentage	57.00
Non-Executive	Percentage	7.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	12.25
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	425,055.60
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	44
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	2.38
Senior Management Between 30-50	Percentage	38.10
Senior Management Above 50	Percentage	59.52
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-50	Percentage	62.73
Middle Management Above 50	Percentage	37.27
Executive Under 30	Percentage	24.59
Executive Between 30-50	Percentage	66.42
Executive Above 50	Percentage	9.00
Non-Executive Under 30	Percentage	24.08
Non-Executive Between 30-50	Percentage	63.01
Non-Executive Above 50	Percentage	12.91
Gender Group by Employee Category		
Senior Management Male	Percentage	82.50
Senior Management Female	Percentage	17.50
Middle Management Male	Percentage	61.11
Middle Management Female	Percentage	38.89
Executive Male	Percentage	54.75
Executive Female	Percentage	45.25
Non-Executive Male	Percentage	81.30
Non-Executive Female	Percentage	18.70
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.00
Female	Percentage	29.00
Under 30	Percentage	0.00
Between 30-50	Percentage	29.00
Above 50	Percentage	71.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	838

Sustainability Report

Indicator	Measurement Unit	2023
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 (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	249
Middle Management	Hours	2,342
Executive	Hours	13,721
Non-Executive	Hours	4,955
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Middle Management	Number	4
Executive	Number	75
Non-Executive	Number	12
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,686.66
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	43.560000

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and have been approved by the AC.

SUBJECT MATTER

The subject matter covered by the internal review included the following indicators:

Common Indicator	Sub Indicator	Sustainability Statement
Community/Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer. An amount of RM425,056 was incurred for FY2023.
	C2 (b)	Total number of beneficiaries of the investment in communities. A total of 44 beneficiaries of the community investment were reported for FY2023.
Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category. Women leaders in both senior and managerial positions comprise 5.04% of the total workforce. Protasco employees aged more than 50 years comprise 15.3% of the total workforce.
	C4 (a)	Total energy consumption. Total Energy Consumption at the Group level is 2,686,664.78 kWh (2,686.66 Megawatt).
Labour Practices and Standards	C6 (a)	Total hours of training by employee category. 1,156 staff underwent training with 21,267 training hour hours logged.
	C6 (b)	Percentage of employees that are contractors or temporary staff. The Group has 8% of employees that are contractors or temporary staff for FY2023.
	C6 (c)	Total number of employee turnover by employee category. FY2023 has a total of 94 employee turnover.
Supply Chain Management	C7 (a)	Proportion of spending on local suppliers. 99% of spending was directed towards local suppliers for FY2023.

SCOPE

The boundary of the internal audit review by sampling basis that includes the Company's operations in Peninsular Malaysia.

Sustainability Report

GRI MATERIALITY CONTENT INDEX

The Protasco Berhad refers to the GRI Sustainability Reporting Standards in preparing its reports and other documents. Our efforts are described in the "Annual Report 2023," on our website.

GRI Standard	Disclosure	Page No.	
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report: 1 - 11
	2-2	Entities included in the organisation's sustainability reporting	Sustainability Statement: 32 - 36
	2-3	Reporting period, frequency and contact point	Annual Report: 104 - 106
	2-4	Restatements of information	Annual Report: 6 - 11
	2-5	External assurance	Sustainability Statement: 58 - 60
	2-6	Activities, value chain and other business relationships	66 - 72
	2-7	Employees	Sustainability Statement: 36 - 37
	2-8	Workers who are not employees	Annual Report: 108
	2-9	Governance structure and composition	111 - 112
	2-10	Nomination and selection of the highest governance body	Sustainability Statement: 50
	2-11	Chair of the highest governance body	Sustainability Statement: 39 - 40
	2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report: 113
	2-13	Delegation of responsibility for managing impacts	Annual Report: 109 - 110
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Report: 48
	2-15	Conflicts of interest	Annual Report: 109
	2-16	Communication of critical concerns	Annual Report: 109 & 112
	2-17	Collective knowledge of the highest governance body	Sustainability Statement: 47 - 48
	2-18	Evaluation of the performance of the highest governance body	Annual Report: 112 - 113
	2-19	Remuneration policies	Sustainability Statement: 35 & 38
	2-20	Process to determine remuneration	Sustainability Statement: 50 & 70
	2-21	Annual total compensation ratio	Sustainability Statement: 50
	2-22	Statement on sustainable development strategy	Sustainability Statement: 52 - 53
	2-23	Policy commitments	Sustainability Statement: 37
	2-24	Embedding policy commitments	Annual Report: 88 - 94
	2-25	Processes to remediate negative impacts	Sustainability Statement: 38 - 41
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Statement: 38 - 40
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	
	2-29	Approach to stakeholder engagement	
	2-30	Collective bargaining agreements	

GRI Standard	Disclosure	Page No.
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	49
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	50
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	50 - 51
	205-2 Communication and training about anti-corruption policies and procedures	51
	205-3 Confirmed incidents of corruption and actions taken	52
Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	54
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	54 - 56
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	56
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	56
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	56
Community Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	56
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	57
Diversity, Equity & Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	58
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	58 - 60
Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	61
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62
	403-4 Worker participation, consultation, and communication on occupational health and safety	62
	403-5 Worker training on occupational health and safety	62
	403-9 Work-related injuries	62

GRI Standard	Disclosure	Page No.
Data Privacy & Cybersecurity		
GRI 3: Material Topics 2021	3-3 Management of material topics	65
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	65
Labour Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	66 - 67
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	67 - 70
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70
	401-3 Parental leave	70
GRI 404: Training and Education 2016	3-3 Management of material topics	71
	404-1 Average hours of training per year per employee	72
	404-2 Programmes for upgrading employee skills and transition assistance programmes	72
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	73
GRI 303: Water and Effluents 2018	303-5 Water consumption	73
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	74
GRI 306: Waste 2020	306-3 Waste generated	74 - 75
	306-4 Waste diverted from disposal	75
	306-5 Waste directed to disposal	75
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	76
GRI 301: Materials 2016	301-1 Materials used by weight or volume	76
	301-2 Recycled input materials used	76
Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	77
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	77
	302-4 Reduction of energy consumption	77
GRI 3: Material Topics 2021	3-3 Management of material topics	78
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	79
	305-2 Energy indirect (Scope 2) GHG emissions	79
	305-3 Other indirect (Scope 3) GHG emissions	79
	305-5 Reduction of GHG emissions	80

BOARD OF DIRECTORS

Board of Directors

PROTASCO BERHAD IS COMMITTED TO THE HIGHEST STANDARDS OF BUSINESS INTEGRITY, ETHICS AND PROFESSIONALISM

Our directors have extensive experience and diverse skills that enable the Board to provide sound advice, rigorous oversight and independent enquiry.



01

Suhaimi Bin Badrul Jamil
Senior Independent Non-Executive Director

02

Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman
Executive Director

03

Dato' Ir Kenny Chong Ther Nen
Group Managing Director

04

Dato' Sri Ir Chong Ket Pen
Executive Chairman

05

Celine Chan Hooi Li
Independent Non-Executive Director

06

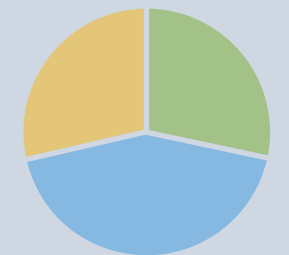
Tham Wei Mei
Independent Non-Executive Director

07

Dato' Tan Yee Boon
Independent Non-Executive Director

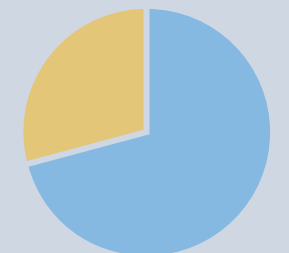
BOARD AT A GLANCE

Age Group



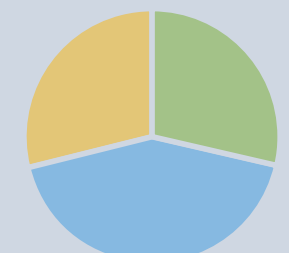
29% < 50 Years Old
42% 51 - 60 Years Old
29% > 60 Years Old

Gender



70% Male
30% Female

Board Tenure



29% < 5 Years
42% 6 - 10 Years
29% > 11 Years

PROFILE OF DIRECTORS

Dato' Sri Ir Chong Ket Pen

Executive Chairman



Nationality
Malaysian

Age
69

Gender
Male

Term of Office
Director of Protasco Berhad since 18 May 2001

Board Committee
None

Education & Qualification

- Master of Philosophy (Civil Engineering), University of Birmingham, United Kingdom, 1990
- Registered Chartered Engineer with the United Kingdom's Engineering Council, 1987
- Member of the Institution of Civil Engineers, United Kingdom, 1985
- Registered Professional Engineer with the Board of Engineers Malaysia (BEM), 1985
- Member of the Institute of Engineers Malaysia (IEM), 1984
- Bachelor of Engineering (Honours), University of Malaya, Malaysia, 1979

Skills & Experience

Dato' Sri Ir Chong Ket Pen is the founder of Protasco Berhad Group of Companies.

He is a road pavement specialist with extensive experience in the evaluation, design, construction and maintenance of roads and pavements.

Upon graduating from the University of Malaya in 1979, he joined the Public Works Department of Kelantan (JKR Kelantan) as a Road Design Engineer.

He was promoted to Project Engineer where he supervised the construction of roads and bridges in southern Kelantan.

Equipped with invaluable design and site experience in roads and bridges, he was transferred to the Design and Research Branch of the JKR Headquarters, to become a Senior Research Engineer.

He pursued a Master's degree at the University of Birmingham while carrying out research works in the field of pavement engineering, and was conferred a Master of Philosophy (Civil Engineering) degree in 1990.

In 1991, he left the public sector to establish engineering consultancy and construction companies that ultimately become the foundation of Protasco Berhad.

Dato' Sri Ir Chong Ket Pen was appointed the Executive Chairman of Protasco Berhad on 1 January 2020.

Other Public Company Directorship & Offices

Dato' Sri is currently the President of the Federal Hopo Association of Malaysia, President of KL-Selangor Hopo Association, Chairman of the Malaysia Hopo Cultural Foundation, and the Deputy President of the KL-Selangor Chinese Assembly Hall.

Profile of Directors

Dato' Ir Kenny Chong Ther Nen

Group Managing Director



Nationality
Malaysian

Age
43

Gender
Male

Term of Office
Director of Protasco Berhad since 1 January 2020

Board Committee
A member of the Board Risk Management Committee

Dato' Ir Kenny Chong Ther Nen is the eldest son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad.

Education & Qualification

- Professional Engineer, Board of Engineers Malaysia (BEM), 2010
- Corporate Member, Institute of Engineering, Malaysia (IEM), 2010
- Master of Engineering Science, University of Melbourne, Australia, 2005
- A member of the Institute of Engineers, Australia, 2004
- Bachelor of Civil Engineering (Honours), University of Melbourne, Australia, 2003

Skills & Experience

Dato' Kenny Chong Ther Nen serves as the Group Managing Director of Protasco Berhad, assuming the role in January 2020.

Upon graduating with a Masters in Engineering in 2005, Dato' Kenny Chong was employed by VicRoads Australia as a Senior Pavement Engineer in Technical Consulting until 2008.

During his tenure there, he gained invaluable insights into road pavement design and supervision. Notably, he was the principal engineer in the development of a condition assessment module for major freeways in Victoria.

Upon returning to Malaysia, he joined Kumpulan Ikram Sdn Bhd's Infrastructure Research & Development Centre (IRDC) as a Senior Engineer. He actively contributed to geotechnical and pavement design works and various research efforts.

He was promoted to Director at Ikram Centre of Excellence for Sustainability & Green Technology (ICSG), where he championed the organisation's green technology initiatives, implemented sustainability best practices such as the 3R principles, championed energy conservation measures, and established a recycling collection center, in De Centrum City.

In 2012, Dato' Kenny Chong transitioned to Protasco Berhad, assuming the role of Special Assistant to the Group Managing Director where he played a pivotal role in driving operational efficiency and facilitating the company's business expansion efforts.

He was appointed Executive Director for International Business & Property Development Division in 2013; and in 2014, he was promoted to Managing Director of Protasco Berhad's Property & Infrastructure Division. During his tenure, the division achieved significant milestones, securing numerous Government housing projects, including the prestigious Projek Perumahan Penjawat Awam, valued at nearly RM1 billion.

Prior to his appointment as the Group Managing Director of Protasco Berhad, he was the Managing Director overseeing Protasco's Construction; Property; Trading & Manufacturing divisions, Corporate Security; and Special Projects departments, demonstrating his versatility and ability to manage diverse business operations effectively.

Other Public Company Directorship & Offices

None

Profile of Directors

Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman

Executive Director



Nationality
Malaysian

Age
59

Gender
Male

Term of Office
Director of Protasco Berhad since 16 December 2014

Board Committee
None

Education & Qualification

- Certificate in Business Management, Malay Chamber of Commerce (BBMC), 1988

Skills & Experience

Dato' Sri Muzaffar Syah is the Managing Director of the Maintenance Division at Protasco Berhad, where he leverages his extensive expertise in business development.

Prior to joining Protasco Berhad, he held the position of Chief Executive Officer at Molek Engineering Sdn Bhd from 2001 to 2012. During this time, he spearheaded the company's growth and success through strategic leadership and innovative initiatives.

Dato' Sri Muzaffar Syah also served as a director at GIA Consult Sdn Bhd from 2006 to 2012 and Papan Agro Valley Sdn Bhd from 2007 to 2012, demonstrating his diverse experience in diversified industries.

Other Public Company Directorship & Offices

None

Profile of Directors

Suhaimi Bin Badrul Jamil

Senior Independent Non-Executive Director



Nationality
Malaysian

Age
61

Gender
Male

Term of Office
Director of Protasco Berhad since 16 December 2014

Board Committee
Chairman of the Audit Committee

Education & Qualification

- Post Graduate Diploma in Business Administration (Pass with Merit), University of Wales Trinity Saint David, 2020
- Master of Business Administration from Deakin University, Australia, 2005
- Fellow of CPA Australia, 2002
- Chartered Accountant (Malaysia) with the Malaysian Institute of Accountants, 1989
- Graduate Diploma in Accounting, Australian National University, 1986
- Bachelor of Economics (with specialisation in Accounting), Australian National University, 1985

Skills & Experience

Suhaimi Bin Badrul Jamil is a highly accomplished and experienced leader with corporate expertise across multifaceted domains such as transformation, value management, restructuring, finance, risk management, turnaround management, cross-border investments, mergers & acquisitions, and strategic management.

He began his career in an international chartered accounting firm's audit and financial consulting department. He then transitioned to the corporate sector, where he held a series of senior positions, including Group Financial Controller, Group General Manager, and Group Executive Director, in a Malaysian conglomerate with diversified business interests that include property development, transportation, insurance and banking, plantation, construction, manufacturing and investment holdings.

Suhaimi's experience extends to board directorships in public listed companies and licensed financial institutions, where he contributed significantly to their growth and success. He served as Chairman of the Board for MEMS Technology Berhad and held directorship positions in Petra Energy Berhad, Credit Corporation (M) Berhad, MIMB Investment Bank Berhad, Gadek Capital Berhad, SPK-Sentosa Corporation Berhad, Intrakota Consolidated Berhad, eB Capital Berhad, and SJ Kumpulan Berhad. In addition, he served as an Executive Director with Ferrier Hodgson MH and Baker Tilly MH.

Other Public Company Directorship & Offices

None

Profile of Directors

Dato' Tan Yee Boon

Independent Non-Executive Director



Nationality
Malaysian

Age
49

Gender
Male

Term of Office
Director of Protasco Berhad since 18 January 2013

Board Committee
Chairman of the Nomination & Remuneration Committee
A member of the Audit Committee
A member of the Board Risk Management Committee

Education & Qualification

- Admitted as an Advocate & Solicitor, High Court of Malaya, 1999
- Certificate of Legal Practice from Malaysia, 1998
- Bachelor of Law (Honours) degree from University of South Wales, 1997

Skills & Experience

Dato' Tan Yee Boon brings more than 21 years of comprehensive expertise in both contentious and non-contentious legal domains, with a particular focus on corporate, commercial, litigation, and advisory matters.

His proficiency encompasses a wide array of legal undertakings, including initial public offerings, transactions involving public listed companies, mergers and acquisitions, where he has represented numerous listed entities in navigating intricate listing requirements and compliance with the Takeover Code.

He also has vast experience in compliance and advisory work for listed companies in Malaysia as well as general commercial work such as corporate restructuring and cross-border transactions.

Other Public Company Directorship & Offices

He is currently the Chairman of Ecoscience International Bhd which is listed on the ACE Market, and the Independent Non-Executive Deputy Chairman of Propel Global Berhad which is listed on the Main Market. He is also an Independent Non-Executive Director of EV Dynamic Holdings Limited and TIL Enviro Limited, both listed on the Main Board of Hong Kong Stock Exchange.

Profile of Directors

Tham Wei Mei

Independent Non-Executive Director



Nationality
Malaysian

Age
57

Gender
Female

Term of Office
Director of Protasco Berhad since 1 January 2018

Board Committee
A member of the Nomination & Remuneration Committee

Education & Qualification

- Diploma in Nutritional Medicine, School of Complementary and Traditional Medicine, affiliated with University College Yayasan, 2023
- Professional Certificate in Nutritional Medicine, School of Complementary and Traditional Medicine, affiliated with University College Yayasan Pahang, 2021
- Degree in Mass Communications, Universiti Sains Malaysia, 1991

Skills & Experience

Tham Wei Mei has over 30 years of experience in the fields of mass media, communications, journalism, marketing, publishing and public relations garnered through a distinguished career both domestically and internationally.

Her journey commenced in Jakarta before she embarked on a pivotal role in Phnom Penh, Cambodia, where she was a journalist and the Assistant Bureau Chief for The Cambodia Times, a reputable publication published in both English and Khmer languages. During her tenure in Cambodia, Tham was also a principal writer for a United Nations newsletter, The Peacekeeper.

She returned to Malaysia to serve in a US telco services company with clients in Hong Kong, Singapore, Indonesia and Thailand. Subsequently, Tham established Alpha Platform Sdn Bhd, a public relations consultancy where she served GLCs, MNCs and Government agencies, working on national issues, crisis, lobbying, mergers and acquisitions as well as corporate exercise. She is also actively involved in social media campaigns.

Beyond her professional achievements, Tham distinguishes herself as a qualified nutritional therapist and a member of the Association of Nutritional Medicine Practitioners, Malaysia, underscoring her commitment to holistic well-being and her dedication to contributing positively to society.

Other Public Company Directorship & Offices

Tham Wei Mei is a Director of Lay Hong Berhad since 31 May 2023 and CPE Technology Berhad since 17 July 2023, where she sits on the Audit, Nomination, Remuneration Committees and Nomination & Remuneration Committee respectively.

Profile of Directors

Celine Chan Hooi Li

Independent Non-Executive Director



Nationality
Malaysian

Age
54

Gender
Female

Term of Office
Director of Protasco Berhad since 1 January 2020

Board Committee
Chairman of the Board Risk Management Committee

A member of the Audit Committee

A member of the Nomination & Remuneration Committee

Education & Qualification

- Bachelor of Business (Accounting), RMIT Melbourne Australia, 1993

Skills & Experience

Celine Chan Hooi Li has more than 25 years of experience in senior positions in both global and local companies. Her last position was as Managing Director of Webhelp APAC. She was also the CEO of one of the largest share registrar companies in Malaysia in 2013. Prior to that, she held the Chief Executive Officer and Managing Director posts at TMF Group Malaysia.

Celine started her career as an auditor in one of the major accounting firms before moving to a start-up company specialising in records management and growing it into a leading player in Malaysia.

With over 20 years of Senior Management experience spanning logistics, IT & business process outsourcing, and capital markets, Celine possesses a diverse skill set. Her expertise encompasses growth and strategic planning, organisational restructuring, risk management & internal controls, corporate governance, people management, and regulatory compliance with Bursa rules and regulations, among others.

Celine is a member of the Institute of Corporate Directors of Malaysia (ICDM) and also is the Deputy President of Contact Centre Association of Malaysia (CCAM).

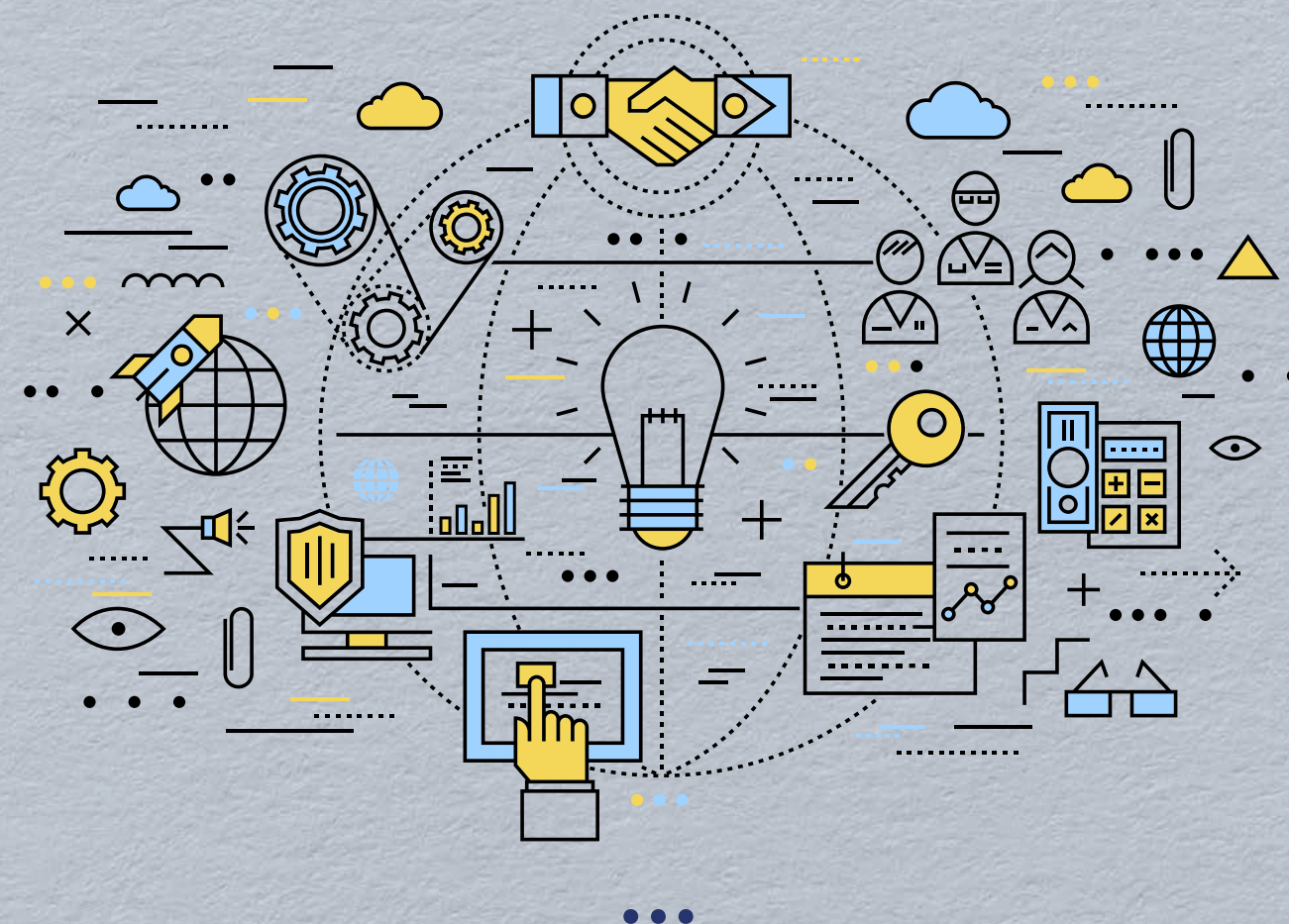
Other Public Company Directorship & Offices

None

Notes:

- (i) Save as per disclosed, none of the Directors have any family relationship with each other and with any substantial shareholders of the Company.
- (ii) None of the Directors have any conviction for offences, other than traffic offences, for the past five years and have no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.
- (iii) Other than Dato' Sri Ir Chong Ket Pen's interests in related party transactions as disclosed in Note 42 on page 209 of the Financial Statements, none of the other Directors have conflict of interest with the Company.
- (iv) The Directors' shareholdings in the Company are disclosed in the Analysis of Shareholdings section of the Annual Report.

Sound Corporate Governance



is fundamental to maintaining stakeholders' trust. Protasco strives to progressively attain higher standards of corporate governance, establishing a management culture that goes beyond regulatory compliance and industry conformance to realise our commitment to all our stakeholders.

SENIOR MANAGEMENT TEAM



01 Dato' Ir Kenny Chong Ther Nen
Group Managing Director,
Protasco Berhad

02 Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman
Managing Director,
Maintenance Division

03 Benny Chong Ther Vern
Executive Director,
Engineering, Industries &
Agriventures Division

04 Dato' Wan Imran Bin Wan Omar
Chief Executive Officer,
Maintenance Division

05 Denny Chong Ther Shern
Executive Director, Clean
Energy Division



03

04

05

Senior Management Team



06 Ir Edward Khoo Mong Wei
Executive Director, Property &
Construction Division

07 Dato' Ronnie Yap Kee Tian
Executive Director, Trading &
Manufacturing Division

08 Freddie Cheong Kah Wang
Chief Financial Officer,
Protasco Berhad

09 Lenny Chong Ther Zern
Executive Director,
Education Division

10 Professor Dato' Dr. Noor Inayah Binti Ya'akub
President & Vice-Chancellor,
Infrastructure University
Kuala Lumpur

11 Dato' Ir Ts Haji Mohd Taufik Bin Haron
Chief Executive Officer,
Engineering & Consultancy
Services Division



09

10

11

PROFILE OF SENIOR MANAGEMENT TEAM

01

Dato' Ir Kenny Chong Ther Nen

Group Managing Director, Protasco Berhad

Nationality	Age	Gender
Malaysian	43	Male

Please refer to profile of Directors on page 89.

02

Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman

Managing Director, Maintenance Division

Nationality	Age	Gender
Malaysian	59	Male

Please refer to profile of Directors on page 90.

03

Freddie Cheong Kah Wang

Chief Financial Officer, Protasco Berhad

Nationality	Age	Gender
Malaysian	57	Male

Work Experience

- Chief Financial Officer, Vertice Berhad, 2018
- Associate Director, Sierac Corporate Advisers Sdn Bhd, 2012
- Group Financial Controller, Malaysia Pacific Corporation Berhad, 2012
- Project Manager (Finance), Powertek Berhad, 2011
- Head Of Finance, Mahmood Security (Malaysia) Sdn Bhd, 2008
- Senior Finance Manager, Ranhill Berhad, 2005
- Financial Controller, Steel Circle Industries Sdn Bhd, 2000
- Finance & Administration Manager, Impsa Asia Sdn Bhd, 1997
- Accountant, Aggreko (Malaysia) Sdn Bhd, 1995
- Accountant, Malaysian United Manufacturing Berhad, 1993
- Executive, Pacific & Orient Insurance Company Sdn Bhd, 1989

Qualification

- Chartered Accountant, Malaysian Institute of Accountants, 1993
- Association of Chartered Certified Accountants, United Kingdom, 1993

Date Appointed to Key Senior Management Position

July 2019

04

Benny Chong Ther Vern

Executive Director, Engineering, Industries & Agriventures Division

Nationality	Age	Gender
Malaysian	40	Male

Work Experience

- Executive Director, Engineering, Education & Industries, Protasco Berhad, 2019
- Executive Director, Engineering & Consultancy Services, Education and Clean Energy, Protasco Berhad, 2018
- Executive Director, Group Corporate Office, Protasco Berhad, 2017
- Business Development Consultant, Protasco Berhad & Head of De Centrum Mall, De Centrum Development Sdn Bhd, 2016
- Managing Director, Tutti Frutti Australia Pty Ltd, 2011
- Head of After Sales Service, XiMAX Communications Sdn Bhd, 2009
- Electronic Engineer, XiMAX Communications Sdn Bhd, 2006

Qualification

- Master of Sustainable Energy, RMIT University, Melbourne, Australia, 2011
- Master of Finance, RMIT University, Melbourne, Australia, 2005
- Bachelor of Electronic Engineering (Honours), RMIT University, Melbourne, Australia, 2003
- Graduate Member, Institute of Engineers, Malaysia, 2010

Date Appointed to Key Senior Management Position

January 2017

Benny Chong Ther Vern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

Profile of Senior Management Team

05

Denny Chong Ther Shern

Executive Director, Clean Energy Division

Nationality	Age	Gender
Malaysian	37	Male

Work Experience

- Director, Clean Energy Division, Protasco Berhad, 2018
- Director, IKRAM Greentech Sdn Bhd, 2017
- Director, i2 Energy Sdn Bhd, 2017
- Director, i2 Solarpark One Sdn Bhd, 2017
- Head, Special Projects, Protasco Berhad, 2015
- Technical Head, Special Projects, Protasco Berhad, 2014
- Project Manager, C&H Engineering Consultants Sdn Bhd, 2013
- Project Engineer, C&H Engineering Consultants Sdn Bhd, 2011

Qualification

- Master in Environmental Engineering, University of Melbourne, Australia, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2009

Date Appointed to Key Senior Management Position

January 2018

Denny Chong Ther Shern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

Profile of Senior Management Team

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Ir Edward Khoo Mong Wei

Executive Director, Property & Construction Division

Nationality	Age	Gender
Malaysian	46	Male

Work Experience

- Executive Director, Property Development Division, Protasco Berhad, 2013
- Director, Protasco Development Sdn Bhd, 2013
- Project Director, Protasco Development Sdn Bhd, 2009
- Project Engineer, with Cardno Grogans Richards in Melbourne, Australia, 2007
- Project Manager, Mahajaya Berhad, 2004
- Structural Engineer, Sepakat Setia Perunding, 2001

Qualification

- Chartered Professional Engineer Of Australia (CP Eng), 2007
- Professional Engineer Membership, National Professional Engineering Register, Australia (NPER), 2007
- Professional Engineer Membership, Board of Engineer Malaysia (BEM), 2006
- Professional Engineer Membership, Institute of Engineer Malaysia (IEM), 2006
- Green Building Index (GBI) Accredited Facilitator, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2000

Date Appointed to Key Senior Management Position

January 2009

07

Dato' Ronnie Yap Kee Tian

Executive Director, Trading & Manufacturing Division

Nationality	Age	Gender
Malaysian	50	Male

Work Experience

- Executive Director, Protasco Trading Sdn Bhd, 2014
- General Manager, Protasco Trading Sdn Bhd, 2001
- Assistant Manager, Marketing, Protasco Trading Sdn Bhd, 1997

Qualification

- B.A. (Honours) in Business Administration, University of Coventry, United Kingdom, 1995
- Certificate in Business Administration & Higher Diploma Business Administration, INTI College, Petaling Jaya, 1994

Date Appointed to Key Senior Management Position

July 2001

08

Dato' Wan Imran Bin Wan Omar

Chief Executive Officer, Maintenance Division

Nationality	Age	Gender
Malaysian	50	Male

Work Experience

- Chief Operating Officer, Maintenance Division, Protasco Berhad, 2015
- Assistant General Manager, Roadcare (M) Sdn Bhd, 2013
- Contracts Manager, Roadcare (M) Sdn Bhd, 2007
- Kerteh Area Manager, Roadcare (M) Sdn Bhd, 2007
- Quantity Surveyor, Roadcare (M) Sdn Bhd, 2006
- Contracts Officer, Roadcare (M) Sdn Bhd, 2002
- Senior Quantity Surveyor, Pasir Puteh Development Corporation Sdn Bhd, 2001
- Site Quantity Surveyor, Ranhill Bersekutu Sdn Bhd, 1999
- Assistant Contracts Manager, Pengurusan KPRJ Ranhill Sdn Bhd, 1997

Qualification

- Master of Business Administration (Construction Business), International Islamic University Malaysia, 2015
- Bachelor in Quantity Surveying, Universiti Teknologi Malaysia, 1997

Date Appointed to Key Senior Management Position

September 2015

Profile of Senior Management Team

09

Dato' Ir Ts Haji Mohd Taufik Bin Haron

Chief Executive Officer, Engineering & Consultancy Services Division

Nationality	Age	Gender
Malaysian	51	Male

Work Experience

- Chief Executive Officer, IKRAM Works Sdn Bhd, 2023
- Chief Executive Officer, Kumpulan IKRAM Sdn Bhd, 2019
- Executive Director, Group Business Development, Roadcare (M) Sdn Bhd, 2018
- Executive Director, HCM Engineering Sdn Bhd, 2016
- Chief Operating Officer, Protasco Berhad, 2014
- Chief Operating Officer, Kumpulan IKRAM Sdn Bhd, 2013
- Head of Geotechnical Forensic Unit, Kumpulan IKRAM Sdn Bhd, 2007
- Senior Engineer, Kumpulan IKRAM Sdn Bhd, 2005
- Senior Engineer (Research & Development Centre), Kuala Lumpur Infrastructure University College (KLIUC), 2003
- Geotechnical Engineer, IKRAM R&D Centre, 2002
- Geotechnical Engineer, IKRAM Runding Sdn Bhd, 2001
- Project Engineer, Geopancar Sdn Bhd, 2000
- Project Manager, Shinei Engineering & Bauer, 1999
- Site Manager, Bachy Soletanche (M) Sdn Bhd, 1998
- Trainee Engineer, Bachy Soletanche (M) Sdn Bhd, 1996

Qualification

- Professional Engineer, Board of Engineers Malaysia (BEM), 2024
- Professional Technologist, Malaysia Board of Technologists (MBOT), 2022
- Professional Engineer Membership, Institute of Engineers Malaysia (IEM), 2015
- Professional Engineer Membership, Board of Engineers Malaysia (BEM), 2014
- Bachelor in Civil Engineering, Universiti Putra Malaysia, 1997

Date Appointed to Key Senior Management Position

January 2014

Profile of Senior Management Team

10

Lenny Chong Ther Zern, CFA

Executive Director, Education Division

Nationality	Age	Gender
Malaysian	29	Male

Work Experience

- Corporate Finance Manager, Protasco Berhad, 2020
- Assistant Manager, OCBC Bank, 2019
- Associate, OCBC Bank, 2018
- Office Administrator, Tutti Frutti Frozen Yogurt, Australia 2013

Qualification

- CFA® charterholder, CFA Institute, 2022
- Master of Finance, University of Melbourne, Australia, 2017
- Bachelor of Commerce, Accounting & Finance, University of Melbourne, 2015

Date Appointed to Key Senior Management Position

January 2022

Lenny Chong Ther Zern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

11

Professor Dato' Dr. Noor Inayah Binti Ya'akub

President & Vice-Chancellor, Infrastructure University
Kuala Lumpur

Nationality	Age	Gender
Malaysian	55	Female

Work Experience

- Chairman, Board of Director AmanahRaya Trustees Bhd, 2022 (till present)
- Board of Directors, Islamic Bank Malaysia 2023 (till present)
- President of the Halal Economy Council, 2022
- Member of Majlis Penasihat Kebangsaan by Ministry of Education, 2023 (till present)
- President and Vice-Chancellor, Infrastructure University Kuala Lumpur, 2021 (till present)
- Chief Executive Officer and Rector, Baitulmal Professional College of Federal Territory of Islamic Council, 2019-2021
- Independent Non Executive Board of Director, Amanah Raya Berhad, 2016 (till present)
- Board of Trustee, Yayasan Amanah Raya, 2017 (till present)
- Professor of Law and Syariah, Putra Business School, Universiti Putra Malaysia, 2018
- Dean, School of Business, Universiti Selangor, 2017
- Syariah Committee Amanah Raya Berhad, 2016 (till present)
- Honorary Professor University Sains Malaysia, 2016
- Professor, Universiti Islam Malaysia, 2015
- Professor, Universiti Kebangsaan Malaysia, 2011
- Professor, Graduate School of Business, Universiti Kebangsaan Malaysia, 2010
- Deputy Dean for Research, Top Business School of Graduate School of Business, Universiti Kebangsaan Malaysia, 2010
- Director, Corporate Planning Centre, Universiti Kebangsaan Malaysia, 2009
- Visiting Scholar, University of Kyoto Japan, 2009
- Visiting Scholar, University of Andalas Indonesia, 2008
- Senior Lecturer, Universiti Kebangsaan Malaysia, 2005
- Quality Officer, Universiti Kebangsaan Malaysia, 2002
- Lecturer, Law Faculty, Universiti Kebangsaan Malaysia, 1998
- Qualified Advocate and Solicitor, High Court of Malaya, 1996
- Qualified Shariah Lawyer, 1996

Qualification

- PhD (Law), University of Manchester, England, 2002-2005
- Master of Law (LLM), University of Bristol, England, 1995-1996
- Second Degree of LLB (Syariah Law), Bach. of Syariah (Hons), International Islamic University Malaysia, 1994
- First Degree of LLB (Law), Bach. of Law (Hons), International Islamic University Malaysia, 1993

Notable Achievements

- Appointed as a member of the main committee for Islamic Law Malaysia by Majlis Raja-Raja Melayu, 2022
- First female Nazir in Selangor (Masjid Ikram, IUUKL) for 2023-2025, 2022
- Top 22 of the world's most influential Islamic Finance & Business, Cambridge 2019 and 2020
- Best Law Professor, Golden Globe Tigers for Education Leadership, 2019
- Best (Tokoh) Maal Hijrah (Federal Territory for the category of Scholars), 2019

Date Appointed to Key Senior Management Position

January 2022

Profile of Senior Management Team

Notes:

(i) Save as per disclosed, none of the Senior Management have:

- any family relationship with any Directors and/or major shareholders of the Company
- any conflict of interest with the Company
- any directorship in public companies

(ii) None of the Senior Management have any convictions for offences other than traffic offences within the past five years.

(iii) None of the Senior Management have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 31 December 2023.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee (AC) Report which provides insights into the manner in which the AC discharged its functions for the Company and Group in FY2023.

The AC (as a sub-committee of the Board) plays a substantial role in providing assistance to the Board in fulfilling its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group’s internal controls from an independent perspective. This is to ensure the Group’s alignment to best practices and that the Group operates efficiently in a dynamic market environment.

COMPOSITION AND ATTENDANCE

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

As at the date of this Annual Report, the composition of the AC is as follows:

Members	Date of Appointment
Suhaimi Bin Badrul Jamil Chairman (Senior Independent Non-Executive Director)	16 December 2014
Dato’ Tan Yee Boon Member (Independent Non-Executive Director)	7 August 2014
Celine Chan Hooi Li Member (Independent Non-Executive Director)	1 January 2020

The current composition of the AC and the qualifications of its members comply with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

The Nomination and Remuneration Committee reviews the terms of office and performance of the AC and each of its members annually to determine whether they have carried out their duties in accordance with their terms of reference.

MEETINGS

A total of five (5) AC meetings were held during the financial year ended (“FYE”) 31 December 2023 and the attendance of the meetings are as follows:

Members	No. of Meetings Attended
Suhaimi Bin Badrul Jamil	5/5
Dato’ Tan Yee Boon	4/5
Celine Chan Hooi Li	5/5

The Company’s Chief Financial Officer (“CFO”) was invited to attend the meetings to facilitate deliberations as well as to provide clarification on external audit issues. The meetings were also attended by Head of Corporate Assurance to present internal audit reports and upon invitation, the external auditors to discuss on the Management Letters, Audit Review Memorandum and other matters deemed relevant.

The Company Secretaries act as secretary to the AC. The Company Secretaries shall cause minutes to be entered in the books for purpose of recording all resolutions and proceedings of minutes and shall be kept at the registered office of the Company for inspection by any members of the AC or the Board. Such minutes shall be signed by the Chairman of the meeting and if so signed, shall be conclusive evidence without any further proof of the facts. Minutes of each meeting shall also be distributed to all attendees of the AC meetings and presented to the members of the Board at the Board meeting for noting. The AC, through its Chairman, shall report to the Board at the next Board meeting after each AC meeting. When presenting any recommendation to the Board, the AC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

Audit Committee Report

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

For the FY2023, the AC carried out its duties as set out in its Terms of Reference. A summary of work performed by the AC are as follows:

1) Financial Reporting

- a) Reviewed the Group’s quarterly unaudited financial results and audited financial statements to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending to the Board for approval.
- b) Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
- c) Obtained assurance from the Chief Financial Officer that:
 - i) appropriate accounting policies had been adopted and applied consistently;
 - ii) the going concern basis applied in the audited financial statements and quarterly financial results was appropriate;
 - iii) adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the Financial Reporting Standards and MMLR; and
 - iv) the relevant financial statements for the FYE 31 December 2023 gave a true and fair view of the state of affairs of the Group.

2) External Audit

- a) The AC was briefed by the external auditors on the Audit Review Memorandum in respect of the audit for the FYE 31 December 2023.
- b) The draft Audited Financial Report for FYE 2023 was tabled to the AC for review and deliberation, and recommendations were made to the Board for approval.
- c) The AC reviewed and approved the draft Statement on Risk Management and Internal Control (SRMIC) for recommendation to the Board subject to clearance to be received from the external auditors.
- d) The AC conducted an assessment on the annual performance of the external auditors and reviewed the competencies and resources, provision of non-audit services, rotation of audit partner and communication with the Management. The AC was satisfied with the external auditors’ technical competency and audit independence. As such, the AC agreed to propose for the re-appointment of external auditors for the next financial year.
- e) The AC held private meetings with the external auditors twice during the financial year under review on 23 November 2023 and 16 April 2024 without the presence of the Management.

Audit Committee Report

3) Internal Audit

- a) The AC reviewed and deliberated on audit reports, follow-up reports, audit recommendations and management responses, prepared by the Internal Audit Function in Corporate Assurance Department (CAD) at AC's quarterly meetings.
- b) The AC reviewed and approved the Annual Internal Audit Plan for Financial Year 2024 as proposed by the Head of Corporate Assurance, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- c) The AC reviewed the corrective actions taken by management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
- d) The AC reviewed the structure of CAD and adequacy of its resources and budget.
- e) The AC reviewed the AC Report prepared by Head of Corporate Assurance for inclusion in the Annual Report FY2023.

INTERNAL AUDIT FUNCTION

The internal audit function in CAD, reports to the AC and assists the Board in monitoring and managing risks and internal controls. The principal responsibility of the Internal Audit Function is to undertake an independent, regular and systematic review of the system of internal control so as to provide reasonable assurance that internal controls and risks are satisfactorily monitored and managed within the Group.

The reviews were performed in accordance with the International Professional Practices Framework (IPPF). This involved compliance to its code of ethics, commitment to ongoing learning, improvement to its skills and competency and risk-based audit works. The CAD has carried out the following works during the financial year to achieve the above objectives:

- i) Reviewed and assessed the effectiveness and adequacy of risk management and internal controls of various operating divisions within the Group;
- ii) Conducted special reviews, audits and investigations on an ad-hoc basis as requested by the AC or the Management;
- iii) Reviewed and assessed the compliance with the established policies and procedures;
- iv) Identified opportunities to improve the operations and business processes in the Group; and
- v) Recommended improvements on the existing internal controls in the Group.

Total costs incurred by CAD to discharge its functions and responsibilities in FY2023 were approximately RM524,000 (2022: RM470,000).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Protasco Berhad (the Board) is committed to upholding good corporate governance practices aligned with the principles, requirements, and best practices outlined in the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board acknowledges its accountability to the shareholders and various stakeholders of Protasco Berhad in discharging its duty and regulatory role in building a sustainability business. It holds responsibility for delivering shareholder value over the long term through the Group's culture, strategy, values and governance. The Independent Directors play a crucial role in challenging the Group's strategy and overseeing the performance of Executive Directors against goals and objectives.

The Board is further supported by the Audit, Nomination and Remuneration, and Risk Management Committees. Decisions on operational matters and the day-to-day management of the business are delegated to the Group Managing Director and Senior Management. These responsibilities include implementing group policies and procedures, managing clients and contractor services, monitoring financial performance and human resources management.

Board Charter

The Board has adopted a Board Charter which serves as a reference for the Directors.

The Board Charter sets out the roles, functions, composition, operations and processes of the Board, ensuring that all the Board members understand their obligations in discharging their duties and responsibilities.

The Board Charter is subject to periodic review by the Board to maintain consistency with the Board's roles and responsibilities, evolving needs of the Company and any development in prevailing legislation and practices.

The Board Charter is accessible for reference on the company's website at www.protasco.com.my.

Code of Conduct

The Director's Code of Conduct establishes the rules and values that guide Directors in carrying out their duties and responsibilities to the highest ethical standards.

The Director's Code of Conduct is accessible for reference on the company's website at www.protasco.com.my.

Board Information

Board papers containing the current quarter results, business plans, proposed projects, operational risks, governance updates and litigation updates are distributed in advance of the meeting to allow Directors to have sufficient time for preparation. During the meeting, the Board received presentations from the Group Managing Director and Senior Management on issues within the Group.

Company Secretary

Both company secretaries are qualified to act as company secretaries under Section 235 of the Companies Act 2016. They are members of the Malaysia Institute of Chartered Secretaries and Administrators (MAICSA). The company secretaries provide support to the Board in fulfilling their fiduciary duties. They are responsible for advising the Board regarding the Company's constitution, Board policies and procedures, and its compliance with regulatory requirements, codes, guidance and legislations as well as best practices of corporate governance. All Directors have access to the advice and services of the company secretaries. The company secretaries ensure deliberations of Board and Board Committee meetings are well documented and maintained at the registered office of the Company.

Corporate Governance Overview Statement

Promote Sustainability

The Board acknowledges that sustainability is an integral part of its business and supports environmental, economic and social sustainability in its operations.

For further information, please refer to the Sustainability Report on pages 32 to 85.

The Sustainability Policy is available for reference on the company's website at www.protasco.com.my.

Professional Advice

The Company extends full assistance to the Board in providing complete access to necessary material and relevant information. With proper counsel from qualified company secretaries and others, the Board effectively fulfills its functions. Directors are also encouraged to conduct verifications, and to seek external guidance when necessary.

Whistleblowing

The Board encourages employees and associates to report suspected or known misconduct, wrongdoing, corruption and instances of fraud, waste, and abuse involving the resources of the Group.

The Whistleblowing Policy enables employees and associates to raise their concerns without fear.

The Whistleblowing Policy is available for reference at the company's website www.protasco.com.my.

The following channels should be used by employees and associates to raise their concerns:

- Via email : whistleblow@protasco.com.my
- In writing to : The Chairman of the Audit Committee, Protasco Berhad, 2nd Floor, Corporate Block, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor. Tel: 03 8738 3388

Composition of the Board

The Board aims to achieve diversity in skills, experience, knowledge and gender. The profiles of the Directors are detailed on pages 88 to 94 showcasing a diverse range of expertise and experience. Diversity within the Board promotes more robust judgment-making process particularly on matters related to strategy, performance, resources and conduct, which are crucial for the success of the Group.

Currently, there are seven (7) members of the Board comprising four (4) Independent Non-Executive Directors and three Executive Directors. Among them two (2) are female Board Members, representing 28% female representation on the Board.

The Diversity Policy can be accessed on the company's website at www.protasco.com.my.

Appointments and Re-Election of Directors

The Nomination and Remuneration Committee (NRC) when recommending new appointments to the Board, will assess the suitability of an individual considering their skills, industry experience, knowledge, character, integrity and availability to effectively discharge his or her role and responsibilities.

Candidates considered for appointment as Directors are identified through recommendations from various resources such as Senior Management staff, independent advisors or third party referrals.

In compliance with the Company's Constitution, at each Annual General Meeting (AGM), one-third (1/3) of Directors, or if their number is not three, the number nearest to one-third (1/3), shall retire from office at least once every three years. The Directors to retire shall be those who have been longest in office since their last re-election or appointment.

The NRC will assess the Directors who are due for re-election at the AGM based on the Directors' Fit & Proper Policy and the outcome of the annual performance evaluation, before submitting its recommendations to the Board for approval.

En Suhaimi bin Badrul Jamil and Ms Tham Wei Mei shall due for retirement by rotation pursuant to Article 107 (1)(b) of the Company's Constitution. They are eligible and have offered themselves for re-election at the forthcoming AGM. Their profiles can be found on pages 91 and 93 of this Annual Report. The Board, following a satisfactory assessment by the NRC in accordance with the Directors' Fit & Proper Policy, and based on the annual performance evaluation, endorsed the recommendations of the NRC for their re-elections at the forthcoming AGM as Directors of the Company.

Corporate Governance Overview Statement

Board Performance Evaluation

The Board conducts an annual performance evaluation which comprises Board assessment, self-assessment and assessment on board committees. The Chairman of the Nomination and Remuneration Committee will be provided with the analysis of the overall performance evaluation for deliberation during the Nomination and Remuneration Committee meeting. The Nomination and Remuneration Committee will access and identify areas requiring improvement and recommend them to the Board for action.

Independence

The NRC conducts a review and assessment of the Independent Directors' independence based on the criteria outlined in the Independent Directors Assessment checklist. Following the assessment, the NRC is satisfied that the Independent Directors maintain independence from management and are free from any business or other relationships that could impede their ability to exercise independent judgement, objectivity and to act in the best interest of the Company.

Pursuant to the Succession Planning Policy of the Company, the tenure of an Independent Director is capped at 12 years of continuous service. Upon reaching the completion of 12 years, an Independent Director may opt to continue serving on the board as a Non-Independent Director.

Chairman and Group Managing Director

The roles of Executive Chairman and Group Managing Director are held by separate individuals, each with distinct responsibilities outlined in the Board Charter.

The Board is led by the Executive Chairman who is responsible for ensuring the effectiveness of the governance process of the Board. He provides leadership and ensures timely discussion of all strategic and critical issues by the Board.

The Group Managing Director is responsible for the management of the Group's business, making decision and managing day-to-day operations.

Board Meetings

During the year under review, five (5) Board meetings were held. Details of Directors' attendance are set out as follows:

Board meeting attended in FY2023	
Dato' Sri Ir Chong Ket Pen	5/5
Dato' Ir Kenny Chong Ther Nen	5/5
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	5/5
Dato' Tan Yee Boon	5/5
Suhaimi Bin Badrul Jamil	5/5
Tham Wei Mei	5/5
Celine Chan Hooi Li	5/5

Corporate Governance Overview Statement

Directors' Training

Details of training programmes attended by the Directors during the year under review, are provided below:

Name	Date	Description of Training
Dato' Sri Ir Chong Ket Pen	2 February 2023	Implementation of Building Information Modelling (BIM) for Government Projects in Malaysia, Institution of Engineers Malaysia (IEM).
	3 May 2023	Sustainable Engineering Solution for Road Infrastructure, Institution of Engineers Malaysia (IEM).
	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
	19 September 2023	Advocacy Session for Directors and CEOs of Main Market Listed Issuers, Bursa Malaysia.
Dato' Ir Kenny Chong Ther Nen	2 February 2023	Implementation of Building Information Modelling (BIM) for Government Projects in Malaysia, Institution of Engineers Malaysia (IEM).
	3 May 2023	"Waste to Wealth", Institution of Engineers Malaysia (IEM).
	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers, Bursa Malaysia.
	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
Dato' Tan Yee Boon	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
Suhaimi Bin Badrul Jamil	15 August 2023	Conflict of Interest and Governance of Conflict of Interest, Bursa Malaysia.
	18 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers, Bursa Malaysia.
	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
	3 October 2023	Management of Cyber Risk, Bursa Malaysia.
Tham Wei Mei	29 August 2023	An Overview of the Listing Requirements, CKM Advisory.
	2 November 2023	A Delicate Balance – Board & Management Relationship, Institute of Corporate Directors Malaysia (ICDM).
Celine Chan Hooi Li	3 October 2023	Management of Cyber Risk, Bursa Malaysia.

FINANCIAL REPORTING

The Board takes responsibility for ensuring that financial statements are prepared in compliance with the regulatory requirements and applicable financial reporting standard in Malaysia. The Board reviews financial statements, ensuring the Group employs appropriate accounting policies, supported by reasonable and prudent judgement and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed. The Group's financial statements can be found on pages 125 to 247 of this Annual Report.

Corporate Governance Overview Statement

RELATIONSHIP WITH THE AUDITORS

Through the Audit Committee, the Group has established a professional, transparent and appropriate relationship with the Group's auditors, both internal and external, particularly in obtaining their professional advice towards ensuring full compliance with applicable accounting standards.

External Auditors

The Audit Committee met the external auditors twice during the year under review on 23 November 2023 and 16 April 2024 without the presence of the Executive Directors and Management, to exchange independent views on matters which required the Audit Committee's attention.

The Audit Committee had assessed the suitability and independence of the external auditors. In its assessment, the Audit Committee considered several factors such as adequacy of experience, resources of the firm, the professional staff assigned to the audit, independence of Crowe Malaysia PLT and the provision of non-audit services rendered by Crowe Malaysia PLT for financial year 2023.

Crowe Malaysia PLT confirmed that they have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements for the financial year 2023.

Being satisfied with Crowe Malaysia PLT's performance, technical competency and audit independence, the Audit Committee recommended to the Board to put forth a proposal for the re-appointment of Crowe Malaysia PLT as external auditors for financial year ending 2024 at the forthcoming Annual General Meeting.

Internal Auditors

The Board acknowledges their responsibility for the Group's system of internal controls and reviews its effectiveness regularly via the Internal Audit function of the Corporate Assurance Department which provides support to the Audit Committee in dispensing its responsibilities with regards to the adequacy and integrity of the system of internal controls within the Group. The internal audit function is independent of the operations of the Group and reports directly to the Audit Committee.

The works of the internal auditors during 2023 are set out in the Audit Committee Report on pages 104 to 106 in this Annual Report.

BOARD COMMITTEES

1. Audit Committee

The Audit Committee plays an active role in assisting the Board in discharging its responsibility. The full details of the composition, summary of the works of the Audit Committee are set out in the Audit Committee Report on page 104 of the Annual Report.

2. Board Risk Management Committee

The Board has established a Board Risk Management Committee (BRMC) for the following primary objectives:-

- maintain reliable and effective risk management practices. Such practices will identify, assess and monitor key business risks as well as safeguard and enhance the Group's assets and shareholders' investments.
- review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring adequacy of risk management policy and infrastructure, to facilitate the implementation of action plans for risk management.

Corporate Governance Overview Statement

- c. determine the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives and ensuring the execution and implementation of the Group’s sustainability strategy. These will allow the Group to continue generating economic value while reducing our environmental and social footprint, by monitoring the progress of the Group’s sustainability initiatives through an effective governance framework against the set targets.

A Group Risk Management Committee (GRMC) assists the BRMC in achieving its primary objectives. GRMC comprises Senior Management staff from Group Corporate Office and Group Investor Relations and General Administration. Significant risk, policy and procedure matters that require the attention of the Board, are reported to the BRMC.

The Statement on Risk Management and Internal Control is set out on pages 115 to 122 of this Annual Report.

3. Nomination And Remuneration Committee

The Nomination and Remuneration Committee (NRC) supports the Board in various aspects, including Board appointments, succession planning, evaluate performance of the Directors and Board Committees, and reviews of the remuneration of the Board of Directors.

A summary of the NRC’s activities during the year is set out below:

- Reviewed the performance of the Directors and Board Committees;
- Reviewed the terms of office and performance of Audit Committee and each of its members;
- Reviewed the training needs of Directors;
- Reviewed the Directors standing for re-election at the forthcoming Annual General Meeting;
- Assessed the independence of the Independent Directors; and
- Reviewed and recommended the revised Terms of Reference of Nomination & Remuneration Committee for the Board’s approval.

Details of the Directors’ Remunerations for the financial year ended 31 December 2023 are as follows:

	Director’s Fee		Salary/Bonus/Benefits		Total
	Protasco Bhd (RM)	Subsidiary (RM)	Protasco Bhd (RM)	Subsidiary (RM)	
Dato’ Sri Ir Chong Ket Pen	-	-	1,475,200	30,000	1,505,200
Dato’ Ir Kenny Chong Ther Nen	-	-	571,200	66,000	637,200
Dato’ Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	-	-	-	688,000	688,000
Dato’ Tan Yee Boon	51,000	-	6,500	-	57,500
Suhaimi Bin Badrul Jamil	51,000	-	6,500	-	57,500
Tham Wei Mei	51,000	-	4,000	-	55,000
Celine Chan Hooi Li	51,000	-	7,500	-	58,500

Corporate Governance Overview Statement

Top five (5) Senior Management’s Remuneration for the financial year ended 31 December 2023 are as follows:

Senior Management	Remuneration Band
1. Dato’ Prof. Dr Noor Inayah Binti Ya’akub	RM350,000 – RM400,000
2. Freddie Cheong Kah Wang	RM350,000 – RM400,000
3. Dato’ Wan Imran Bin Wan Omar	
4. Ir Edward Khoo Mong Wei	RM300,000 – RM350,000
5. Benny Chong Ther Vern	

CORPORATE DISCLOSURE

To ensure quality disclosure, the Company has a corporate disclosure policy to ensure accurate, clear and timely disclosure of material information and take reasonable steps to ensure that the general public has access to such information. The Company is committed to communicate the Company’s strategy, operational performance, financial results, and other material developments to Bursa Malaysia, analysts, investors, shareholders, and other stakeholders in a timely, open and comprehensive manner.

The Corporate Disclosure Policy is available at www.protasco.com.my.

GROUP CORPORATE WEBSITE

The Board is committed to leverage on information technology for effective dissemination of information in a timely manner. Protasco’s corporate website (www.protasco.com.my) provides easy access to information about the Group. Information available on the corporate website includes Protasco’s corporate profile, Board of Directors and Group Senior Management, financial results, annual reports, Group newsletters and latest corporate news.

In addition, stakeholders can obtain regulatory announcements made by Protasco to Bursa Malaysia at www.bursamalaysia.com.

ANNUAL REPORT

The Company’s annual report provides a comprehensive report on the Group’s operations and financial performance for the year under review. It provides full disclosure and is in compliance with the relevant regulations to ensure greater transparency. An online version of the Annual Report is also available at Protasco’s corporate website.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the main delivery channel for dialogue with all shareholders. They are encouraged and are given opportunities to enquire about the Group’s activities and prospects as well as to communicate their expectations and concerns.

The notices of AGM are sent out to shareholders at least 28 days before the date of the meeting, exceeding the 21 days requirement under the Companies Act 2016 and Listing Requirements.

Corporate Governance Overview Statement

Shareholders who are unable to attend, are allowed to appoint proxies to attend and vote on their behalf. Additionally, Shareholders are welcome to reach out to the Company with any queries they may have.

Shareholders are encouraged to be aware of their rights with regards to the convening of general meetings, proxy appointments, and access to information. Detailed information regarding shareholders' rights can be found at www.protasco.com.my.

In line with the Listing Requirements aimed at reinforcing good Corporate Governance Practice, the Company implemented electronic poll voting during General Meetings. An independent party is appointed to verify the votes casted at the AGM.

INVESTOR RELATIONS

The Company's Investor Relations Department engages in periodic dialogues with analysts and shareholders to provide updates on business performance and corporate developments.

In addition, the Company releases its financial results and other mandatory announcements on a timely basis and responds promptly to enquiries from investors, regulators, the public and financial analysts.

To further assist its stakeholders, the Company maintain a dedicated website, www.protasco.com.my. Additionally, the Company has subscribed to Bursa Malaysia's website linking service, enabling concurrence retrieval of the Company's announcements made to Bursa Malaysia.

Investor Relations Contact:

Han Long Kong
 Tel: 603-8738 3388
 Email: lkhan@protasco.com.my

This statement is prepared in compliance with the Main Market Listing Requirements and it should be read together with the Corporate Governance Report 2023 of the Company, which is available on Protasco Berhad's website at www.protasco.com.my.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the Board) is committed to maintain a sound system of risk management and internal control of the Group and is pleased to present its Statement on Risk Management and Internal Control (Statement) for the financial year ended 31 December 2023. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements) in accordance with the Malaysian Code of Corporate Governance (MCCG) and as guided by the latest "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" (the Guidelines). This Statement describes the nature and scope of the risk management and internal control of the Group except for associate companies.

OBJECTIVES

- Maintain a reliable and effective risk management practices. Such practices will identify, assess and monitor key business risks and to safeguard and enhance the Group's assets and shareholders' investments; and
- Review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

ROLE & RESPONSIBILITIES

A sound framework of risk management and internal control is fundamental for good corporate governance.

Key Roles:

(1) The Board

The Board is cognisant of its overall responsibility and accountability for maintaining a sound system of risk management and internal control processes to safeguard the shareholders' wealth and the Group's assets by keeping abreast with developments in areas of risk and governance. In view of limitations inherent in any process, and that risks cannot be eliminated completely, the Group has established a risk management and internal control system designed to manage and mitigate risks within tolerable levels. The system of internal control is defined as the action taken by the Board and Management to manage risk and increase the likelihood that the established goals will be achieved. This system provides reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board affirms its responsibility in reviewing and monitoring the adequacy, effectiveness and integrity of the Group's system of risk management and internal control, including adhering to the applicable laws, regulations, rules, directives and guidelines. The Board approves and monitors the Group's risk management strategy that oversees its implementation. The Board is supported by the Board Risk Management Committee (BRMC) in evaluating the adequacy and the effectiveness of the risk management framework and the internal control system. The Board is further assisted by the Audit Committee (AC) in the evaluation of the adequacy and effectiveness of the internal control system. Please refer to the AC Report in page 104 to page 106 of this Annual Report for further details.

The Board is satisfied that the Group has put in place a systematic risk management framework entailing processes to identify, evaluate and monitor principal risks, and implemented adequate internal control to manage the risks across the Group.

(2) The Board Risk Management Committee

The BRMC was established to uphold risk oversight within the Group. It is chaired by an Independent Non-Executive Director, who is neither the Chairman of the Board nor the Chairman of the AC.

The BRMC provides a strategic direction in terms of risk management and mandates the Risk Management Committee (RMC) to oversee the establishment and implementation of the risk management process.

Statement on Risk Management and Internal Control

The members of the BRMC are:

Members	Directorship	Roles
Celine Chan Hooi Li	Independent Non-Executive Director	Chairman
Dato' Tan Yee Boon	Independent Non-Executive Director	Member
Dato' Ir Kenny Chong Ther Nen	Group Managing Director	Member

The responsibilities of the BRMC in respect of risk management and internal control are as follows:

- Oversee and recommend risk management strategies, framework and policies and procedures of the Group;
- Review and recommend changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks;
- Implement and maintain as sound risk management framework which identifies, assesses, manages and monitors the Group's business and other risks;
- Develop and inculcate a risk awareness culture within the Group;
- Review the adequacy and effectiveness of the said risk management and internal control systems;
- Oversee specific risk management concerns raised by business units; and
- Review the Group's risk profiles and evaluate the measures taken to mitigate business and other risks.

The BRMC does not review the internal control systems of associates where the Group does not have any direct control over their operations. Notwithstanding the above, the Group's interests are assured through board representations in the respective associates and the receipt and review of the management accounts and enquiries thereon.

The BRMC has established ongoing processes for identifying the principal risks impeding the achievement of the organisation's goals and objectives:

- To evaluate the nature and extent of those risk;
- To manage them efficiently, effectively and economically; and
- To regularly review, and taking into account changes in the regulatory and business environment as mentioned in the Guidelines.

In accordance with the Guidelines, the Board assures that this process has been in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

(3) The RMC

The management, through its RMC, assists the BRMC in ensuring a sound and robust risk management framework, processes and practises to achieve the Group's strategic objectives and to safeguard shareholders' investments and Group's assets.

The RMC is responsible for the implementation of the approved framework, policies and procedures pertaining to risk management. This is to ensure that business strategies and risk management are aligned.

The members of the RMC are:

Members	Designation
Group Managing Director	Chairman
Head of Corporate Assurance	Committee Member and ERM Coordinator
Head of Corporate Office	Committee Member
Director, Investor Relations & General Administrations	Committee Member

Statement on Risk Management and Internal Control

(4) The Corporate Assurance Department

The Corporate Assurance is an independent, objective assurance and consulting activity designed to add value and improve the Group's operations. It helps the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

It also provides assessments as to whether risks, which may hinder the company from achieving its objectives, are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate.

The Corporate Assurance Department reports directly to the AC.

RISK MANAGEMENT FRAMEWORK

Risk Management

The Group has established the Group Enterprise Risk Management Framework to provide guidelines on the effective management of risks through the application of Enterprise Risk Management (ERM) processes at varying levels and within the Group.

The framework ensures that the risk-related information derived from the ERM process is adequately reported and used as a basis for decision making and is accounted for at all relevant organisational levels. The framework shall be continuously assessed and improved to ensure its adaptability with the changing business environment.

The framework outlines:

- Policy and governance structure for the ERM within the Group;
- Risk management roles and responsibilities within the Group and outlining procedures to mitigate risks;
- Methodology for risk assessment and risk response; and
- Reporting framework to ensure clear communication for all risk management activities and reporting.

Internal Control

The key elements of the Group's internal control system include:

1. Internal Environment

- The Board demonstrates a commitment to integrity and ethical values.
- The Board established the BRMC, majority of whom are Independent Directors and AC comprises of Independent Non-Executive Directors. The BRMC and AC primarily assist the Board in reviewing the organisational risk and internal control with the assistance of the RMC and Internal Audit Department respectively.
- Well-defined lines of responsibilities for the Board, management and each operating unit within the Group; including authorisation level on day-to-day operation.
- The Board and Management holds individual risk owners accountable for their internal control procedures and policies.

2. Integrity & Compliance

- The Group has developed and adopted the Integrity and Anti-Corruption Policy as part of the Group's Anti-Bribery Management System which has been designed to align with the requirements set out in the provision of section 17A under the MACC Act 2018.
- The Group is committed to conduct all of its business in an honest and ethical manner by implementing and enforcing systems that ensure bribes and corruptions are prevented.

3. Risk Assessment

- The Management of each division are responsible to assess, review and update their division's risk profile.
- The Management to identify and assess changes that could significantly impact the system of internal control.

Statement on Risk Management and Internal Control

4. Control Activities

- Each operating unit undertakes business planning and budgeting process each year which are appraised at regular interval.
- The Group review, assess and update the internal control procedures and policies and to improve such policies that have been established and put these policies into action.

5. Information and Communication

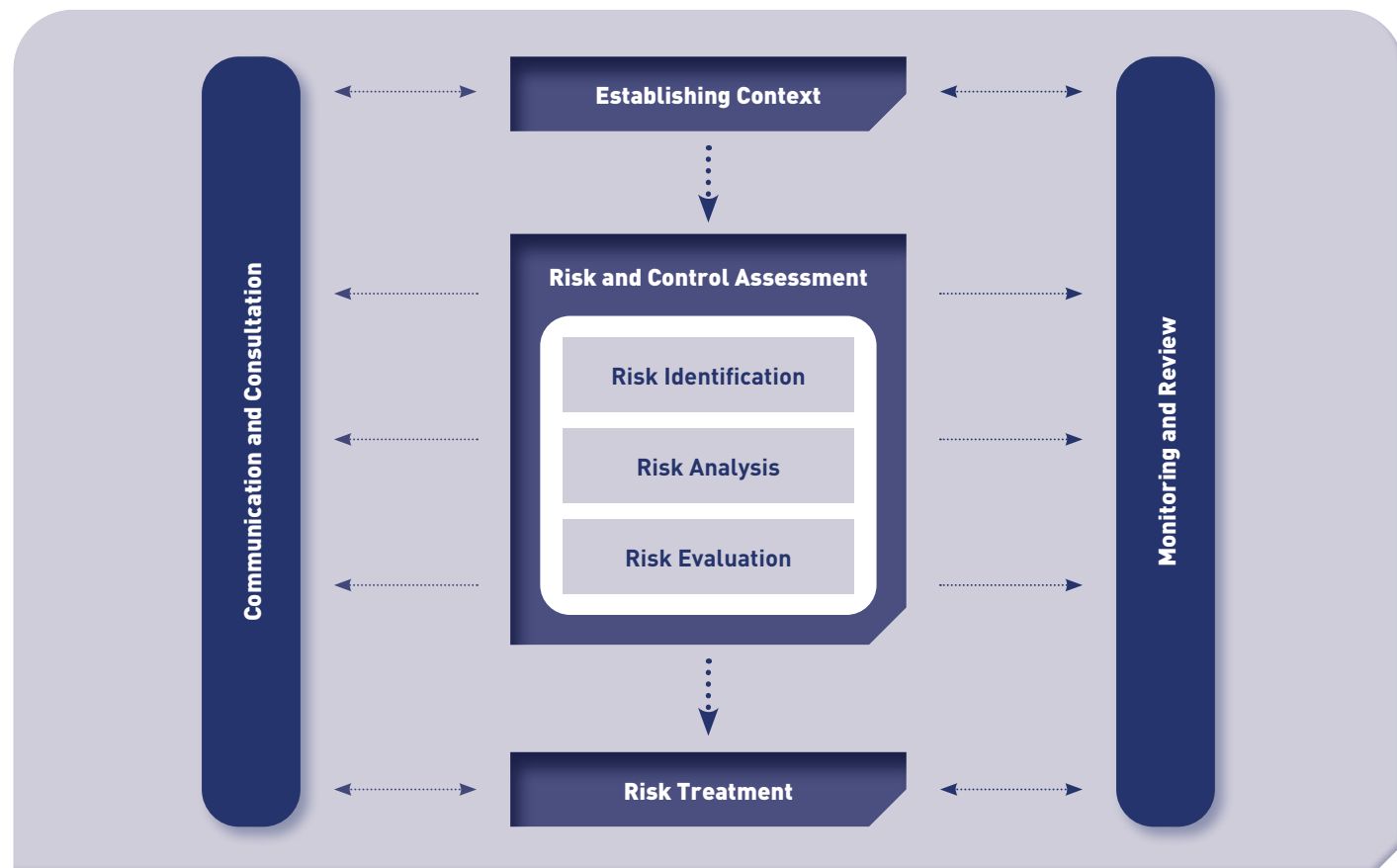
- The Business Risk Profile, where identified risks are recorded, is updated on an ongoing basis and presented to the RMC on a half-yearly basis.
- Significant risk matters that require the attention of the Board are reported to the BRMC and the AC.
- The Group's quarterly financial performance is presented to the Board for review and approval.

6. Monitoring

- The Group performs and evaluates internal control system (e.g. Internal Audit) to ascertain its adequacy and effectiveness.
- The Group performs follow up on the Management's response and action plans stated in the reports from tests and evaluations carried out.

RISK MANAGEMENT PROCESS

The objective of the risk management process is to develop an individual risk profile where risk assessment is conducted from risk identification, analysis, and evaluation of existing controls. The following diagram depicts the risk management approach in the Group:



The risk identification process involves the respective business divisions to establish a risk profile/register to incorporate the risks associated with its business goals. The risk profile/register includes details on the nature of the risk as well as its severity and probability of occurrence.

Statement on Risk Management and Internal Control

The gross risks identified which resulting from changes in business environment, both external and internal, are analysed and evaluated by examining the impact on the Group should a risk were to occur and the likelihood of its occurrence. Both the likelihood and financial impact are rated and assessed on a scale to determine the next course of action.

The net rating takes into consideration the effectiveness of internal control procedures put in place to manage the risks.

Each business unit's identified risks are presented and forums to the RMC for their deliberation and tabled bi-annually to the BRMC. The risk profile/register, where identified risks are recorded, is reviewed and updated on an ongoing basis.

Risk Assessment and Reporting

During the current financial year, the RMC had continued assessing and reviewing the effectiveness of the control procedures. The RMC deliberated on the results of the control procedure assessments, which were conducted by the Group Corporate Assurance Department (CAD), that identified weaknesses or areas for improvement in controls for the respective business divisions. Where applicable, the CAD provided recommendations to enhance the effectiveness of risk management, internal control systems, and governance processes. These recommendations were agreed upon by the divisions, who committed to implementing the suggested control procedures.

In addition to conducting control procedure assessments, the risk management activities undertaken in FY2023 included a focus on identifying the top/key risks of each division. This initiative involved discussions between the CAD and the Risk Owners to revisit the Risk Register for top/key risks, resulting in a revitalised Key Risk Register.

Assessments and reviews by the CAD are carried out on business divisions using a risk-based approach taking into consideration inputs from the RMC and subsequently be deliberated at the RMC meetings for notations and approval.

As part of the Group's initiatives to institutionalise the risk awareness and practices, the CAD facilitated risk discussions with the respective Risk Owners on key risk concerns and mitigation plans with impact analysis, through Key Risk Profiling and enhanced Key Risk Register. The CAD provided the Risk Owners with written guidelines on the enhanced Key Risk Register guiding the Risk Owners to declare and disclose the necessary information systematically.




The updated Key Risk Register introduces an enhanced format where Risk Owners are tasked with self-assessing the effectiveness of existing controls in place to arrive at the net risk rating. Subsequently, each division determines the target risk ratings in alignment with their respective risk response strategies. These strategies outline the Risk Action Plans (RAP) for addressing identified key risks.

The RMC deliberated on and assessed the identified top/key risks of the Group and action plans to manage or mitigate the said key risks. The deliberation includes discussion to determine the right net risk rating, the target risk and the risk response strategy. The key business units which had been invited to present their key business risks and action plans to address the said risks were Property Development, Hotel & Hospitality, Construction, Education, Engineering & Consultancy, Clean Energy, Maintenance and Trading & Manufacturing Division.





Statement on Risk Management and Internal Control

THE GROUP'S RISKS


Key risks assessed by the Group Corporate Assurance and discussed with the Risk Owners, the RMC, and the BRMC during the current financial year are summarised below. These risks are still relevant, mitigation responses are in place and continuously monitored to mitigate risk exposures:

Division	Key Risk	Description/Impact	Mitigation Measures
Property Development 	Unfavourable end financing for buyers	<ul style="list-style-type: none"> Failure of buyer to convert bookings to sold due to high requirement of credit check of buyer profile for loan approval. 	<ul style="list-style-type: none"> Effectively secured end financing from various financial institutions for empanelment. This will help broadening variety panel banks to ensure diversity to borrowers. Conducted credit check, loan related advisory to track borrower loan application status reports through system called MHub.
	Losing of tenant in the Mall	<ul style="list-style-type: none"> Lacking of mall exposure that only cater for visitors from surrounding De Centrum City and customers from neighbouring projects. 	<ul style="list-style-type: none"> Advertisement & Promotional activities via social media through appointment of third party vendor managing the social media platform. Diversification of products and services to attract more potential new tenants.
Hotel & Hospitality 	Heavy competition - monopoly approach	<ul style="list-style-type: none"> High competition from neighbouring established hotels. 	<ul style="list-style-type: none"> Conduct Reader Board Survey to gather data to be used by sales team for future solicitation activity. Conduct Sales Blitz that serves as public relations tool to reach out to a large volume of potential customers within a short period.
	High employee turnover	<ul style="list-style-type: none"> High employee turnover due to competitive compensation and benefits packages offered by competitors. 	<ul style="list-style-type: none"> Provide opportunities for career advancement to recognise employees contributions and potential. Introduce extra benefits to attract more staff by providing lodging for staff from outside Kuala Lumpur and implementation of overtime payment.
Construction 	Unable to secure new Contract/Project	<ul style="list-style-type: none"> Inability to furnish a competitive rate for tender which may impact in securing contracts. 	<ul style="list-style-type: none"> Continuous participation in tender for new project and progressively monitor and follow up on the tendered project. Develop and maintain good rapport with potential client. Implement strict procurement policies in appointing sub contractors to secure more competitive pricing. Explore and source sub trade contracts.

Statement on Risk Management and Internal Control

Division	Key Risk	Description/Impact	Mitigation Measures
Education 	Financial challenges and inefficient financial management	<ul style="list-style-type: none"> Risk associated with revenue collection and cost consumption. It has a direct impact on financial operations such as procurement and collection. 	<ul style="list-style-type: none"> Organise training/Education - Culture Tour programmes. Aggressive approach in royalty collection from franchise partners and aging payment. Improvement in procurement practises for cost effectiveness initiative and cost saving objective.
	Inability to achieve the number of Student Target	<ul style="list-style-type: none"> Failure of Agents to bring in new international students. Limited marketing and communication effort has hindered its ability to attract prospective students. 	<ul style="list-style-type: none"> Enhancement of the Agents management strategy & processes in terms of commission packages to attract agents to get more students. Internal Marketing and Communication Department restructuring programme monitored by University of Excellence Department. Focus group established to look into the strategic student recruitment effort.
Engineering & Consultancy 	Termination of Long Term Service Agreement with major clients	<ul style="list-style-type: none"> Failure to extend/renew the existing contract and secure new contract. 	<ul style="list-style-type: none"> Enhancing customer satisfaction with existing client through quality services and excellent customer experience in view of renewal of contract. Establish rapports with clients' top management.
Trading & Manufacturing 	Product Risk: Too dependent on bitumen & quarry product	<ul style="list-style-type: none"> High dependency of turnover from bitumen product, will affect turnover should the market of the product is unfavourable. 	<ul style="list-style-type: none"> Diversification of new product such as bicycle lane and anti-skid. Exploration of new market such as Majlis Bandaraya Johor Bahru (MBJB) and JKR Manjung. Increase product profit margin thru manufacturing of Quick Patch.
Maintenance 	Price Escalation due to Fluctuation of Market Price	<ul style="list-style-type: none"> Increase in the current market prices for construction material and manpower. 	<ul style="list-style-type: none"> Monitoring of current market price and carry out cost control by developing a built-up standards rates method to be offered to subcontractors. Propose new treatment such as special mix and new material which is not in the Schedule of Rate (SOR).
	Non Compliance to HSE Regulation	<ul style="list-style-type: none"> Non-compliance to the regulation may lead to legal, financial, operational, reputational, and ethical impacts. 	<ul style="list-style-type: none"> Obtaining certification of standard ISO 25001:2018 OSH-MS, a systematic practice to improve employee safety, reduce workplace risks, and create better, safer working conditions. Penalty imposition to the sub-contractors as stipulated in the terms of contracts for non-adherence to internal Health and Safety policies.

Statement on Risk Management and Internal Control

Division	Key Risk	Description/Impact	Mitigation Measures
Clean Energy 	Supply chain disruption	<ul style="list-style-type: none"> Disruptions can lead to delays, increased costs, and ultimately will decrease customer satisfaction. 	<ul style="list-style-type: none"> Timely order of major items and establishment of proper ordering plan. Incorporating buffer in the projected timeline as contingencies considering the current supply chain conditions.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement. Their review was performed in accordance with the Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 10.1 and 10.2 of the MCCG to be set out, nor is this Statement factually incorrect.

CONCLUSION

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Company's risk management and internal control systems is operating adequately and effectively in all material aspects.

For the financial year under review, the Board is of the opinion that the Group's system of internal controls is satisfactory. Any deficiencies identified have been or are being addressed accordingly. Notwithstanding this, review of the internal control systems will be continuously carried out to ensure the ongoing effectiveness of the system.

OTHER COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The details of total audit and non-audit fees paid/payable to the external auditors of the Group for the financial year ended 31 December 2023 were as follows:

	RM'000
Audit Fees	871
Non-Audit Fees *	5

* Fees incurred primarily in relation to assurance related services.

2. MATERIAL CONTRACTS

Other than as disclosed in Note 42 of the Financial Statements, there were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since the end of the previous financial year.

3. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2023.

4. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no options, warrants, and convertible securities being issued during the financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS

Details of the Recurrent Related Party Transactions are disclosed in Note 42 of the Financial Statements.

6. GOING CONCERN STATEMENT

Having exercised due and reasonable enquiry into the affairs on the Company, the Board is satisfied with the Company and shall proceed to operate as a going concern business in the foreseeable future.

DIRECTORS' RESPONSIBILITY STATEMENT

for the Audited Financial Statements

Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors ("the Directors") to make a statement explaining the Directors' responsibility for preparing the annual audited financial statements.

The Directors are required by the Companies Act 2016 ("the Act") to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at the end of each financial year, and of their financial performance and cash flows for that financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2023, they have taken the following measures:

- adopted and reviewed the appropriate accounting policies that are consistently applied;
- made judgements and estimates that are reasonable and prudent;
- ensure compliance with the application of approved accounting standards in Malaysia; and
- prepared it on the assumption that the Group and the Company will operate as going concern.

The Directors have the responsibility for ensuring that the Group and the Company maintains proper accounting and other records, which disclose with reasonable accuracy the financial position of the Group and the Company and in compliance with the Act.

In addition, the Directors have also taken the necessary steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.



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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) after taxation for the financial year	21,073	(6,960)
Attributable to:-		
Owners of the Company	6,682	(6,960)
Non-controlling interests	14,391	-
	21,073	(6,960)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

WARRANTS

The details of the Warrants are disclosed in Note 26 to the financial statements.

Directors' Report

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 31 May 2023, renewed their approval of the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

During the financial year, there were no repurchase of ordinary shares from the open market and no resale of issued ordinary shares that were held as treasury shares.

As at 31 December 2023, the Company held as treasury shares a total of 13,656,900 (2022 - 13,656,900) of its 495,392,310 (2022 - 495,392,310) issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,752,841 (2022 - RM3,752,841). The details of the treasury shares are disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the Directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, 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 value as shown in the accounting records of the Group and of the Company, have 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 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 methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and 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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations 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 AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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

The names of Directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Sri Chong Ket Pen
 Dato' Chong Ther Nen
 Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman
 Suhaimi Bin Badrul Jamil
 Dato' Tan Yee Boon
 Tham Wei Mei
 Celine Chan Hooi Li

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are disclosed in Appendix A to the financial statements.

Directors' Report

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of the Directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:-

The Company	Number of Ordinary Shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
<i>Direct Interests</i>				
Dato' Sri Chong Ket Pen	93,626,376	-	-	93,626,376
Dato' Chong Ther Nen	2,866,458	-	-	2,866,458
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	875,000	-	-	875,000
Suhaimi Bin Badrul Jamil	105,832	-	-	105,832
<i>Indirect Interests</i>				
Dato' Sri Chong Ket Pen^^	50,312,361	1,552,634	(1,552,634)	50,312,361
Dato' Chong Ther Nen**	2,095,800	-	-	2,095,800
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman#	3,645,833	-	-	3,645,833

The Company	Number of Warrants 2018/2023			
	At 1.1.2023	Bought	Lapsed	At 31.12.2023
<i>Direct Interests</i>				
Dato' Sri Chong Ket Pen	16,527,669	-	(16,527,669)	-
Dato' Chong Ther Nen	292,812	-	(292,812)	-
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman	187,500	-	(187,500)	-
Suhaimi Bin Badrul Jamil	16,250	-	(16,250)	-
<i>Indirect Interests</i>				
Dato' Sri Chong Ket Pen^^	10,514,578	-	(10,514,578)	-
Dato' Chong Ther Nen**	499,100	-	(499,100)	-
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman#	781,250	-	(781,250)	-

Notes:-

^^ Deemed interest by virtue of his substantial shareholdings in Penmacorp Sdn Bhd which in turn is a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016 as well as his spouse and children's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

** Deemed interest through his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

Deemed interest by virtue of his substantial shareholdings in Rencana Berkat Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the Company, Dato' Sri Chong Ket Pen is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

The other Directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 42 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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' REMUNERATION

The details of the Directors' remuneration paid or payable to the Directors of the Group and the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fees	735	204
Salaries, bonuses and other benefits	5,649	2,031
Defined contribution benefits	493	125
Benefits-in-kind	79	42
	6,956	2,402

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM79,000 and RM42,400 respectively.

Directors' Report

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM20,000,000 and RM115,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

Where applicable, the available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	871	94
Non-audit fees	5	5
	876	99

Signed in accordance with a resolution of the Directors dated 18 April 2024.

Dato' Chong Ther Nen

Suhaimi Bin Badrul Jamil

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Chong Ther Nen and Suhaimi Bin Badrul Jamil, being two of the Directors of Protasco Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 139 to 247 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 of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 18 April 2024.

Dato' Chong Ther Nen

Suhaimi Bin Badrul Jamil

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cheong Kah Wang, MIA Membership Number: 7854, being the officer primarily responsible for the financial management of Protasco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 139 to 247 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Cheong Kah Wang,
at Kuala Lumpur
in the Federal Territory
on this 18 April 2024.

Before me

Cheong Kah Wang

Dr. T. Yokheswarem (W540)

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the Members of Protasco Berhad (Incorporated in Malaysia)

Registration No: 200101012322 (548078 - H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Protasco Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 139 to 247.

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

Basis for Opinion

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

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

Key Audit Matters (Cont'd)

Revenue and Profit Recognition for Construction Services Refer to Note 4.1.1(e) and Note 35 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>Construction services accounting is inherently complex due to the contracting nature of the business, which involves significant judgements. This includes the determination of the total budgeted contract costs to complete the projects and the calculation of percentage of completion which affects the quantum of revenue and profit to be recognised.</p> <p>In estimating the revenue to be recognised, the management considers past experience and work done certified by customers and/or independent third parties, where applicable.</p> <p>In estimating the total budgeted contract costs to completion, the management considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims. The total costs to completion are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and sub-contractor cost and construction issues.</p> <p>An error in the estimated profit on contracts could result in a material variance in the amount of profit or loss recognised to date and therefore also in the current period. The profit recognition on contract includes key judgements over the expected recovery of costs arising from variations and claims and assessment on liquidated and ascertained damages costs, where applicable. In addition, changes in judgements, and the related estimates, as contracts progress, can result in material adjustments to margin, which can be both positive and negative. The potential outcome for contracts can have an individually and collectively material impact on the financial statements, whether through error or management bias.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs to completion, calculation of percentage of completion and the determination of revenue and profit to be recognised.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • read all key contracts and discussed with management to obtain a full understanding of the terms and risks to assess our consideration of whether revenue was appropriately recognised; • testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements; • assessing the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages as well as recoverability of billed receivables and costs incurred on variation orders; • assessing the reasonableness of percentage of completion by comparing to certification by external parties; • assessing the estimated profit and costs to completion, adjustments for job costing and potential contract losses; • performing subsequent event review to support year-end judgements; • assessing whether the amounts recognised in the financial statements were in line with the Group's accounting policy and relevant accounting standards; and • considering the adequacy of the Group's disclosures in respect of the judgements taken with respect to profit recognition and the key risks relating to these amounts.

Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

Key Audit Matters (Cont'd)

Revenue and Profit Recognition for Property Development Activities Refer to Note 4.1.1(f) and Note 35 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group recognises property development revenue over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract.</p> <p>Accounting for property development activities is inherently complex and there is judgement involved in the following areas:-</p> <ul style="list-style-type: none"> • determination of stage of completion; and • estimated total property development costs and costs to be incurred to complete a project <p>We determined this to be a key audit matter given the complexity and judgmental nature of these activities.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • reviewing the estimated profit and costs to complete and adjustments for job costing and potential contract losses; • for newly launched projects, assessing the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors; • for ongoing projects, checking for any variation orders and changes to contracts and quotations with the contractors, if any, are properly supported; • testing costs incurred to date to supporting documentation such as contractors' claim certificates; • testing sales of properties to signed sales and purchase agreements and billings raised to property buyers; • assessing the reasonableness of the percentage of completion by comparing to certification by external parties; and • recomputing the stage of completion and checking the journal entries impacting revenue and cost of sales are recognised appropriately with reference to the computation of the stage of completion of the projects.

Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

Key Audit Matters (Cont'd)

Impairment of Trade Receivables	
Refer to Note 4.1.1(d), Note 14 and Note 45.1(b) in the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group carries significant trade receivables and is exposed to credit risk, or the risk of counterparties defaulting. The details of trade receivables and its credit risk are disclosed in Note 14 and Note 45.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> customers' payment profiles of past sales and corresponding historical credit losses; specific known facts or circumstances on customers' ability to pay; or by reference to past default experience. <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> obtaining an understanding of:- <ul style="list-style-type: none"> the Group's control over the trade receivables collection process; how the Group identifies and assesses the impairment of trade receivables; and how the Group makes the accounting estimates for impairment. reviewing the ageing analysis of trade receivables and testing the reliability thereof; reviewing the payment history during the financial year and subsequent cash collections for major trade receivables and overdue amounts; making inquiries of management regarding action plans to recover overdue amounts; challenging management's view on the recoverability of overdue amounts to historical patterns of collection; examining other evidence including customer correspondences, proposed or existing settlement plans, repayment schedules; assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period; and evaluating the reasonableness and adequacy of the allowance for impairment loss recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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

to the Members of Protasco Berhad (Incorporated in Malaysia)
Registration No: 200101012322 (548078 - H)

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

18 April 2024

Chua Wai Hong
02974/09/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	170,506	170,506
Investments in associates	6	16,885	17,415	-	-
Property, plant and equipment	7	241,341	239,503	339	557
Investment properties	8	71,453	73,276	-	-
Right-of-use assets	9	10,243	9,192	-	-
Inventories	10	35,899	41,067	-	-
Goodwill on consolidation		36	36	-	-
Long-term investments	11	505	145	-	-
Deferred tax assets	12	117	115	-	-
		376,479	380,749	170,845	171,063
CURRENT ASSETS					
Inventories	10	43,609	34,634	-	-
Contract cost assets	13	3,937	953	-	-
Trade receivables	14	236,038	170,814	-	-
Contract assets	15	4,559	8,294	-	-
Other receivables, deposits and prepayments	16	15,048	11,484	74	60
Amount owing by subsidiaries	17	-	-	90,543	94,394
Amount owing by associates	18	775	348	-	-
Current tax assets		15,769	21,116	-	-
Short-term investments	19	16,243	28,887	-	-
Deposits with licensed banks	20	30,751	43,114	1,622	1,591
Cash and bank balances	21	133,323	135,870	1,053	1,082
		500,052	455,514	93,292	97,127
TOTAL ASSETS		876,531	836,263	264,137	268,190

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



Statements of Financial Position

as at 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	249,437	249,437	249,437	249,437
Treasury shares	23	(3,753)	(3,753)	(3,753)	(3,753)
Foreign exchange translation reserve	24	(16,204)	(15,183)	-	-
Capital reserve	25	8,875	8,875	-	-
Fair value reserve		(30)	(30)	-	-
Retained profits		55,520	47,577	4,216	11,176
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		293,845	286,923	249,900	256,860
Non-controlling interests		42,414	40,931	-	-
TOTAL EQUITY					
		336,259	327,854	249,900	256,860
NON-CURRENT LIABILITIES					
Other payables	32	24,149	23,837	-	-
Deferred tax liabilities	12	2,356	2,430	-	-
Long-term borrowings	27	37,538	55,200	-	-
Lease liabilities	28	5,926	5,509	-	-
		69,969	86,976	-	-
CURRENT LIABILITIES					
Trade payables	31	207,932	186,082	-	-
Other payables and accruals	32	63,056	63,360	1,870	440
Contract liabilities	15	10,439	10,031	-	-
Amount owing to subsidiaries	17	-	-	4,218	3,233
Amount owing to associates	18	4,353	4,114	-	-
Current tax liabilities		3,353	3,410	2,791	2,801
Short-term borrowings	33	137,214	113,431	-	103
Lease liabilities	28	2,122	1,448	-	-
Bank overdrafts	34	41,812	39,557	5,358	4,753
Derivative liabilities		22	-	-	-
		470,303	421,433	14,237	11,330
TOTAL LIABILITIES					
		540,272	508,409	14,237	11,330
TOTAL EQUITY AND LIABILITIES					
		876,531	836,263	264,137	268,190

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	35	1,131,559	883,943	9,241	6,780
COST OF SALES		(996,176)	(766,769)	-	-
GROSS PROFIT					
		135,383	117,174	9,241	6,780
OTHER INCOME		8,017	6,970	1,648	1,388
ADMINISTRATIVE EXPENSES		(42,221)	(44,853)	(12,757)	(9,139)
OTHER EXPENSES		(65,357)	(72,655)	-	-
PROFIT/(LOSS) FROM OPERATIONS					
		35,822	6,636	(1,868)	(971)
FINANCE COSTS		(12,833)	(12,297)	(412)	(327)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	36	8,851	(11,835)	(4,568)	(97)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		3,087	2,146	-	-
PROFIT/(LOSS) BEFORE TAXATION					
	37	34,927	(15,350)	(6,848)	(1,395)
INCOME TAX EXPENSE	38	(13,854)	(8,872)	(112)	(726)
PROFIT/(LOSS) AFTER TAXATION					
		21,073	(24,222)	(6,960)	(2,121)
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
<u>Item that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(1,225)	205	-	-
		(1,225)	205	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR					
		19,848	(24,017)	(6,960)	(2,121)

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

Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		6,682	(29,376)	(6,960)	(2,121)
Non-controlling interests		14,391	5,154	-	-
		21,073	(24,222)	(6,960)	(2,121)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) INCOME ATTRIBUTABLE TO:-					
Owners of the Company		5,661	(29,160)	(6,960)	(2,121)
Non-controlling interests		14,187	5,143	-	-
		19,848	(24,017)	(6,960)	(2,121)
EARNINGS/(LOSS) PER SHARE (SEN)					
	39				
Basic		1.39	(6.10)		
Diluted		1.39	(6.10)		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2023

	Note	Non-Distributable		Distributable		Total Equity RM'000				
		Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000		Fair Value Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000
Balance at 1.1.2022		249,437	(3,752)	(15,399)	8,875	(30)	76,814	315,945	44,790	360,735
Loss after taxation for the financial year		-	-	-	-	-	(29,376)	(29,376)	5,154	(24,222)
Other comprehensive income for the financial year		-	-	216	-	-	-	216	(11)	205
- foreign currency translation										
Total comprehensive expenses for the financial year		-	-	216	-	-	(29,376)	(29,160)	5,143	(24,017)
Contributions by and distribution to owners of the Company:-		249,437	(3,752)	(15,183)	8,875	(30)	47,438	286,785	49,933	336,718
Treasury shares acquired	23	-	(1)	-	-	-	-	(1)	-	(1)
Dividends:										
- by subsidiaries to non-controlling interests ("NCI")		-	-	-	-	-	-	-	(8,940)	(8,940)
Changes in a subsidiary's ownership interest that do not result in a loss of control		-	-	-	-	-	139	139	(62)	77
Total transactions with owners		-	(1)	-	-	-	139	138	(9,002)	(8,864)
Balance at 31.12.2022		249,437	(3,753)	(15,183)	8,875	(30)	47,577	286,923	40,931	327,854

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

Statements of Changes in Equity

for the Financial Year Ended 31 December 2023

The Group	Note	Non-Distributable			Distributable			Non-Controlling Interests	Total Equity
		Share Capital	Treasury Shares	Foreign Exchange Translation Reserve	Capital Reserve	Fair Value Reserve	Retained Profits		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2023	249,437	(3,753)	(15,183)	8,875	(30)	47,577	286,923	40,931	327,854
Profit after taxation for the financial year	-	-	-	-	-	6,682	6,682	14,391	21,073
Other comprehensive expenses for the financial year	-	-	(1,021)	-	-	-	(1,021)	(204)	(1,225)
- foreign currency translation	-	-	(1,021)	-	-	-	(1,021)	(204)	(1,225)
Total comprehensive expenses for the financial year	-	-	(1,021)	-	-	6,682	5,661	14,187	19,848
Contributions by and distribution to owners of the Company:-	249,437	(3,753)	(16,204)	8,875	(30)	54,259	292,584	55,118	347,702
Acquisition of a subsidiary	-	-	-	-	-	-	-	(173)	(173)
Dividends:	-	-	-	-	-	-	-	(11,270)	(11,270)
- by subsidiaries to NCI	-	-	-	-	-	-	-	-	-
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	-	1,261	1,261	(1,261)	-
Total transactions with owners	-	-	-	-	-	1,261	1,261	(12,704)	(11,443)
Balance at 31.12.2023	249,437	(3,753)	(16,204)	8,875	(30)	55,520	293,845	42,414	336,259

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

Statements of Changes in Equity

for the Financial Year Ended 31 December 2023

The Company	Note	Share Capital	Treasury Shares	Distributable Retained Profits	Total Equity
Balance at 1.1.2022		249,437	(3,752)	13,297	258,982
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(2,121)	(2,121)
Treasury shares acquired	23	-	(1)	-	(1)
Balance at 31.12.2022		249,437	(3,753)	11,176	256,860
Balance at 1.1.2023		249,437	(3,753)	11,176	256,860
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(6,960)	(6,960)
Balance at 31.12.2023		249,437	(3,753)	4,216	249,900

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		34,927	(15,350)	(6,848)	(1,395)
Adjustments for:					
Bad debts written off	8	-	-	-	-
Depreciation of:					
- investment properties		1,823	1,823	-	-
- property, plant and equipment		13,635	13,807	243	234
- right-of-use assets		2,492	2,375	-	-
Allowance for impairment losses on:					
- trade receivables		4,577	12,700	-	-
- contract cost assets		113	-	-	-
- amount owing by subsidiaries		-	-	4,568	97
- property, plant and equipment		-	2,608	-	-
Interest expense		12,808	10,868	514	326
Inventories written off		1	-	-	-
Property, plant and equipment written off		18	48	1	-
Fair value loss on derivatives		22	-	-	-
Gain on disposal of property, plant and equipment		(269)	(68)	-	(1)
Gross dividends from subsidiaries		-	-	(500)	-
Income from short-term investments		(215)	(267)	-	-
Interest income		(1,300)	(1,422)	(1,647)	(1,387)
Share of profits of equity accounted associates		(3,087)	(2,146)	-	-
Unrealised loss on foreign exchange		7	-	-	-
Reversal of impairment losses on:					
- property, plant and equipment		(2,608)	-	-	-
- trade receivables		(12,841)	(865)	-	-
- other receivables		(587)	-	-	-
Operating profit/(loss) before working capital changes		49,524	24,111	(3,669)	(2,126)
Increase in inventories		(3,808)	(1,983)	-	-
Increase in contract cost assets		(3,097)	(347)	-	-
Decrease/(Increase) in contract assets		3,735	(2,481)	-	-
Increase in contract liabilities		408	10,031	-	-
(Increase)/Decrease in amount owing by associates		(427)	1,298	-	-
Increase in amount owing to associates		239	2,724	-	-
(Increase)/Decrease in trade and other receivables		(59,945)	68,051	(14)	711
Increase/(Decrease) in trade and other payables		20,314	(14,941)	1,430	(873)
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		6,943	86,463	(2,253)	(2,288)

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

Statements of Cash Flows

for the Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD					
Interest paid		(3,393)	(2,320)	(405)	(300)
Income tax paid		(8,640)	(14,150)	(122)	(729)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(5,090)	69,993	(2,780)	(3,317)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Addition in investment in an associate		(77)	-	-	-
Addition in other investments		(360)	-	-	-
Interest received		1,300	1,422	31	1,387
Income from short-term investments received		215	267	-	-
Net dividends received from subsidiaries		-	-	500	-
Net dividends received from associates		3,694	900	-	-
Net cash (outflow)/inflow from acquisition of a subsidiary		(419)	1,090	-	-
Net decrease of deposits with licensed banks with maturity periods more than three months		111	887	-	-
Proceeds from disposal of property, plant and equipment		1,296	434	-	1
Purchase of property, plant and equipment	40(a)	(13,233)	(10,949)	(26)	(74)
Addition in right-of-use assets	40(a)	(140)	-	-	-
Purchase of treasury shares	23	-	(1)	-	(1)
Repayment from subsidiaries		-	-	899	1,612
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(7,613)	(5,950)	1,404	2,925
BALANCE CARRIED FORWARD		(12,703)	64,043	(1,376)	(392)

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

Statements of Cash Flows

for the Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
BALANCE BROUGHT FORWARD		(12,703)	64,043	(1,376)	(392)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid to non-controlling interests		(11,270)	(8,940)	-	-
Increase of fixed deposits pledged to licensed banks		(910)	(6,581)	(31)	(27)
Decrease of cash at bank pledged to licensed banks		-	867	-	-
Advances from/(Repayment to) subsidiaries		-	-	985	(5)
Interest paid		(9,062)	(8,009)	(109)	(26)
Drawdown of term loans		8,538	-	-	-
Repayment of term loans		(21,706)	(17,858)	-	-
Repayment of lease liabilities	40(c)	(2,312)	(2,262)	-	-
Repayment of hire purchase payables		(593)	(560)	(103)	(413)
Net drawdown/(repayment) of short-term borrowings		19,410	(28,246)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(17,905)	(71,589)	742	(471)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(30,608)	(7,546)	(634)	(863)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		155,774	163,320	(3,671)	(2,808)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40(d)	125,166	155,774	(4,305)	(3,671)

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

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 31 December 2023

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 802, 8th Floor, Block C, Kelana Square,
17, Jalan SS7/26, 47301 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : 2nd Floor, Corporate Building,
Unipark Suria, Jalan Ikram-Uniten,
43000 Kajang, Selangor Darul Ehsan.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 18 April 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimate

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):- (Cont'd)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

The Amendments to MFRS101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. The amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

- 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1.1 Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

- 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1.1 Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property, Plant and Equipment

The Group and the Company determine whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(c) Impairment of Investment Properties

The Group determines whether its investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amounts of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 14 and 15 to the financial statements respectively.

(e) Revenue Recognition for Construction Services

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amount of contract assets and contract liabilities as at the reporting date are disclosed in Note 15 to the financial statements.

(f) Property Development

The Group recognises property development revenue and expenses in profit or loss by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1.1 Key Sources of Estimation Uncertainty (Cont'd)

(f) Property Development (Cont'd)

Significant judgement is required in determining the measure of progress, the extent of the property development cost incurred, the estimated total property development revenue and cost, as well as the recoverability of the property development cost. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amounts of the land held for property development and property development costs as at the reporting date are disclosed in Note 10 to the financial statements.

4.1.2 Critical Judgement Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

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

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

(b) Contingent Liabilities

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

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

(e) Financial Guarantee Contracts

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

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in separate financial statements of the Company at cost less impairment losses, if any.

4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Solar plant	4.7%
Buildings	2%
Renovation	10% - 33.33%
Reference books, office equipment, furniture and fittings	10% - 33.33%
Laboratory equipment, plant and machinery	12.50% - 20%
Motor vehicles	12.50% - 20%

Capital work-in-progress represents renovation in progress. They are not depreciated until such time when the asset is available for use.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The estimated useful lives of the investment properties are 50 years. The investment property under construction is not depreciated until such time when the asset is available for use.

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.9 INVENTORIES

(a) Land Held for Property Development

Land held for property development represents freehold land and right-of-use assets (leasehold land) on which development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of freehold land, payment of the right-of-use asset (leasehold land), professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for property development will be the best available measure of the net realisable value.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.9 INVENTORIES (CONT'D)

(a) Land Held for Property Development (Cont'd)

Land held for property development is transferred to property development costs category (within current assets) when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Development Costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs comprise costs associated with the purchase of freehold land, payment for the right-of-use asset (leasehold land) and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities as well as borrowing costs relating to the financing of the development activities.

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

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses recognised in profit or loss are determined by reference to the stage of completion method. The stage of completion is determined based on the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

(c) Developed Properties Held for Sale

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and comprises the cost associated with the purchase of freehold land, payment for the right-of-use assets (leasehold land), construction costs and other related development expenditure incurred in bringing the inventories to their present location and condition.

(d) Other Inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method and comprises all cost of purchase plus other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
At cost:		
Unquoted shares in Malaysia:		
- ordinary shares	152,679	152,679
- redeemable convertible preference shares	17,500	17,500
	170,179	170,179
Unquoted shares outside Malaysia:		
- ordinary shares	327	327
	170,506	170,506

During the financial year:-

- (a) The Group carried out an internal restructuring exercise whereby:-
- (i) Protasco Infra Sdn. Bhd. ("PISB"), a wholly-owned subsidiary of the Company, transferred the shareholding of its entire 100% equity interest held in Infrabuild BIM Sdn. Bhd. ("IBSB") (formerly known as Ikram Land Sdn. Bhd.) to HCM Engineering Sdn. Bhd. ("HCME"), a wholly-owned subsidiary of the Company. Subsequently, HCME transferred the shareholding of its entire 100% equity interest held in IBSB to Kumpulan Ikram Sdn. Bhd. ("KISB").
 - (ii) KISB, a wholly-owned subsidiary of the Company transferred its entire 51% equity interest held in Ikram International Sdn. Bhd. ("IISB") to HCM Kasturi Sdn. Bhd. ("HCMK").
- The transfer of ordinary shares above has no effect on the financial results of the Group.
- (b) The Group through HCMK, a wholly-owned subsidiary of the Company, acquired 51% equity interest in Tenggara Food Industries Sdn. Bhd. ("TFISB") for total cash consideration of RM255,000.
- (c) The Group through HCME disposed 20% equity interest in Prasarana Bistari Sdn. Bhd. ("PBSB") (formerly known as HCM-Molek JV Sdn. Bhd.), for a total cash consideration of RM1. Following the completion of the disposal, the Group decreased its equity interest held in PBSB from 60% to 40% while retaining its control over PBSB.

The effects of the acquisition of subsidiary and disposal of equity interest in subsidiary while retaining control during the financial year, has no significant impact on the financial statements of the Group for the current financial year and the financial position of the Group as at the end of the reporting period.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries held by the Company are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
HCM Engineering Sdn. Bhd.	Malaysia	100%	100%	Buildings, bridges and road construction, rehabilitation and maintenance.
Kumpulan Ikram Sdn. Bhd.	Malaysia	100%	100%	Investment holding, engineering and consultancy services, hotel operations and property management.
Protasco Trading Sdn. Bhd.	Malaysia	100%	100%	Trading of construction materials, products and equipment, petroleum based products and highway safety products and equipment.
Protasco Infra Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
Protasco Development Sdn. Bhd.	Malaysia	100%	100%	Property development.
Protasco Venture Partners Inc. ^A	British Virgin Islands	100%	100%	Investment holding.
Ikram Greentech Sdn. Bhd.	Malaysia	100%	100%	Investment holding and providing green project management services.
HCM Kasturi Sdn. Bhd.*	Malaysia	100%	100%	Investment holding.
Ikram Works Sdn. Bhd.	Malaysia	100%	100%	Investment holding and provision of management services.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Permint Granite-HCM Sdn. Bhd.	Malaysia	70%	70%	Road maintenance and rehabilitation.
HCM Kijang Sdn. Bhd.	Malaysia	60%	60%	Road maintenance and rehabilitation.
Roadcare (M) Sdn. Bhd.*	Malaysia	51%	51%	Road maintenance and rehabilitation.
HCM (L) Bhd.*	FT Labuan	100%	100%	Investment holding.
HCM-Ikhtisas Sdn. Bhd.*	Malaysia	78%	78%	Investment holding.
HCM Arabia Sdn. Bhd.*	Malaysia	78%	78%	Dormant.
Prasarana Bistari Sdn. Bhd. (formerly known as HCM-Molek JV Sdn. Bhd.)* ^Q	Malaysia	40%	60%	Road construction and rehabilitation.
Konsortium HCM Perkasa Sdn. Bhd.*	Malaysia	100%	100%	Dormant.
Infra Water Sdn. Bhd.*	Malaysia	51%	51%	Dormant.
HCM Builders Lanka (Private) Limited ^Q	Sri Lanka	100%	100%	Dormant.

Details of a subsidiary held through HCM (L) Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Global Traders Ltd.*	FT Labuan	100%	100%	Dormant.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Kumpulan Ikram (Sabah) Sdn. Bhd.	Malaysia	60%	60%	Site investigation and soil testing services.
Ikram Education Sdn. Bhd.	Malaysia	100%	100%	Providing tertiary education.
Ikram Latihan Sdn. Bhd.*	Malaysia	100%	100%	Investment holding.
Ikram International Sdn. Bhd.*	Malaysia	-	51%	Dormant.
Ikram Libyana Sdn. Bhd.*	Malaysia	60%	60%	Dormant.
Infrabuild BIM Sdn. Bhd. (formerly known as Ikram Land Sdn. Bhd.)	Malaysia	100%	-	Dormant.

Details of a subsidiary held through Ikram Education Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Ikram Infra Ventures Sdn. Bhd.*	Malaysia	100%	100%	Providing training and education services.

Details of subsidiaries held through Protasco Trading Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
QP Industries Sdn. Bhd.*	Malaysia	100%	100%	Dealing in materials for road pavement and road maintenance.
QP Trading Sdn. Bhd.*	Malaysia	100%	100%	Dealing in materials for road pavement.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Infrabuild BIM Sdn. Bhd. (formerly known as Ikram Land Sdn. Bhd.)	Malaysia	-	100%	Dormant.
Empayar Indera Sdn. Bhd.	Malaysia	51%	51%	Road maintenance and rehabilitation.

Details of subsidiaries held through Protasco Development Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Protasco Land Sdn. Bhd.	Malaysia	100%	100%	Property investment.
De Centrum Development Sdn. Bhd.	Malaysia	100%	100%	Property investment.
Sun Rock Development Sdn. Bhd.*	Malaysia	100%	100%	Property development.
De Centrum Land Sdn. Bhd.	Malaysia	100%	100%	Property development.
DC Resort Homes Sdn. Bhd.	Malaysia	100%	100%	Property development.
Jalur Saujana Sdn. Bhd.*	Malaysia	100%	100%	Property development.

Details of a subsidiary held through Protasco Land Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Protasco Land SA (Pty) Ltd.*	South Africa	100%	100%	Dormant.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Venture Partners Inc. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Protasco Agro Ltd. ^Δ	British Virgin Islands	100%	100%	Dormant.
PT. Protasco Infra Indonesia ("PPII") ^{Δβ}	Indonesia	67%	67%	Dormant.

Details of subsidiaries held through Ikram Greentech Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
I2 Energy Sdn. Bhd.	Malaysia	51%	51%	Solar panel installation contract work.
I2 Solarpark One Sdn. Bhd. ("I2SOSB") ^Ω	Malaysia	44%	44%	Supply of power and electricity derived from solar power plant.

Details of a subsidiary held through I2 Energy Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Solarcap Sdn. Bhd.*	Malaysia	100%	100%	Solar panel installation contract work.

Details of subsidiaries held through HCM Kasturi Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Ikram International Sdn.Bhd.*	Malaysia	51%	-	Dormant.
Tenggara Food Industries Sdn. Bhd.*	Malaysia	51%	-	Fruit processors and manufacturers.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Ikram Works Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Ikram Engineering Services Sdn. Bhd.	Malaysia	100%	100%	Site investigation and soil testing services.
Ikram Skills Academy Sdn. Bhd.	Malaysia	100%	100%	Provision of skills training courses.
Ikram QA Services Sdn. Bhd.	Malaysia	100%	100%	Certification and listing of products.
Ikram Paves Sdn. Bhd.	Malaysia	100%	100%	Provision of evaluation and testing services for road pavement.
Ikram Engineering Consulting Sdn. Bhd.	Malaysia	100%	100%	Provision of engineering consultancy services.

Notes:-

* These subsidiaries were audited by other firms of chartered accountants.

Δ These subsidiaries are not required to be audited under the laws of the country of incorporation.

Ⓐ The subsidiary is currently dormant and the audited financial statements and the auditors' reports on the financial statements are not available. The financial result of the subsidiary is not material to the Group.

β A company incorporated in Indonesia with a registered capital of USD1 million. The Group agreed to contribute 67% of the registered share capital whilst the remaining 33% equity interests will be contributed by a local business partner. Both parties have yet to inject their respective agreed capital contribution into PPII at the end of the reporting period.

Ω These companies which have been assessed to be subsidiaries of the Group as the Group has control over these companies.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of non-controlling interests ("NCI") at the end of the reporting period are as follows:-

Effective Equity Interest	Permint			Empayar			Prasarana			Kumpulan			Total	
	Roadcare Sdn. Bhd. ("Roadcare")	Granite-HCM Sdn. Bhd. ("PG-HCM")	HCM Sdn. Bhd. ("EISB")	Indera Sdn. Bhd. ("EISB")	Bistari Sdn. Bhd. ("PBSB")	HCM Arabia Sdn. Bhd. ("HCMA")	Ikram (Sabah) Sdn. Bhd. (KI-Sabah)	Roadcare RM'000	PG-HCM RM'000	EISB RM'000	PBSB RM'000	HCMA RM'000		KI-Sabah RM'000
At 31.12.2022	49	30	49	40	22	40	36,472	3,229	12,623	(2,348)	(9,081)	2,424	(2,388)	40,931
At 31.12.2023	49	30	49	60	22	40	37,529	4,274	14,658	(4,061)	(9,351)	1,840	(2,475)	42,414
Total NCI														
Balance at 31.12.2022														
Balance at 31.12.2023														

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Roadcare RM'000	PG-HCM RM'000	EISB RM'000	PBSB RM'000	HCMA RM'000	KI-Sabah RM'000
<u>At 31 December 2023</u>						
Non-current assets	18,005	2,212	5,660	153	-	798
Current assets	171,764	16,434	43,229	7,696	843	4,545
Non-current liabilities	(2,747)	(245)	(416)	(87)	-	-
Current liabilities	(110,433)	(4,155)	(18,557)	(14,530)	(43,348)	(743)
Net assets/(liabilities)	76,589	14,246	29,916	(6,768)	(42,505)	4,600
<u>Financial year ended 31 December 2023</u>						
Revenue	545,206	24,140	135,178	1,169	-	5,044
Profit/(Loss) for the financial year	22,156	3,484	7,154	(899)	(301)	(1,460)
Total comprehensive income/ (expenses)	22,156	3,484	7,154	(899)	(1,226)	(1,460)
Total comprehensive income/ (expenses) attributable to NCI	10,857	1,045	3,505	(452)	(270)	(584)
Dividends paid to NCI	9,800	-	1,470	-	-	-
Net cash flows from/(for) operating activities	18,690	(2,287)	(2,414)	1,419	(151)	151
Net cash flows (for)/from investing activities	(2,366)	(644)	(602)	43	-	(40)
Net cash flows for financing activities	(21,353)	(152)	(4,118)	(15)	-	-
Net (decrease)/increase in cash and cash equivalents	(5,029)	(3,083)	(7,134)	1,447	(151)	111

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	Roadcare RM'000	PG- HCM RM'000	EISB RM'000	PBSB RM'000	HCMA RM'000	KI-Sabah RM'000
<u>At 31 December 2022</u>						
Non-current assets	18,326	2,030	5,893	-	-	890
Current assets	147,147	14,015	40,982	5,937	994	5,726
Non-current liabilities	(2,788)	(332)	(347)	-	-	-
Current liabilities	(88,252)	(4,951)	(20,766)	(11,806)	(42,273)	(556)
Net assets/(liabilities)	74,433	10,762	25,762	(5,869)	(41,279)	6,060
<u>Financial year ended 31 December 2022</u>						
Revenue	396,155	20,506	135,299	-	-	3,797
Profit/(Loss) for the financial year	6,527	2,457	4,456	(237)	(79)	(408)
Total comprehensive income/ (expenses)	6,527	2,457	4,456	(237)	(127)	(408)
Total comprehensive income/ (expenses) attributable to NCI	3,199	737	2,183	(95)	(27)	(164)
Dividends paid to NCI	4,900	900	2,940	-	-	200
Net cash flows from/(for) operating activities	58,273	2,755	6,716	4,910	(109)	(353)
Net cash flows (for)/from investing activities	(2,309)	(2,031)	(728)	74	-	(48)
Net cash flows for financing activities	(11,300)	(3,137)	(6,357)	-	-	(500)
Net increase/(decrease) in cash and cash equivalents	44,664	(2,413)	(369)	4,984	(109)	(901)

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

6. INVESTMENTS IN ASSOCIATES

	The Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 January	8,205	8,231
Addition during the financial year	77	-
Written off during the financial year	-	(26)
At 31 December	8,282	8,205
Share of post acquisition results, net of dividend received	10,320	10,927
Foreign exchange translation reserve	(438)	(438)
	18,164	18,694
Redeemable preference shares	1,400	1,400
	19,564	20,094
Accumulated impairment losses	(2,679)	(2,679)
	16,885	17,415

During the financial year:-

- a 20% equity owned associate namely, Inven Molecular System Sdn. Bhd. ("IMS") (formerly known as IUKL Molecular Systems Sdn. Bhd.) increased its share capital by 49,990 ordinary shares where the Group through Ikram Education Sdn. Bhd., subscribed 2,498 ordinary shares for RM2,498. Following the event above, the Group's percentage of equity interest in IMS was diluted from 20% to 5%.
- a 30% equity owned associate namely, Kumpulan Ikram (Sarawak) Sdn. Bhd. ("KISarawak") increased its share capital by 250,000 ordinary shares where the Group through Ikram Works Sdn. Bhd., subscribed 75,000 ordinary shares for RM75,000 while retaining its 30% equity interest in KISarawak.

Details of associates held through HCM Engineering Sdn.Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2023	2022	
KPS-HCM Sdn. Bhd.	Malaysia	49%	49%	Buildings, bridges and road construction.
DAL HCM Sdn. Bhd.	Malaysia	30%	30%	Road maintenance and rehabilitation.
PJP Barisan HCM JV Sdn. Bhd.	Malaysia	30%	30%	Road maintenance and rehabilitation.
V-HCM Engineering & Construction Co., Ltd. ("V-HCM")#φ	Kingdom of Cambodia	70%	70%	Road construction and rehabilitation.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

6. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of an associate held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2023	2022	
Ikram Premier Infrastructure Sdn. Bhd.	Malaysia	30%	30%	Dormant.

Details of an associate held through Ikram Education Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2023	2022	
Inven Molecular System Sdn. Bhd. (formerly known as IUKL Molecular Systems Sdn. Bhd.)#	Malaysia	5%	20%	Dormant.

Details of an associate held through HCM-Ikhtisas Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2023	2022	
Libyan Malaysian Company for Roads and Construction*	Libya	49%	49%	Construction and maintenance.

Details of associates held through Ikram Works Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2023	2022	
Ikram Premier Consulting Sdn. Bhd.	Malaysia	30%	30%	Provision of consultancy services.
Kumpulan Ikram (Sarawak) Sdn. Bhd.	Malaysia	30%	30%	Site investigation and soil testing services.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

6. INVESTMENTS IN ASSOCIATES (CONT'D)

Notes:-

- # A company which has been assessed to be an associate of the Group as the Group has significant influence over the company.
- φ The associate company is not required to be audited under the laws of the country of incorporation.
- * The management accounts of Libyan Malaysian Company for Roads and Construction for the financial year ended 31 December 2023 has been used for the purpose of applying the equity method of accounting. As no results have been generated by the associated company during the financial year, there was no share of profit or loss recognised for the financial year.

The Group has impaired its investment in Libyan Malaysian Company for Roads and Construction in prior years due to a civil war in Libya.

- (a) The summarised unaudited financial information for the associate that is material to the Group is as follows:-

	KPS-HCM Sdn. Bhd.	
	2023 RM'000	2022 RM'000
<u>At 31 December</u>		
Non-current assets	-	221
Current assets	6,352	21,377
Non-current liabilities	-	(41)
Current liabilities	(188)	(10,481)
Net assets	6,164	11,076
<u>12 months Period Ended 31 December</u>		
Revenue	-	4,130
Profit for the financial period	625	374
Total comprehensive income	625	374
Group's share of profit for the financial period	306	183
Dividend received	2,494	-
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	3,020	5,427
Carrying amount of the Group's interest in this associate	3,020	5,427

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	DAL HCM Sdn. Bhd.	
	2023 RM'000	2022 RM'000
<u>At 31 December</u>		
Non-current assets	5,499	5,148
Current assets	66,882	59,337
Non-current liabilities	(853)	(740)
Current liabilities	(45,353)	(42,788)
Net assets	26,175	20,957
<u>12 months Period Ended 31 December</u>		
Revenue	96,907	85,452
Profit for the financial period	7,825	4,267
Total comprehensive income	7,825	4,267
Group's share of profit for the financial period	2,348	1,280
Dividend received	900	900
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	7,853	6,288
Goodwill	3,692	3,692
Carrying amount of the Group's interest in this associate	11,545	9,980

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	PJP Barisan HCM JV Sdn. Bhd.	
	2023 RM'000	2022 RM'000
<u>At 31 December</u>		
Non-current assets	999	832
Current assets	9,185	7,735
Non-current liabilities	(59)	(89)
Current liabilities	(3,858)	(2,539)
Net assets	6,267	5,939
<u>12 months Period Ended 31 December</u>		
Revenue	27,241	26,244
Profit for the financial period	1,328	1,530
Total comprehensive income	1,328	1,530
Group's share of profit for the financial period	398	459
Dividend received	300	300
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	1,880	1,782
Carrying amount of the Group's interest in this associate"	1,880	1,782

(b) The summarised unaudited financial information for all associates (except for Libyan Malaysian Company for Roads and Construction) that are individually immaterial to the Group is as follows:-

	Individually Immaterial Associates	
	2023 RM'000	2022 RM'000
<u>Financial year ended 31 December</u>		
Group's share of profit for the financial year	35	224
Aggregate carrying amount of the Group's interests in these associates	440	226

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7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold Land RM'000	Solar Plant RM'000	Buildings RM'000	Renovation RM'000	Furniture and Fittings RM'000	Laboratory Equipment, Plant and Machinery RM'000	Motor Vehicles RM'000	Capital Work-in-Progress RM'000	Total RM'000
At cost									
At 1 January 2023	62,782	27,752	144,116	29,479	66,134	85,347	49,056	-	464,666
Additions	2,567	227	2,226	526	1,153	3,025	3,063	877	13,664
Disposals	-	-	-	-	(470)	(882)	(2,400)	-	(3,752)
Acquisition of a subsidiary	-	-	-	84	11	235	629	-	959
Written off	-	-	-	(28)	(44)	(7)	-	-	(79)
At 31 December 2023	65,349	27,979	146,342	30,061	66,784	87,718	50,348	877	475,458
Accumulated impairment loss									
At 1 January 2023	-	-	2,608	-	-	-	-	-	2,608
Reversal	-	-	(2,608)	-	-	-	-	-	(2,608)
At 31 December 2023	-	-	-	-	-	-	-	-	-
Accumulated depreciation									
At 1 January 2023	-	2,305	28,230	23,689	58,726	75,002	34,603	-	222,555
Depreciation charges	-	1,325	2,811	1,153	2,368	2,406	3,572	-	13,635
Disposals	-	-	-	-	(410)	(230)	(2,085)	-	(2,725)
Acquisition of a subsidiary	-	-	-	80	11	235	387	-	713
Written off	-	-	-	(28)	(30)	(3)	-	-	(61)
At 31 December 2023	-	3,630	31,041	24,894	60,665	77,410	36,477	-	234,117
Carrying amount at 31 December 2023	65,349	24,349	115,301	5,167	6,119	10,308	13,871	877	241,341

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

The Group	Freehold Land RM'000	Solar Plant RM'000	Buildings RM'000	Renovation RM'000	Furniture and Fittings RM'000	Laboratory Equipment, Plant and Machinery RM'000	Motor Vehicles RM'000	Total RM'000
At cost								
At 1 January 2022	62,782	27,507	145,403	26,208	63,324	82,824	47,323	455,371
Additions	-	303	-	3,271	2,621	2,793	3,856	12,844
Disposals	-	-	-	-	(220)	(495)	(2,213)	(2,928)
Acquisition of a subsidiary	-	-	-	-	448	322	90	860
Cost saving	-	(58)	(1,287)	-	-	-	-	(1,345)
Written off	-	-	-	-	(39)	(97)	-	(136)
At 31 December 2022	62,782	27,752	144,116	29,479	66,134	85,347	49,056	464,666
Accumulated impairment loss								
At 1 January 2022	-	-	-	-	-	-	-	-
Addition	-	-	2,608	-	-	-	-	2,608
At 31 December 2022	-	-	2,608	-	-	-	-	2,608
Accumulated depreciation								
At 1 January 2022	-	983	25,383	22,326	56,195	72,877	32,774	210,538
Depreciation charges	-	1,322	2,847	1,363	2,311	2,343	3,621	13,807
Disposals	-	-	-	-	(189)	(491)	(1,882)	(2,562)
Acquisition of a subsidiary	-	-	-	-	448	322	90	860
Written off	-	-	-	-	(39)	(49)	-	(88)
At 31 December 2022	-	2,305	28,230	23,689	58,726	75,002	34,603	222,555
Carrying amount at 31 December 2022	62,782	25,447	113,278	5,790	7,408	10,345	14,453	239,503

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

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for the Financial Year Ended 31 December 2023

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

The Company	Motor Vehicles RM'000	Office Equipment, Furniture and Fittings RM'000	Total RM'000
At cost			
At 1 January 2023	-	1,135	1,135
Additions	10	16	26
Written off	-	(13)	(13)
At 31 December 2023	10	1,138	1,148
Accumulated depreciation			
At 1 January 2023	-	(578)	(578)
Depreciation charges	(1)	(242)	(243)
Written off	-	12	12
At 31 December 2023	(1)	(808)	(809)
Carrying amount at 31 December 2023	9	330	339

	Office Equipment, Furniture and Fittings RM'000
At cost	
At 1 January 2022	1,076
Addition	74
Disposal	(15)
At 31 December 2022	1,135
Accumulated depreciation	
At 1 January 2022	(359)
Depreciation charge	(234)
Disposal	15
At 31 December 2022	(578)
Carrying amount at 31 December 2022	557

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

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

- (a) The carrying amounts of the property, plant and equipment of the Group at the end of the reporting period pledged as security with the financial institutions for credit facilities granted to the Group as disclosed in Note 30 and Note 33 to the financial statements were as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Freehold land	62,782	62,782
Buildings	59,733	61,380
Solar plant	24,349	25,447
	146,864	149,609

- (b) Included in the carrying amounts of the property, plant and equipment of the Group at the end of the reporting period were the following assets held under hire purchase arrangements:-

	The Group	
	2023 RM'000	2022 RM'000
Plant and machineries	1,979	2,737
Motor vehicles	872	744
Computer systems	-	442
	2,851	3,923

8. INVESTMENT PROPERTIES

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2023			
At cost			
At 1 January 2023/31 December 2023	38,807	46,319	85,126
Accumulated depreciation			
At 1 January 2023	(5,821)	(6,029)	(11,850)
Depreciation charges	(851)	(972)	(1,823)
At 31 December 2023	(6,672)	(7,001)	(13,673)
Carrying amount at 31 December 2023	32,135	39,318	71,453
At fair value:-			
2023	37,000	55,088	

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

8. INVESTMENT PROPERTIES (CONT'D)

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2022			
At cost			
At 1 January 2022/31 December 2022	38,807	46,319	85,126
Accumulated depreciation			
At 1 January 2022	(4,970)	(5,057)	(10,027)
Depreciation charges	(851)	(972)	(1,823)
At 31 December 2022	(5,821)	(6,029)	(11,850)
Carrying amount at 31 December 2022	32,986	40,290	73,276
At fair value:-			
2022	38,000	55,088	

Notes:-

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 15 years and an option that is exercisable by the customers to extend their leases ranging from 1 to 3 years.

The Group requires 1 to 3 months of advanced rental payments from the customers. When considered necessary, the Group would require a bank guarantee on certain of its lease arrangements. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

- (b) As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2023			
Within 1 year	1,535	3,961	5,496
Between 1 and 2 years	1,444	-	1,444
Between 2 and 3 years	1,512	-	1,512
Between 3 and 4 years	1,512	-	1,512
Between 4 and 5 years	1,512	-	1,512
Later than 5 years	2,875	-	2,875
	10,390	3,961	14,351

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

8. INVESTMENT PROPERTIES (CONT'D)

- (b) As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows (Cont'd):-

The Group	Mall RM'000	Condominium RM'000	Total RM'000
2022			
Within 1 year	1,576	2,052	3,628
Between 1 and 2 years	1,370	-	1,370
Between 2 and 3 years	1,256	-	1,256
Between 3 and 4 years	978	-	978
Between 4 and 5 years	767	-	767
Later than 5 years	2,738	-	2,738
	8,685	2,052	10,737

- (c) The fair values of the investment properties are within level 2 of the fair value hierarchy.

The fair values of investment properties were determined by reference to:-

- (i) market evidence of transaction prices for similar properties;
- (ii) valuation reports performed by registered valuers having appropriate professional qualification; and
- (iii) recent experience in the locations and category of properties being valued.

The most significant input into these valuation approaches is the price per square foot of comparable properties.

9. RIGHT-OF-USE ASSETS

The Group	At 1.1.2023 RM'000	Additions RM'000	Depreciation Charges RM'000	Modification of Lease Liabilities RM'000	At 31.12.2023 RM'000
Carrying Amount					
Leasehold land	6,731	140	(282)	-	6,589
Offices and shop lots	2,461	2,813	(2,210)	590	3,654
	9,192	2,953	(2,492)	590	10,243
Analysed by:-					
Cost	19,437				
Accumulated depreciation	(9,194)				
	10,243				

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

9. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.1.2022 RM'000	Additions RM'000	Depreciation Charges RM'000	At 31.12.2022 RM'000
Carrying Amount				
Leasehold land	7,011	-	(280)	6,731
Offices and shop lots	2,136	2,420	(2,095)	2,461
	9,147	2,420	(2,375)	9,192
Analysed by:-				
Cost	19,762			
Accumulated depreciation	(10,570)			
	9,192			

(a) The Group leases certain pieces of leasehold land, various offices and shop lots of which the leasing activities are summarised below:-

- (i) Leasehold land The Group has entered into several non-cancellable operating lease agreements for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreements.
- (ii) Offices and shop lots The Group has leased a number of offices and shop lots that run between 1 year and 3 years, with an option to renew the lease after that date.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

10. INVENTORIES

	The Group	
	2023 RM'000	2022 RM'000
Non-current:-		
Land held for property development (Note 10(a))	35,899	41,067
Current:-		
Property development costs (Note 10(b))	17,245	18,626
Stores and spares	1,536	1,323
Developed properties held for sale	24,828	14,685
	43,609	34,634
	79,508	75,701

(a) Land held for property development (non-current)

	The Group	
	2023 RM'000	2022 RM'000
At 1 January	41,067	40,700
Transfer (to)/from property development costs	(5,168)	367
At 31 December	35,899	41,067
Comprise:-		
Freehold land - proprietor's entitlement	35,899	37,334
Right-of-use assets (leasehold land)	-	3,733
	35,899	41,067

In the previous financial year, the right-of-use assets (leasehold land) comprises one parcel of commercial land which was pledged to a financial institution as security for credit facilities granted to the Group as disclosed in Note 30 to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

10. INVENTORIES (CONT'D)

(b) Property development costs (current)

	The Group	
	2023 RM'000	2022 RM'000
At 1 January:-		
Freehold land	1,450	1,817
Right-of-use assets (leasehold land)	12,265	12,265
Development costs	4,911	2,946
	18,626	17,028
During the financial year:-		
Additions	17,867	7,285
Transferred from/(to) land held for property development	5,168	(367)
	23,035	6,918
Costs recognised in profit or loss during the financial year:-		
Development costs	(14,273)	(5,320)
Transfer to completed projects	(10,143)	-
At 31 December	17,245	18,626
Represented by:-		
Freehold land	2,885	1,450
Right-of-use assets (leasehold land)	-	12,265
Development costs	14,360	4,911
	17,245	18,626

The freehold land and right-of-use assets (leasehold land) included in the property development costs of the Group are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 30 and Note 34 to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

11. LONG-TERM INVESTMENTS

	The Group	
	2023 RM'000	2022 RM'000
At fair value:-		
Unquoted shares	10	10
Golf club memberships	495	135
	505	145
Unquoted shares:-		
At 1 January/31 December	10	10
Golf club memberships:-		
At 1 January	135	135
Addition during the year	360	-
At 31 December	495	135

12. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2023 RM'000	2022 RM'000
At 1 January	(2,315)	(2,275)
Recognised in profit or loss (Note 38)	76	(40)
At 31 December	(2,239)	(2,315)
Presented as follows:-		
Deferred tax assets	117	115
Deferred tax liabilities	(2,356)	(2,430)
	(2,239)	(2,315)

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

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

The deferred tax assets/(liabilities) recognised at the end of the reporting period and before appropriate offsetting are as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Deferred tax assets:-		
Provision	1,916	1,916
Lease liability	1,539	1,461
Unutilised tax losses	563	561
Unabsorbed capital allowances	1,813	1,813
	5,831	5,751
Deferred tax liabilities:-		
Accelerated capital allowances	(7,171)	(7,167)
Right-of-use assets	(899)	(899)
	(8,070)	(8,066)
Net	(2,239)	(2,315)

The deferred tax assets on unutilised tax losses and unabsorbed capital allowances have been recognised by certain subsidiaries on the basis of their previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Excess of depreciation over capital allowances	17	560	10	-
Provision	6,248	16,107	-	-
Unutilised tax losses expires in year of assessment:				
- expiring within 5 years	37,130	30,462	-	-
- expiring within 6 to 10 years	62,679	51,510	398	398
Unabsorbed capital allowances	35,705	28,965	458	225
	141,779	127,604	866	623

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

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

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

13. CONTRACT COST ASSETS

	The Group	
	2023 RM'000	2022 RM'000
Incremental costs of obtaining contracts	576	-
Costs to fulfil a contract	3,474	953
	4,050	953
Allowance for impairment losses	(113)	-
	3,937	953

- (a) The incremental costs of obtaining contracts primarily relates cost preliminary works carries out by the Group to secure potential construction contracts. The costs are to be amortised over the period when the related revenue is recognised.
- (b) The costs to fulfil a contract represent material costs incurred for energy solution works that will be used to fulfil the related contract in future. The costs were amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

14. TRADE RECEIVABLES

	The Group	
	2023 RM'000	2022 RM'000
Trade receivables	224,312	184,933
Retention sums	59,378	44,093
	283,690	229,026
Allowance for impairment losses	(47,652)	(58,212)
	236,038	170,814
Allowance for impairment losses:-		
At 1 January	(58,212)	(47,170)
Addition during the financial year	(4,577)	(12,700)
Acquisition of a subsidiary	-	(18)
Reversal during the financial year	12,841	865
Write-off during the financial year	2,296	811
At 31 December	(47,652)	(58,212)

The Group's normal trade credit terms range from 30 to 90 (2022 - 21 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The retention sums are unsecured, interest-free and due to be received within 6 to 24 months or within normal operating cycle (2022 - 6 to 24 months or within normal operating cycle).

15. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM'000	2022 RM'000
Contract assets relating to:		
- Construction contracts	4,559	7,662
- Rendering of services	-	632
	4,559	8,294

The contract assets primarily relate to the Group's right to consideration for completed works but not yet billed as at the reporting date. The contract assets are recoverable upon billing to customers.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

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

	The Group	
	2023 RM'000	2022 RM'000
Contract liabilities relating to:		
- Amount billed for unfulfilled performance obligation	(439)	(31)
- Advances received from customers	(10,000)	(10,000)
	(10,439)	(10,031)

The contract liabilities primarily relate to advances received from contract customers to render services of which the amount will be recognised as revenue over the remaining contract terms when the performance obligations are satisfied.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables	91,704	95,044	84,697	84,683
Deposits	28,211	24,902	17	17
Prepayments	3,739	731	4	4
	123,654	120,677	84,718	84,704
Allowance for impairment losses	(108,606)	(109,193)	(84,644)	(84,644)
	15,048	11,484	74	60
Allowance for impairment losses:-				
At 1 January	(109,193)	(108,439)	(84,644)	(84,644)
Acquisition of a subsidiary	-	(754)	-	-
Reversal during the financial year	587	-	-	-
At 31 December	(108,606)	(109,193)	(84,644)	(84,644)

(a) Included in the other receivables and deposits of the Group and of the Company was an amount of RM84,643,170 (2022 - RM84,643,170) paid for the proposed acquisition of 78,750,000 ordinary shares of IDR1,000 each, representing 63% equity interest in PT Anglo Slavic Indonesia. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 46(a) to the financial statements.

(b) Included in the deposits of the Group was an amount of RM18,904,000 (2022 - RM18,904,000) paid as coal trades deposits. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 46(b) to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Amount Owing By Subsidiaries		
Non-trade balances	96,371	95,654
Allowance for impairment losses	(5,828)	(1,260)
	90,543	94,394
Allowance for impairment losses:-		
At 1 January	(1,260)	(1,163)
Addition during the financial year	(4,568)	(97)
At 31 December	(5,828)	(1,260)
Amount Owing to Subsidiaries		
Non-trade balances	(4,218)	(3,233)

The amounts owing are non-trade in nature, unsecured, and bore effective interest rates ranging from 5.53% to 7.70% (2022 - 5.53% to 6.70%) per annum and repayable on demand. The amounts owing are to be settled in cash.

18. AMOUNTS OWING BY/(TO) ASSOCIATES

	The Group	
	2023 RM'000	2022 RM'000
Amount Owing by Associates		
Trade balances	775	348
Amount Owing to Associates		
Trade balances	(4,353)	(4,114)

The trade balances are subject to normal trade credit terms ranging from 30 to 90 (2022 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

19. SHORT-TERM INVESTMENTS

	The Group	
	2023 RM'000	2022 RM'000
Money market fund, at fair value	16,243	28,887

Short-term investments are classified as financial assets at fair value through profit or loss, measured at fair value.

20. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to approximately RM11,722,000 (2022 - RM10,812,000) are pledged to banks for bank guarantees and credit facilities granted to the subsidiaries.

The effective interest rates of the deposits with licensed banks at the end of the reporting period were as follows:-

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Effective Interest Rates	1.25 to 3.80	1.75 to 12.00	2.00	1.85

The maturity periods of the deposits with licensed banks at the end of the reporting period were as follows:-

	2023	2022	2023	2022
Maturity periods (day)	1 to 365	7 to 365	30	30

21. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are as follows:-

- (i) a sum of approximately RM2,815,005 (2022 - RM1,447,838) held under a Housing Development Account pursuant to Section 7A of the Housing Development (Control & Licensing) Act 1966.
- (ii) a Debt Service Account amounting to RM1,000,000 (2022 - RM1,000,000) pledged to a licensed bank for bank overdraft facilities granted to a subsidiary.
- (iii) a Finance Service Account amounting to RM402,000 (2022 - RM402,000) pledged to a licensed bank for term loan facility granted to a subsidiary.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

22. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number of Shares			
	'000	'000	RM'000	RM'000

Issued and fully paid-up

Ordinary Shares

At 1 January/31 December	495,392	495,392	249,437	249,437
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Of the total 495,392,310 (2022 - 495,392,310) issued and fully paid-up ordinary shares at the end of the reporting period, ordinary shares amounted to 13,656,900 (2022 - 13,656,900) were held as treasury shares by the Company. At the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid-up, net of treasury shares, amounted to 481,735,410 (2022 - 481,735,410).

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

23. TREASURY SHARES

	The Group/The Company	
	2023	2022
	RM'000	RM'000
At 1 January	3,753	3,752
Share buy-back during the financial year	-	1
At 31 December	3,753	3,753

The amount relates to the acquisition cost of treasury shares.

At the annual general meeting held on 31 May 2023, the shareholders of the Company approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, there were no repurchase of ordinary shares from the open market and no resale of issued ordinary shares that were held as treasury shares. The details of the treasury shares are as follows:

	Number of Shares	Total Costs RM'000
At 1 January/31 December 2023	13,656,900	3,753

The total shares purchased under the share buy-back programme were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from shareholders' equity.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

24. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries, foreign associates and foreign branch and is not distributable by way of dividends.

25. CAPITAL RESERVE

The capital reserve relates to the Group's portion of bonus shares issued by a sub-subsiary through the capitalisation of its retained profits account. The reserve is not distributable as cash dividends.

26. WARRANTS

On 26 April 2018, the Company issued 106,051,448 Warrants 2018/2023 on the basis of one (1) free Warrant for every four (4) ordinary shares held in the Company. The salient features of Warrants 2018/2023 as constituted in the Deed Poll dated 10 April 2018 are as follows:-

Terms	Details
Exercise Rights	Each Warrant entitles the Warranholder, at any time during the Exercise Period, to subscribe for one (1) new Ordinary Share at the Exercise Price subject to the conditions in accordance with provisions of the Deed Poll.
Exercise Period	The period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00p.m. in Kuala Lumpur, on the Expiry Date. Any Warrants which has not been exercised during the Exercise Period will cease to be valid for any purpose and will be deemed to have lapsed.
Expiry Date	The day preceding the 5 th anniversary of the date of issuance of the Warrants and if such day is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.
Market Day	Any day between Monday to Friday (inclusive), excluding public holidays, and on which Bursa Securities is open for trading of securities.
Exercise Price	The price payable by a Warranholder upon exercise of the Exercise Rights attached to the Warrants being RM0.75 or adjusted price as determined in accordance with provisions of the Deed Poll, if applicable.
Rights of the Warranholders	The new Ordinary Share to be issued from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Ordinary Shares, save and except that the new Ordinary Shares to be issued from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid for which the relevant entitlement date is before the date of allotment and issuance of the new Ordinary Shares from the exercise of the Warrants;

Warranholders are not entitled to vote in any general meeting of the Company or to participate in any distribution and/or offer to further securities to the Ordinary Shareholders in the Company unless and until the Warranholders become Ordinary Shareholders by exercising their respective Warrants in accordance with the terms and conditions contained herein or unless otherwise provided in the Deed Poll.

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for the Financial Year Ended 31 December 2023

26. WARRANTS (CONT'D)

The salient features of Warrants 2018/2023 as constituted in the Deed Poll dated 10 April 2018 are as follows (Cont'd):-

Terms	Details
Board Lot	For the purpose of trading on Bursa Securities, 1 board lot of Warrants shall comprise of 100 Warrants carrying the rights to subscribe for 100 new Ordinary Shares at any time during the Exercise Period, or such other denomination as may be varied from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities").
Modification of Rights of the Warranholders	The Company may, from time to time, without the consent or sanction of the Warranholders, but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warranholders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, and/or the Main Market Listing Requirements of Bursa Securities.
Governing Law and Jurisdiction	The Deed Poll shall be governed by, and construed in accordance with, the laws of Malaysia and the Courts of Malaysia shall have the exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Deed Poll, and the Company submits and the Warranholders shall be deemed to have submitted to the exclusive jurisdiction of the Courts of Malaysia in respect of any legal action or proceedings arising out of or in connection with the Deed Poll.

As of 25 April 2023, 106,051,448 number of warrants remained unexercised and expired. The expired warrants have been delisted on 26 April 2023.

The movement in Warrants 2018/2023 are as follows:-

	Number of Warrants 2018/2023
At 1 January 2023	106,051,448
Expired during the financial year	(106,051,448)
At 31 December 2023	-

27. LONG-TERM BORROWINGS

	The Group	
	2023 RM'000	2022 RM'000
Secured:-		
Hire purchase payables (Note 29)	1,682	1,803
Term loans (Note 30)	35,856	53,397
	37,538	55,200

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

27. LONG-TERM BORROWINGS (CONT'D)

The long-term borrowings are obtained in accordance with the following terms:-

	The Group	
	2023 RM'000	2022 RM'000
Conventional:-		
Hire purchase payables	1,373	1,803
Term loans	5,082	10,021
	6,455	11,824
Islamic:-		
Hire purchase payables	309	-
Term loans	30,774	43,376
	31,083	43,376
	37,538	55,200

28. LEASE LIABILITIES

	The Group	
	2023 RM'000	2022 RM'000
At 1 January	6,957	6,799
Addition during the financial year	2,813	2,420
Interest expense recognised in profit or loss (Note 37)	562	509
Changes due to lease modification	590	-
Repayment of principal	(2,312)	(2,262)
Repayment of interest expense	(562)	(509)
	8,048	6,957
Analysed by:-		
Current liabilities	2,122	1,448
Non-current liabilities	5,926	5,509
	8,048	6,957

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

29. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum hire purchase payments:				
- not later than 1 year	621	662	-	110
- later than one year and not later than 5 years	1,890	2,086	-	-
- later than 5 years	74	22	-	-
	2,585	2,770	-	110
Less: Future finance charges	(377)	(400)	-	(7)
Present value of hire purchase payables	2,208	2,370	-	103
Analysed by:-				
Current liabilities (Note 33)	526	567	-	103
Non-current liabilities (Note 27)	1,682	1,803	-	-
	2,208	2,370	-	103

- (a) The hire purchase payables of the Group are secured by certain property, plant and equipment under hire purchase arrangement as disclosed in Note 7(b) to the financial statements. The hire purchase arrangements will be expiring in 2 to 7 (2022 - 1 to 6) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 2.41% to 6.36% (2022 - 4.26% to 6.36%) per annum. The interest rate are fixed at the inception of the hire purchase arrangements.

30. TERM LOANS

	The Group	
	2023 RM'000	2022 RM'000
Current (Note 33):		
- not later than one year	23,648	19,234
Non-current (Note 27):		
- later than one year but not later than two years	20,158	20,297
- later than two years but not later than five years	3,351	17,822
- later than five years	12,347	15,278
	35,856	53,397
	59,504	72,631

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

30. TERM LOANS (CONT'D)

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Installment	Monthly Installments RM	Date of Commencement of Repayment	The Group Amount Outstanding	
				2023 RM'000	2022 RM'000
1	240	8,205	February 2011	637	705
2	240	3,809	March 2012	304	334
3	120	#	June 2017	8,584	15,084
4	*	*	October 2018	4,697	10,054
5	**	**	March 2020	14,000	19,600
6	143	41,808	March 2021	3,468	3,792
7	143	247,045	July 2021	21,201	23,062
8	^	^	October 2024	299	-
9	^	^	December 2024	4,636	-
10	^	^	January 2025	1,498	-
11	@	@	May 2028	180	-
				59,504	72,631

Notes:-

- # The repayment of the term loan will be commencing on the 25th month from the date of first drawdown. The monthly repayment schedule is as follows:-

	RM'000
(i) 1 st - 24 th month	-
(ii) 25 th - 48 th month	250
(iii) 49 th - 60 th month	400
(iv) 61 st - 108 th month	500
(v) 109 th - 143 rd month	700
(vi) 144 th	12,700

- * The term loan is repayable on quarterly basis with 22 quarter instalments of RM1,339,000 per quarter.
- ** The term loan is repayable on quarterly basis with 20 equal instalments of RM1,400,000 per quarter and repayable as follows, whichever is earlier:-
- (a) upon expiry of twenty-four (24) months period from the date of the first disbursement of the term loan; or
- (b) upon full disbursement of the term loan.
- ^ The term loan is repayable on monthly basis and repayable as follows, whichever is earlier:-
- (a) upon expiry of thirty-six (36) months period commence on 19th month from the date of the first disbursement of the term loan; or
- (b) upon redemption of the term loan.
- @ The term loan is repayable upon the end of the 5 years maturity period from 28 May 2023.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

30. TERM LOANS (CONT'D)

Notes (Cont'd):-

Term loans 1 to 11 are secured by a corporate guarantee of the Company. In addition, the respective term loans are secured as follows:-

Term Loans 1 and 2 are secured by legal charges over certain freehold land and buildings of the Group as disclosed in Note 7(a) to the financial statements.

Term Loan 3 is secured by:-

- (a) a third party legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 10 (b) to the financial statements;
- (b) a third party legal charge over certain freehold land and building of a subsidiary;
- (c) a fixed and floating charge over all present and future asset of a certain project of a subsidiary;
- (d) a legal charge and an assignment over the Project Account of the property development project of a subsidiary; and
- (e) a legal charge and an assignment over the residual value in the Housing Development Account upon completion of a certain project of a subsidiary.

Term Loan 4 is secured by:-

- (a) a Facility Agreement stamped to the amount of facilities advance; and
- (b) a third party charge ranking pari passu with all existing charges over the property held under a subsidiary.

Term Loan 5 is secured by:-

- (a) a first party legal charge over the freehold land of the Group as disclosed in Note 7(a) to the financial statements.
- (b) a charge over the Finance Service Reserve Account maintained by a subsidiary as disclosed in Note 21 (iii) to the financial statements.

Term Loans 6 and 7 are secured by legal charges over the solar plant of the Group as disclosed in Note 7(a) to the financial statements.

Term loan 8 to 10 are secure by legal charges over certain freehold land of a subsidiary.

Term loan 11 is secured by legal charge over the solar plant of the Group as disclosed in Note 7(a) to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

31. TRADE PAYABLES

	The Group	
	2023 RM'000	2022 RM'000
Trade payables	94,038	79,592
Accrued costs	83,466	72,599
Retention sums	26,734	29,539
	204,238	181,730
Deferred income	3,694	4,352
	207,932	186,082

The normal trade credit terms granted to the Group range from 14 to 180 (2022 - 14 to 180) days.

The retention sums are unsecured, interest-free and due to be paid within 6 to 12 (2022 - 6 to 12) months or within normal operating cycle.

Deferred income represents course fees received in advance from students and will be recognised as revenue over the period of the courses.

32. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:-				
Other payables	24,149	23,837	-	-
Current:-				
Other payables	48,970	46,214	33	67
Accruals	14,086	17,146	1,837	373
	63,056	63,360	1,870	440
	87,205	87,197	1,870	440

(a) The non-current payables represent the proprietor's entitlement payable to Penmaland Sdn. Bhd., pursuant to the Joint Development Agreement dated 1 March 2019.

(b) Included in the current other payables and accruals of the Group is an advance payment received from the Government of Malaysia amounting to RM8,700,000 (2022 - RM8,700,000). The amount owing is interest-free, repayable on demand and secured by a corporate guarantee given by a subsidiary to the Government of Malaysia. The amount owing is to be settled in cash.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

33. SHORT-TERM BORROWINGS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured:-				
Revolving credit	68,757	70,757	-	-
Hire purchase payables (Note 29)	526	567	-	103
Term loans (Note 30)	23,648	19,234	-	-
Bills payable	41,149	22,873	-	-
Invoice financing	3,134	-	-	-
Total short-term borrowings	137,214	113,431	-	103

The short-term borrowings are obtained in accordance with the following terms:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Conventional:-				
Revolving credits	38,757	38,757	-	-
Hire purchase payables	462	567	-	103
Term loans	11,056	6,103	-	-
Bills payable	16,923	13,177	-	-
	67,198	58,604	-	103
Islamic:-				
Revolving credits	30,000	32,000	-	-
Hire purchase payables	64	-	-	-
Term loans	12,592	13,131	-	-
Bills payable	24,226	9,696	-	-
Invoice financing	3,134	-	-	-
	70,016	54,827	-	-
Total short-term borrowings	137,214	113,431	-	103

The secured revolving credit is secured by:-

- a corporate guarantee of the Company;
- fixed and floating charges on certain property, plant and equipment as disclosed in Note 7(a) to the financial statements; and
- a pledge of certain deposits placed with licensed banks as disclosed in Note 20 to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

34. BANK OVERDRAFTS

Included in the bank overdrafts is approximately RM19,798,000 (2022 - RM19,369,000) which is secured by:-

- a Debt Service Account maintained by a subsidiary as disclosed in Note 21(ii) to the financial statements;
- a first legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 10(b) to the financial statements;
- a fixed and floating charge over all present and future assets of the property development project of a subsidiary;
- deed of assignment over the Project Account of the property development project of a subsidiary; and
- a corporate guarantee of the Company.

35. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gross dividends from subsidiaries	-	-	500	-
Management fees from:				
- subsidiaries	-	-	8,473	6,780
- associates	268	-	268	-
Maintenance	704,524	559,960	-	-
Construction	23,845	13,323	-	-
Property development	18,012	7,857	-	-
Engineering & consultancy services	50,203	41,350	-	-
Trading & manufacturing	282,388	212,369	-	-
Education	25,003	24,238	-	-
Clean energy	11,008	8,453	-	-
Hotel & hospitality	13,405	10,658	-	-
Asset management	2,762	5,735	-	-
Agriventure	141	-	-	-
	1,131,559	883,943	9,241	6,780

- Other than the contracts for original periods of one year or less, the transaction price allocated for the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period in relation to maintenance and clean energy services amounting to approximately RM270,248,000 (2022 - RM269,932,000) are expected to be recognised as revenue within 1 to 3 (2022 - 1 to 4) years.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

35. REVENUE (CONT'D)

(b) The information about the respective revenue by nature is summarised as below:

No.	Revenue by Nature	Timing and Method of Revenue Recognition
1	Dividend income	- Dividend income is recognised when the right to receive dividend payment is established.
2	Management fee	- Management fee is recognised in the period in which the services are rendered.
3	Maintenance	- Revenue is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefits simultaneously.
4	Construction	- Revenue is recognised over time in the period in which the services are rendered using the output method by reference to the construction progress based on the physical proportion of construction work certified by professional consultants.
5	Property development	- Revenue is recognised over time or point in time depending on the terms of the contract and the laws that apply to the contract on determining as and when control of the asset is transferred to the customer. If control of the asset transfers over time, revenue is recognised over the period of the contract using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at point in time when customer obtains control of the asset. - Revenue arising from sale of completed properties is recognised at point in time when the control of the properties has been transferred to the purchaser, being when the properties have been completed and delivered to the customer.
6	Engineering & consultancy services	- Revenue is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefits simultaneously.
7	Trading & manufacturing	- Revenue is recognised when control of the goods are transferred to the customer, being when the goods have been delivered to the customer and upon its acceptance.
8	Education	- Revenue is recognised on an accrual basis whereas non-refundable registration and enrolment fees are recognised when chargeable.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

35. REVENUE (CONT'D)

(b) The information about the respective revenue by nature is summarised as below (Cont'd):

No.	Revenue by Nature	Timing and Method of Revenue Recognition
9	Clean energy	- Revenue arising from engineering, procurement, construction and commissioning ("EPCC") services is recognised over time in the period in which the goods and services rendered using the output method, by reference to the percentage of completion of the work progress report. - Revenue arising from sale of energy is recognised upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptance by the utility company.
10	Hotel & hospitality	- Revenue arising from hotel room rental is recognised over time during the period of stay for the customer. - Revenue arising from sale of food, beverage and other ancillary services is recognised at point in time when the goods have been delivered to the customer and/or the services have been rendered.
11	Asset management	- Revenue arising from rental of premises is recognised on a straight-line method over the lease term. - Revenue arising from property management service is recognised in the period in which the services are rendered.
12	Agriventure	- Revenue is recognised when control of the goods are transferred to the customer, being when the goods have been delivered to the customer and upon its acceptance.

The normal credit terms range from 30 to 90 (2022 - 30 to 90) days from the invoice date. Other credit terms are agreed on a case-by-case basis.

36. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impairment losses:				
- trade receivables (Note 14)	4,577	12,700	-	-
- amount owing by subsidiaries (Note 17)	-	-	4,568	97
Reversal of impairment losses:				
- trade receivables (Note 14)	(12,841)	(865)	-	-
- other receivables (Note 16)	(587)	-	-	-
	(8,851)	11,835	4,568	97

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

37. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- for the financial year	871	747	94	89
- underprovision in the previous financial year	98	23	6	1
Non-audit fee:				
- for the financial year	5	5	5	5
Bad debts written off	8	-	-	-
Depreciation:				
- property, plant and equipment	13,635	13,807	243	234
- investment properties	1,823	1,823	-	-
- right-of-use assets	2,492	2,375	-	-
Property, plant and equipment written off	18	48	1	-
Direct operating expenses on investment properties	2,050	1,867	-	-
Directors' remuneration (Note 43)	6,956	6,962	2,402	2,746
Impairment losses:				
- property, plant and equipment	-	2,608	-	-
- contract cost assets	113	-	-	-
Interest expense:				
- bank overdrafts	3,310	2,284	405	300
- bills payable	1,562	870	-	-
- hire purchase	90	51	7	26
- lease liabilities	562	509	-	-
- revolving credit	3,477	2,742	-	-
- term loans	3,390	3,837	-	-
- bank guarantees	83	-	-	-
- invoice financing	22	-	-	-
- unwinding of discount on other payables	312	539	-	-
- others	-	36	102	-
Inventories written off	1	-	-	-
Lease expenses:				
- short-term leases	1,224	1,147	375	36
- low-value leases	42	8	20	-

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

37. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Staff costs:				
- salaries, wages, bonuses and allowances	70,157	70,293	4,046	2,952
- defined contribution plan	7,182	7,164	492	471
- other benefits	7,026	7,236	340	246
Dividend income from subsidiaries	-	-	(500)	-
Dividend income from associates	(3,694)	(900)	-	-
Gain on disposal of property, plant and equipment	(269)	(68)	-	(1)
Fair value loss on financial liabilities measured at fair value through profit or loss mandatorily:				
- derivatives	22	-	-	-
Interest from financial institution	(1,300)	(1,422)	(31)	(27)
Interest from subsidiaries	-	-	(1,616)	(1,360)
Government grant	(1)	-	(1)	-
Income from short-term investments	(215)	(267)	-	-
Net foreign exchange loss/(gain):				
- realised	434	(5)	-	-
- unrealised	7	-	-	-
Lease income:				
- property, plant and equipment	(175)	(228)	-	-
Reversal of impairment losses on property, plant and equipment	(2,608)	-	-	-

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

38. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense:				
- for the financial year	13,801	9,705	144	33
- under/(over)provision in the previous financial year	129	(873)	(32)	693
	13,930	8,832	112	726
Deferred tax (Note 12):				
- relating to origination and reversal of temporary differences	(2)	(30)	-	-
- (over)/underprovision in the previous financial year	(74)	70	-	-
	(76)	40	-	-
	13,854	8,872	112	726

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before taxation	34,927	(15,350)	(6,848)	(1,395)
Tax at the statutory rate of 24% (2022 - 24%)	8,382	(3,684)	(1,644)	(335)
Tax effects of:-				
Non-deductible expenses	4,469	10,001	1,850	359
Non-taxable income	(2,454)	(3,934)	(120)	-
Utilisation of deferred tax assets previously not recognised	(952)	(416)	-	-
Deferred tax assets not recognised during the financial year	4,354	7,708	58	9
Under/(Over)provision in the previous financial year:				
- current tax	129	(873)	(32)	693
- deferred tax	(74)	70	-	-
Income tax expense for the financial year	13,854	8,872	112	726

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year. The taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

38. INCOME TAX EXPENSE (CONT'D)

Income tax savings during the financial year arising from:-

	The Group	
	2023 RM'000	2022 RM'000
Utilisation of deferred tax assets previously not recognised arising from:		
- excess of depreciation over capital allowances	135	681
- unabsorbed capital allowances	1,012	-
- provision	-	89
- unutilised tax losses	2,820	965
	3,967	1,735

39. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the consolidated profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year.

	The Group	
	2023	2022
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	6,682	(29,376)
Weighted average number of ordinary shares in issue ('000)	481,736	481,736
Basic earnings/(loss) per share (sen)	1.39	(6.10)
Diluted earnings/(loss) per share (sen)	1.39	(6.10)

The diluted earnings per share is equal to the basic earnings per share as there is no outstanding dilutive equity instrument issued by the Company as at the end of the reporting period.

In the previous financial year, the potential conversion of Warrants was anti-dilutive as its exercise price was higher than the average market price of the Company's ordinary shares during the financial year. Accordingly, the potential exercise of the warrants had been ignored in the calculation of dilutive loss per share and hence, the diluted loss per share is equal to the basic loss per share.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

40. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and addition of right-of-use assets are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 7)	13,664	12,844	26	74
Amount financed through hire purchase	(431)	(1,895)	-	-
	13,233	10,949	26	74
Right-of-use assets				
Cost of right-of-use assets (Note 9)	2,953	2,420	-	-
Less: Addition of new lease liabilities (Note 28)	(2,813)	(2,420)	-	-
	140	-	-	-

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM'000	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Other Short-term Borrowings RM'000	Total RM'000
2023					
At 1 January	72,631	6,957	2,370	93,630	175,588
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	8,538	-	-	26,108	34,646
Repayment of principal	(21,706)	(2,312)	(593)	(6,698)	(31,309)
Repayment of interests	(3,349)	(562)	(90)	(5,061)	(9,062)
	(16,517)	(2,874)	(683)	14,349	(5,725)
<u>Others Changes</u>					
Acquisition of new leases	-	2,813	-	-	2,813
Acquisition of property, plant and equipment through hire purchase	-	-	431	-	431
Changes due to lease modification	-	590	-	-	590
Interest expense recognised in profit and loss	3,390	562	90	5,061	9,103
	3,390	3,965	521	5,061	12,937
At 31 December	59,504	8,048	2,208	113,040	182,800

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Term Loans RM'000	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Other Short-term Borrowings RM'000	Total RM'000
2022					
At 1 January	90,489	6,799	1,035	121,876	220,199
<u>Changes in Financing Cash Flows</u>					
Repayment of principal	(17,858)	(2,262)	(560)	(28,246)	(48,926)
Repayment of interests	(3,837)	(509)	(51)	(3,612)	(8,009)
	(21,695)	(2,771)	(611)	(31,858)	(56,935)
<u>Other Changes</u>					
Acquisition of new leases	-	2,420	-	-	2,420
Purchase of property, plant and equipment through hire purchase	-	-	1,895	-	1,895
Interest expense recognised in profit and loss	3,837	509	51	3,612	8,009
	3,837	2,929	1,946	3,612	12,324
At 31 December	72,631	6,957	2,370	93,630	175,588

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

40. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Amount owing to subsidiaries RM'000	Hire Purchase Payables RM'000	Total RM'000
2023			
At 1 January	3,233	103	3,336
<u>Changes in Financing Cash Flows</u>			
Net advances from	985	-	985
Repayment of principal	-	(103)	(103)
Repayment of interests	(102)	(7)	(109)
	883	(110)	773
<u>Other Changes</u>			
Interest expense recognised in profit and loss	102	7	109
At 31 December	4,218	-	4,218
2022			
At 1 January	3,238	516	3,754
<u>Changes in Financing Cash Flows</u>			
Net repayment to	(5)	-	(5)
Repayment of principal	-	(413)	(413)
Repayment of interests	-	(26)	(26)
	(5)	(439)	(444)
<u>Other Changes</u>			
Interest expense recognised in profit and loss	-	26	26
At 31 December	3,233	103	3,336

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

40. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for a lease as a lessee are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payment of short-term leases	1,224	1,147	375	36
Payment of low-value assets	42	8	20	-
Interest paid on lease liabilities	562	509	-	-
Payment of lease liabilities	2,312	2,262	-	-
	4,140	3,926	395	36

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term investments	16,243	28,887	-	-
Deposits with licensed banks	30,751	43,114	1,622	1,591
Cash and bank balances	133,323	135,870	1,053	1,082
Bank overdrafts	(41,812)	(39,557)	(5,358)	(4,753)
	138,505	168,314	(2,683)	(2,080)
Less : Deposits pledged to licensed banks	(11,722)	(10,812)	(1,622)	(1,591)
Cash and bank balances pledged to a licensed bank	(1,402)	(1,402)	-	-
Deposits with licensed banks with maturity periods more than three months	(215)	(326)	-	-
	125,166	155,774	(4,305)	(3,671)

41. CAPITAL COMMITMENTS

	The Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	297	1,048

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

42. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries as disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Subsidiaries:</u>				
- Gross dividends received/receivable	-	-	(500)	-
- Management fees received/receivable	-	-	(8,473)	(6,780)
- Rental expense paid/payable	-	-	372	15
<u>Associates:</u>				
- Disposal of property, plant and equipment	(45)	-	-	-
- Dividend received/receivable	(4,594)	(1,800)	-	-
- Management fees received/receivable	(709)	(342)	(268)	-
- Rental income received/receivable	(194)	(112)	-	-
- Sales made to	(3,588)	(354)	-	-
- Service rendered to	-	(444)	-	-
- Service rendered by	7,839	2,440	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

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43. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Directors				
<u>Directors of the Company</u>				
Executive Directors' remuneration:				
Short-term employee benefits:				
- salaries, bonuses and other benefits	2,766	3,211	2,006	2,330
Defined contribution benefits	207	242	125	145
Estimated money value of benefit-in-kind	62	62	42	42
	3,035	3,515	2,173	2,517
Non-executive Directors' remuneration:				
Short-term employee benefits:				
- fees	204	204	204	204
- salaries, bonuses and other benefits	25	25	25	25
	229	229	229	229
<u>Directors of the Subsidiaries</u>				
Executive Directors' remuneration:				
Short-term employee benefits:				
- fees	531	317	-	-
- salaries, bonuses and other benefits	2,858	2,612	-	-
	3,389	2,929	-	-
Defined contribution benefits	286	267	-	-
Estimated money value of benefit-in-kind	17	22	-	-
	3,692	3,218	-	-
Total director's remuneration (Note 37)	6,956	6,962	2,402	2,746

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43. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(b) Other Key Management Personnel				
Short-term employee benefits	2,017	2,152	733	776
Defined contribution benefits	242	258	88	93
Estimated money value of benefits-in-kind	30	29	6	7
Total Compensation for other key management personnel	2,289	2,439	827	876

44. OPERATING SEGMENTS

BUSINESS SEGMENTS

The Group is organised into nine major business segments:-

Business Segment	Principal activities
Maintenance	The maintenance of federal and state roads.
Construction	The construction of buildings and other infrastructures.
Property development	The development of commercial and residential properties.
Engineering & consultancy services	The provision of full spectrum of civil engineering work and related services.
Trading & manufacturing	Trading and manufacturing of construction materials.
Education	The provision of tertiary education.
Clean energy	Solar panel installation contract works and supply of power and electricity derived from solar power plant.
Hotel & hospitality	Management operation of hotels.
Asset management	Rental of premises and the provision of property management services.
Agriventure	Processing and trading of fruits and related products.

Other business segment mainly represents investment holding and management services activities.

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for the Financial Year Ended 31 December 2023

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

The key management personnel assess the performance of the reportable segments based on their profit/(loss) before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(a) Segment Revenue and Results

Segment results represent profit before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned. The effects of such inter-segment transactions are eliminated on consolidation.

(b) Segment Assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding current tax assets and deferred tax assets.

(c) Segment Liabilities

Segment liabilities are measured based on all liabilities, excluding current tax liabilities and deferred tax liabilities.

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets and liabilities which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly tax-related assets and liabilities.

44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2023	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering & Consultancy Services RM'000	Trading & Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Hotel & Hospitality RM'000	Asset Management RM'000	Agriventure RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
External sales	704,524	23,845	18,012	50,203	282,388	25,003	11,008	13,405	2,762	141	268	-	1,131,559
Inter-segment sales	-	-	2,172	7,046	7,987	-	-	-	3,239	-	8,973	(29,417)	-
Total revenue	704,524	23,845	20,184	57,249	290,375	25,003	11,008	13,405	6,001	141	9,241	(29,417)	1,131,559
Represented by revenue recognised:													
- at a point of time	-	-	6,159	-	282,388	-	6,937	4,367	2,762	141	268	-	303,022
- over time	704,524	23,845	11,853	50,203	-	25,003	4,071	9,038	-	-	-	-	828,537
	704,524	23,845	18,012	50,203	282,388	25,003	11,008	13,405	2,762	141	268	-	1,131,559
Results													
Profit/(Loss) from operations	45,803	(1,442)	(5,709)	5,673	5,238	(8,412)	1,611	1,419	(2,997)	(849)	(1,964)	(2,549)	35,822
Finance costs	(777)	(2,065)	(3,015)	(110)	(1,848)	(1,748)	(1,626)	(1,130)	(2,366)	(311)	(412)	2,575	(12,833)
Net impairment losses on financial assets	183	(8,334)	56	(2,401)	(130)	3,742	102	-	5,249	-	(4,568)	14,952	8,851
Share of profit in associates	2,747	306	-	34	-	-	-	-	-	-	-	-	3,087
Segment results	47,956	(11,535)	(8,668)	3,196	3,260	(6,418)	87	289	(114)	(1,160)	(6,944)	14,978	34,927
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(13,854)
Profit after tax	47,956	(11,535)	(8,668)	3,196	3,260	(6,418)	87	289	(114)	(1,160)	(6,944)	14,978	21,073
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(14,391)
Net profit attributable to owners of the Company	47,956	(11,535)	(8,668)	3,196	3,260	(6,418)	87	289	(114)	(1,160)	(6,944)	14,978	6,682

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44. OPERATING SEGMENTS (CONT'D)
BUSINESS SEGMENTS (CONT'D)

2023	Engineering & Consultancy Services										Consolidation		
	Maintenance	Construction	Property Development	Engineering & Consultancy Services	Trading & Manufacturing	Education	Clean Energy	Hotel & Hospitality	Asset Management	Agriventure		Others	Eliminations
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets													
Segment assets	258,991	160,115	179,216	39,464	133,257	53,713	38,099	54,670	145,867	7,414	264,487	(474,648)	860,645
Unallocated corporate assets													15,886
Consolidated total assets													876,531
Liabilities													
Segment liabilities	151,706	57,994	183,677	37,363	105,689	48,463	41,402	56,784	154,199	8,931	13,066	(324,711)	534,563
Unallocated corporate liabilities													5,709
Consolidated total liabilities													540,272
Other Information													
Depreciation and amortisation	7,558	573	2,240	507	317	2,036	1,766	1,126	1,584	164	243	(164)	17,950
Impairment losses on:													
- trade and other receivables	-	-	-	352	200	-	7	-	4,018	-	-	-	4,577
Interest expenses	262	2,064	2,662	63	1,848	387	1,567	1,208	2,333	2	412	-	12,808
Gain on disposal of property, plant and equipment	(186)	(76)	-	-	(2)	-	-	-	-	-	(5)	-	(269)
Interest and investment income	(1,157)	(152)	(40)	(4)	(2)	(3)	(10)	-	(83)	-	(64)	-	(1,515)
Reversal of impairment losses on:													
- trade and other receivables	(183)	-	(56)	(2,653)	(70)	(3,741)	(109)	-	(6,616)	-	-	-	(13,628)
Capital expenditure	4,905	730	215	508	27	57	490	-	-	6,706	26	-	13,664

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

44. OPERATING SEGMENTS (CONT'D)
BUSINESS SEGMENTS (CONT'D)

2022	Engineering & Consultancy Services										Consolidation		
	Maintenance	Construction	Property Development	Engineering & Consultancy Services	Trading & Manufacturing	Education	Clean Energy	Hotel & Hospitality	Asset Management	Agriventure		Others	Eliminations
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue													
External sales	559,960	13,323	7,857	41,350	212,369	24,238	8,453	10,658	5,735	-	-	-	883,943
Inter-segment sales	-	95	1,165	11,098	12,669	-	-	-	-	6,780	(31,807)	-	-
Total revenue	559,960	13,418	9,022	52,448	225,038	24,238	8,453	10,658	5,735	6,780	(31,807)	-	883,943
Represented by revenue recognised:													
- at a point of time	-	-	-	-	212,369	-	3,994	3,643	5,735	-	-	-	231,426
- over time	559,960	13,323	2,172	41,350	-	24,238	4,459	7,015	-	-	-	-	652,517
Total revenue	559,960	13,323	7,857	41,350	212,369	24,238	8,453	10,658	5,735	-	-	-	883,943
Results													
Profit/(Loss) from operations	27,606	(1,507)	(6,381)	6,303	1,765	(14,168)	627	1,025	(5,988)	(1,170)	(1,476)	(1,476)	6,636
Finance costs	(917)	(2,799)	(3,426)	194	(1,010)	(1,163)	(1,520)	(1,143)	(1,878)	(329)	1,694	1,694	(12,297)
Net impairment losses on financial assets	(240)	(300)	81	(6,326)	171	(366)	(145)	-	-	-	(4,710)	-	(11,835)
Share of profit in associates	1,739	183	-	224	-	-	-	-	-	-	-	-	2,146
Segment results	28,188	(4,423)	(9,726)	395	926	(15,697)	(1,038)	(118)	(7,866)	(1,499)	(4,492)	(4,492)	(15,350)
Income tax expense													(8,872)
Loss after taxation													(24,222)
Non-controlling interests													(5,154)
Net loss attributable to owners of the Company													(29,376)

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44. OPERATING SEGMENTS (CONT'D)
BUSINESS SEGMENTS (CONT'D)

2022	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering & Consultancy Services RM'000	Trading & Manufacturing RM'000	Education RM'000	Clean Energy RM'000	Hotel & Hospitality RM'000	Asset Management RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
Assets												
Segment assets	225,832	170,460	181,681	24,943	101,722	51,464	35,019	58,876	154,813	2,68,867	(458,645)	815,032
Unallocated corporate assets												21,231
Consolidated total assets												836,263
Liabilities												
Segment assets	115,198	86,319	180,014	29,412	76,398	42,321	38,455	61,280	157,727	10,429	(294,984)	502,569
Unallocated corporate assets												5,840
Consolidated total assets												508,409
Other Information												
Depreciation and amortisation	7,634	516	2,217	96	412	2,137	1,694	1,071	2,157	234	(163)	18,005
Impairment losses on:												
- trade and other receivables	299	241	-	118	-	403	145	-	6,982	-	4,512	12,700
Interest expenses	241	1,482	2,916	5	1,010	523	1,477	1,143	1,745	326	-	10,868
(Gain)/Loss on disposal of property, plant and equipment	(23)	(74)	7	-	20	(25)	-	-	28	(1)	-	(68)
Interest and investment income	(1,031)	(428)	(55)	-	(1)	(44)	(7)	-	(96)	(27)	-	(1,689)
Reversal of impairment losses on:												
- trade and other receivables	-	-	(118)	(38)	(171)	-	-	-	(538)	-	-	(865)
Capital expenditure	5,414	246	796	2,089	7	2,830	397	-	991	74	-	12,844

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

44. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMER

The following are major customers with revenue equal to or more than 10% of Group revenue:-

Customer Name	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer A	681,164	527,687	Maintenance

45. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

45.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Libyan Dinar ("LYD"), Euro ("EUR"), South African Rand ("ZAR"), Sri Lanka Rupee ("LKR") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

- (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group 2023	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<u>Financial Assets</u>							
Long-term investments	-	-	-	-	-	505	505
Trade receivables	-	-	-	-	-	236,038	236,038
Other receivables	-	-	-	-	317	1,685	2,002
Amount owing by associates	-	-	-	-	-	775	775
Short-term investments	-	-	-	-	-	16,243	16,243
Deposits with licensed banks	-	-	-	188	-	30,563	30,751
Cash and bank balances	841	10	162	533	5	131,772	133,323
	841	10	162	721	322	417,581	419,637

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

- (i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2023	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<u>Financial Liabilities</u>							
Trade payables	10	-	-	-	-	204,228	204,238
Other payables and accruals	102	35	4	-	-	87,064	87,205
Amount owing to associates	-	-	-	-	-	4,353	4,353
Lease liabilities	-	-	-	-	-	8,048	8,048
Borrowings	-	-	-	-	-	174,752	174,752
Bank overdrafts	-	-	-	-	-	41,812	41,812
Derivative liabilities	-	-	-	-	22	-	22
	112	35	4	-	22	520,257	520,430
Net financial (liabilities)/assets	729	(25)	158	721	300	(102,676)	(100,793)
Less : Net financial (assets)/ liabilities denominated in the respective entities functional currencies	(729)	25	(158)	(721)	(300)	102,676	100,793
Currency exposure	-	-	-	-	-	-	-

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

- (i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2022	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<u>Financial Assets</u>							
Long-term investments	-	-	-	-	-	145	145
Trade receivables	-	-	-	-	-	170,814	170,814
Other receivables	-	-	3	-	258	4,494	4,755
Amount owing by associates	-	-	-	-	-	348	348
Short-term investments	-	-	-	-	-	28,887	28,887
Deposits with licensed banks	-	-	-	299	-	42,815	43,114
Cash and bank balances	992	4	169	694	1	134,010	135,870
	992	4	172	993	259	381,513	383,933

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

- (i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2022	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<u>Financial Liabilities</u>							
Trade payables	9	-	-	-	-	181,721	181,730
Other payables and accruals	90	18	4	-	-	87,085	87,197
Amount owing to associates	-	-	-	-	-	4,114	4,114
Lease liabilities	-	-	-	-	-	6,957	6,957
Borrowings	-	-	-	-	-	168,631	168,631
Bank overdrafts	-	-	-	-	-	39,557	39,557
	99	18	4	-	-	488,065	488,186

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Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit or loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

Notes to the Financial Statements

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings. Any surplus funds of the Group and the Company will be placed with licensed financial institutions to generate interest income.

Exposure to Interest Rate Risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period are as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Fixed Rate Instruments		
Deposits with licensed banks	30,751	43,114
Lease liabilities	(8,048)	(6,957)
Hire purchase payables	(2,208)	(2,370)
Bills payable	(41,149)	(22,873)
Revolving credit	(68,757)	(70,757)
Invoice financing	(3,134)	-
	(92,545)	(59,843)
Floating Rate Instruments		
Term loans	(59,504)	(72,631)
Bank overdrafts	(41,812)	(39,557)
	(101,316)	(112,188)

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Exposure to Interest Rate Risk (Cont'd)

	The Company	
	2023 RM'000	2022 RM'000
Fixed Rate Instrument		
Deposits with licensed bank	1,622	1,591
Hire purchase payables	-	(103)
	1,622	1,488
Floating Rate Instrument		
Bank overdrafts	(5,358)	(4,753)

Interest Rate Risk Sensitivity Analysis

The interest rate risk sensitivity analysis on the fixed rate instruments is not disclosed as these financial instruments are measured at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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

	The Group	
	2023 RM'000	2022 RM'000
Effects on Profit/(Loss) After Taxation/Other Comprehensive Income/ (Expense)		
Increase of 100 basis points	(770)	(853)
Decrease of 100 basis points	770	853

	The Company	
	2023 RM'000	2022 RM'000
Effects on Profit/(Loss) After Taxation/Other Comprehensive Income/ (Expense)		
Increase of 100 basis points	(41)	(36)
Decrease of 100 basis points	41	36

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted debt investments, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risks relates to the amount owing by the Government of Malaysia which constituted a significant amount of its total trade receivables at the end of the reporting date.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers.

For property development, the Group assessed that the purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will be revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2023				
Not past due	61,150	-	(622)	60,528
Past due:				
- less than 6 months	156,603	-	(1,264)	155,339
- 6 to 12 months	20,783	-	(2,470)	18,313
- 1 to 2 years	3,609	-	(2,365)	1,244
- more than 2 years	1,010	(37)	(359)	614
	243,155	(37)	(7,080)	236,038
Credit impaired:				
- individually impaired	40,535	(40,535)	-	-
Trade receivables	283,690	(40,572)	(7,080)	236,038
Contract assets	4,559	-	-	4,559
	288,249	(40,572)	(7,080)	240,597

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below (Cont'd):-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2022				
Not past due	41,857	-	(4,223)	37,634
Past due:				
- less than 6 months	74,223	-	(1,083)	73,140
- 6 to 12 months	62,638	(181)	(5,180)	57,277
- 1 to 2 years	3,796	(78)	(1,475)	2,243
- more than 2 years	5,986	(789)	(4,677)	520
	188,500	(1,048)	(16,638)	170,814
Credit impaired:				
- individually impaired	40,526	(40,526)	-	-
Trade receivables	229,026	(41,574)	(16,638)	170,814
Contract assets	8,294	-	-	8,294
	237,320	(41,574)	(16,638)	179,108

The movements in the loss allowances in respect of trade receivables are disclosed in Note 14 to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group and the Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

The information about the exposure to credit risk and the loss allowances calculated for other receivables are summarised as below:-

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2023			
Low credit risk	2,002	-	2,002
Credit impaired	89,702	(89,702)	-
	91,704	(89,702)	2,002
2022			
Low credit risk	4,755	-	4,755
Credit impaired	90,289	(90,289)	-
	95,044	(90,289)	4,755
The Company			
2023			
Low credit risk	53	-	53
Credit impaired	84,644	(84,644)	-
	84,697	(84,644)	53
2022			
Low credit risk	39	-	39
Credit impaired	84,644	(84,644)	-
	84,683	(84,644)	39

The movements in the loss allowances are disclosed in the Note 16 to the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Cont'd)

Allowance for Impairment Losses

The information about the exposure to credit risk and the loss allowances calculated for amount owing by subsidiaries are summarised below:-

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2023			
Low credit risk	90,543	-	90,543
Credit impaired	5,828	(5,828)	-
	96,371	(5,828)	90,543
2022			
Low credit risk	94,394	-	94,394
Credit impaired	1,260	(1,260)	-
	95,654	(1,260)	94,394

The movements in the loss allowance are disclosed in Note 17 of the financial statements.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Notes to the Financial Statements
for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2023						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	204,238	204,238	204,238	-	-
Other payables and accruals	-	87,205	87,205	87,205	-	-
Amount owing to associates	-	4,353	4,353	4,353	-	-
Lease liabilities	4.36% - 5.73%	8,048	10,727	2,152	3,714	4,861
Hire purchase payables	2.41% - 6.36%	2,208	2,584	621	1,889	74
Term loans	4.75% - 8.39%	59,504	67,129	26,050	31,015	10,064
Bills payable	3.50% - 6.04%	41,149	41,149	41,149	-	-
Invoice financing	6.45% - 6.86%	3,134	3,134	3,134	-	-
Revolving credit	4.04% - 6.50%	68,757	68,757	68,757	-	-
Bank overdrafts	7.70% - 8.51%	41,812	41,812	41,812	-	-
<u>Derivative Financial Liabilities</u>						
Derivative liabilities	-	22	22	22	-	-
		520,430	531,110	479,493	36,618	14,999

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On demand Or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	181,730	181,730	181,730	-	-
Other payables and accruals	-	87,197	87,197	87,197	-	-
Amount owing to associates	-	4,114	4,114	4,114	-	-
Lease liabilities	2.56 to 5.96	6,957	9,800	1,901	3,038	4,861
Hire purchase payables	4.26 to 6.36	2,370	2,770	662	2,086	22
Term loans	4.50 to 5.00	72,631	84,930	37,683	30,049	17,198
Bills payable	3.15 to 6.35	22,873	22,873	22,873	-	-
Revolving credit	4.53 to 5.87	70,757	70,757	70,757	-	-
Bank overdrafts	7.12 to 8.01	39,557	39,557	39,557	-	-
		488,186	503,728	446,474	35,173	22,081

Notes to the Financial Statements
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Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On Demand Or Within 1 Year RM'000	1 - 5 Years RM'000
2023					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	1,870	1,870	1,870	-
Amount owing to subsidiaries	-	4,218	4,218	4,218	-
Bank overdrafts	7.70	5,358	5,358	5,358	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries [#]	-	-	315,278	315,278	-
		11,446	326,724	326,724	-
2022					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	440	440	440	-
Amount owing to subsidiaries	-	3,233	3,233	3,233	-
Hire purchase payables	6.03	103	110	110	-
Bank overdrafts	7.45	4,753	4,753	4,753	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries [#]	-	-	307,797	307,797	-
		8,529	316,333	316,333	-

[#] - The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt (total interest-bearing borrowings less short-term investments, deposits with licensed banks, cash and bank balances) divided by total equity.

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Hire purchase payables	2,208	2,370
Term loans	59,504	72,631
Bills payable	41,149	22,873
Revolving credit	68,757	70,757
Invoice financing	3,134	-
Bank overdrafts	41,812	39,557
	216,564	208,188
Less: Short-term investments	(16,243)	(28,887)
Deposits with licensed banks	(30,751)	(43,114)
Cash and bank balances	(133,323)	(135,870)
Net debt	36,247	317
Total equity	336,259	327,854
Debt-to-equity ratio	0.108	0.001

There was no change in the approach to capital management during the financial year.

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for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Assets				
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>				
Long-term investments	505	145	-	-
<u>Amortised Cost</u>				
Trade receivables	236,038	170,814	-	-
Other receivables	2,002	4,755	53	39
Amount owing by subsidiaries	-	-	90,543	94,394
Amount owing by associates	775	348	-	-
Deposits with licensed banks	30,751	43,114	1,622	1,591
Cash and bank balances	133,323	135,870	1,053	1,082
	402,889	354,901	93,271	97,106
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	16,243	28,887	-	-

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities	22	-	-	-
<u>Amortised Cost</u>				
Trade payables	204,238	181,730	-	-
Other payables and accruals	87,205	87,197	1,870	440
Amount owing to subsidiaries	-	-	4,218	3,233
Amount owing to associates	4,353	4,114	-	-
Lease liabilities	8,048	6,957	-	-
Hire purchase payables	2,208	2,370	-	103
Term loans	59,504	72,631	-	-
Bills payable	41,149	22,873	-	-
Revolving credit	68,757	70,757	-	-
Invoice financing	3,134	-	-	-
Bank overdrafts	41,812	39,557	5,358	4,753
	520,408	488,186	11,446	8,529

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Assets				
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(9,709)	(10,413)	(2,421)	1,387
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	215	267	-	-
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(12,815)	(10,868)	(514)	(326)
<u>Fair Value Through Profit or Loss</u>				
Derivatives liabilities	(22)	-	-	-

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2023								
<u>Financial assets</u>								
Long-term investments	-	-	505	-	-	-	505	505
Short-term investments	-	16,243	-	-	-	-	16,243	16,243
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	2,243	-	2,243	2,208
Term loans	-	-	-	-	59,504	-	59,504	59,504

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2022								
<u>Financial assets</u>								
Long-term investments	-	-	145	-	-	-	145	145
Short-term investments	-	28,887	-	-	-	-	28,887	28,887
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	2,675	-	2,675	2,370
Term loans	-	-	-	-	72,631	-	72,631	72,631

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Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-
 - (aa) The fair value of golf club memberships is determined based on enquiry made to the respective golf clubs; and
 - (bb) The fair value of short-term investment is determined by reference to statements provided by the respective financial institution, with which the investments were entered into.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value of term loans, which are for disclosure purpose, are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Hire purchase payables	2.42 - 6.36	4.26 - 6.36	-	6.03
Term loans	4.75 - 8.39	4.50 - 5.00	-	-

46. MATERIAL LITIGATIONS

The following are the material litigations involving the Group and the Company during the financial year:-

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant:-

On 28 December 2012, the Company entered into a conditional Sale and Purchase Agreement ("Conditional SPA") with PT ASU to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia ("PT ASI"), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55,000,000.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti ("PT FAS") which in turn holds 70% equity interest in PT Hase Bumou Aceh ("PT Haseba") ("PT ASI Group"). PT ASU as vendor represented in the Conditional SPA that PT Haseba had a 10-year production management partnership agreement ("PMP Agreement") with PT Pertamina (PERSERO) ("Pertamina") to develop and to produce oil and gas in the Kuala Simpang Timur Field from 14 December 2004.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

46. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

On 29 January 2014, the Company entered into an Amended and Restated Sale and Purchase Agreement ("Restated SPA") with PT ASU to amend vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company agreed to acquire 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22,000,000 (RM68,393,170) ("Purchase Consideration"). Parties thereto agreed that the Purchase Consideration was to be settled by way of setting off the deposit of USD16,340,563 (equivalent to RM50,000,000 based on the agreed exchange rate of USD1:RM3.05987 as at 28 December 2012) initially paid by the Company to PT ASU pursuant to the Conditional SPA and the balance thereof in cash.

The Restated SPA was subject to, among others, the following conditions subsequent to the completion of the Restated SPA which were to be fulfilled within six months from the date of the Restated SPA ("Conditional Period"):-

- (i) Consent of Pertamina for the sale and purchase of the shares pursuant to the Restated SPA;
- (ii) Extension of the PMP Agreement for a further 10-year period; and
- (iii) Issuance of Surat Keterangan Terdaftar Minyak & Gas license by the Ministry of Energy and Mineral Resources' General of Oil and Gas Indonesia to PT Haseba.

Upon execution of the Restated SPA, the Company paid the balance Purchase Consideration amounting to USD5,659,437 (RM18,393,170) to PT ASU. In February 2014, pursuant on the terms of the Restated SPA, the Company made a further advance of USD5,000,000 (RM16,250,000) to PT ASI for working capital purposes ("Advance"). The total amounts paid to PT ASU and PT ASI collectively amounted to USD27,000,000 being the Purchase Consideration and the Advance.

On 5 August 2014, the Company announced that the conditions subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Conditional Period and accordingly, the Restated SPA lapsed on 28 July 2014. The Company terminated the Restated SPA on 4 August 2014 and 14 August 2014.

On 22 September 2014, the Company filed a legal suit against PT ASU and the two former Directors, namely the 2nd and the 3rd defendant for, among others, the refund of the Purchase Consideration and Advance.

The total amount claimed against PT ASU and the two former Directors ("2nd and 3rd Defendants") are as follows:-

Against PT ASU

- (i) A payment of USD22,000,000;
- (ii) Pre-judgement interest on USD22,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- (iii) Post-judgement interest on USD22,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and
- (iv) Damages for the breach of the Restated SPA.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

46. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

Against the 2nd and 3rd Defendants

- (i) A payment of USD27,000,000 (including the Advance);
- (ii) Pre-judgement interest on USD27,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- (iii) Post-judgement interest on USD27,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;
- (iv) Damages for fraud and conspiracy; and
- (v) General damages, aggravated and exemplary.

The status of this suit is as follows:-

The Full Trial for the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014 commenced from 15 October 2022 and continued on various dates. The Full Trial is scheduled to continue on 25 and 26 April 2023 and on 12 May 2023. The Full Trial has been concluded on 12 May 2023. The Kuala Lumpur High Court has fixed 30 August 2023 for clarification and/or decision of the Kuala Lumpur High Court Suit No.: 22NCC-362-09/2014.

The Kuala Lumpur High Court Judge had on 30 August 2023 delivered the following judgement ("Judgement") in favour of the Company:

- (i) The Company has established its claim for breach of fiduciary duties, breach of Sections 131 and 132E of the Companies Act 1965, fraud and conspiracy to defraud on the part of the 2nd and 3rd Defendants;
- (ii) The Company's claim for a declaration that the 2nd and 3rd Defendants have acted in breach of their fiduciary duties as directors of the Company has been allowed;
- (iii) The 2nd and 3rd Defendants are adjudged to pay a sum of RM84,643,170 to the Company ("Judgement Sum") with interest of 5% per annum to be calculated from 22 September 2014 (the date of filing of the Writ of Summons) until full and final settlement of the Judgement Sum; and
- (iv) Costs in the sum of RM650,000 has been awarded in favour of the Company to be paid by 2nd and 3rd Defendants.

The 2nd and 3rd Defendants had on 8 September 2023 filed an appeal ("Appeal") at the Court of Appeal to appeal against the Judgement of the Kuala Lumpur High Court on 30 August 2023. The Appeal has been fixed for Case Management on 13 November 2024.

The 2nd and 3rd Defendants had on 4 September 2023 filed an application for a stay of proceeding ("Stay Application") at the Kuala Lumpur High Court to stay the execution of the Judgement delivered by the Kuala Lumpur High Court on 30 August 2023. The Stay Application was dismissed by the High Court on 17 October 2023 with costs of RM4,500 to be paid to the Company.

The 2nd and 3rd Defendants had on 23 October 2023 filed a notice of motion for a stay of proceeding ("Stay Motion") at the Court of Appeal to stay the execution of the Judgement dated 30 August 2023. The Stay Motion has been fixed for hearing on 22 November 2023 and the Court of Appeal has dismissed the stay of execution with costs of RM10,000 to be paid to the Company.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

46. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No: 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1st defendant, Tey Por Yee as the 2nd defendant and Ooi Kok Aun as the 3rd defendant (Cont'd):-

Further to the Judgement obtained by the Company against the 2nd and 3rd Defendants on 30 August 2023 and the dismissal of the Stay Application and the Stay Motion, the Company has executed the Judgement by filing:

1. A Bankruptcy Notice against the 2nd Defendant in the Shah Alam High Court, Bankruptcy No.: BA-29NCC-3214-12/2023 on 13 December 2023 demanding the total sum of RM124,370,962 from the 2nd Defendant; and
2. A Bankruptcy Notice against the 3rd Defendant in the Shah Alam High Court, Bankruptcy No.: BA-29NCC-3213-12/2023 on 13 December 2023 demanding the same amount from the 3rd Defendant.

The respective sealed Bankruptcy Notices were extracted on 21 December 2023. The Court has fixed 12 March 2024 for Case Management of the Bankruptcy Notice against the 2nd Defendant and 13 March 2024 for Case Management of the Bankruptcy Notice against the 3rd Defendant.

The Bankruptcy Notices were personally served on the 2nd and 3rd Defendants on 16 January 2024. Both the 2nd and 3rd Defendants have filed an affidavit to set aside the Bankruptcy Notice. The bankruptcy proceedings are scheduled for Case Management on 12 and 13 March 2024, respectively.

The 2nd and 3rd Defendants have filed their respective applications to set aside the said Bankruptcy Notices. In this regard, the Shah Alam High Court fixed the date for hearing the said applications by the 2nd and 3rd Defendants on 8 May 2024.

Notwithstanding the above litigation, the purchase consideration paid and advance made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the financial year ended 31 December 2014.

- (b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn Bhd ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants:-

PTSB, a wholly owned subsidiary of the Company, had entered into an agreement dated 4 February 2013 ("Agreement") to undertake coal trades with Goldchild.

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit ("Deposit") of USD5,161,290 (approximately RM16,000,000) was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 (approximately RM2,904,000) for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

On 21 November 2014, PTSB filed a legal suit against Goldchild and one of the former Directors of the Company, OKA, when the Company uncovered that OKA has an undisclosed interest in Goldchild.

OKA filed an application to strike out the legal suit against him and the application was dismissed on 19 October 2015. Thereafter, OKA filed an appeal against the SA High Court decision to the Court of Appeal. OKA's appeal has been struck off with liberty to file afresh and with no order as to costs by the Court of Appeal on 17 May 2018.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

46. MATERIAL LITIGATIONS (CONT'D)

- (b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn Bhd ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants (Cont'd):-

Goldchild's application to stay this legal proceeding pending arbitration was allowed by the SA High Court on 19 October 2015. Thereafter, PTSB filed an appeal against the SA High Court decision to the Court of Appeal. This appeal was withdrawn by PTSB on 24 August 2016.

Since the legal suit against Goldchild has been stayed pending arbitration, OKA filed an application for stay pending arbitration between PTSB and Goldchild which was allowed on 13 January 2016. PTSB then filed an appeal against the SA High Court decision to the Court of Appeal. This application was dismissed by the Court of Appeal on 24 August 2016. PTSB had on 23 September 2016 filed an application for leave via notice of motion seeking leave to appeal to the Federal Court of Malaysia at Wilayah Persekutuan Putrajaya ("Federal Court"). The Motion has been dismissed by the Federal Court on 11 January 2018.

Pursuant to the decision of the Federal Court, the action against PT Goldchild and OKA in the SA High Court is now stayed pending the arbitration proceedings between PT Goldchild and PTSB in Jakarta, Indonesia in accordance with the rules of Badan Arbitrase Nasional Indonesia ("BANI").

Notwithstanding the above litigation, the coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the financial year ended 31 December 2014.

- (c) High Court of Malaya at Penang ("Penang High Court") Suit No: PA-22NCVC-155-09/2022 between Tenaga Nasional Berhad ("TNB") as Plaintiff against Kumpulan Ikram Sdn Bhd ("KISB") as the Defendant:-

TNB had, vide an agreement dated 13 July 2015 ("TNB Agreement"), appointed KISB to carry out construction works known as "The Construction and Commission of Retention Pond at Gelugor Power Station" ("Project") whereby the scope of works includes amongst others designing flow system improvements, drainage system expansion and replacing U-drain size from 600mm to 750mm in Loji Kuala Gelugor ("Works").

KISB had in turn, vide a Letter of Award dated 26 May 2015 ("LOA"), appointed Qemudi Nekad Resources as sub-contractor ("Sub-Contractor"):-

- (i) to identify the utilities within the Project site and further prepared a utility mapping to be approved by TNB; and
- (ii) to carry out the entire Works.

TNB alleged that upon KISB carried out the drain breaking for the existing U-drain, the workers of KISB had carried out the picking up of the surplus and remnants debris of the broken U-drain left in the drain by using a backhoe ("Picking up the U-drain surplus and remnants works").

TNB further alleged that due to the picking up the U-drain surplus and remnants works by KISB, the same had caused the TNB's cable 2 ("TNB's Cable") destroyed. It was alleged that the bucket of the backhoe had caused damage on TNB's Cable. Subsequent to that, TNB lodged a police report on the said damage. TNB then terminated KISB's permit to work certificate and issued a stop-work order on KISB on the reason that the damage caused by KISB is a breach under Section 37(11) (b) and/or 37(12) (a) of the Electricity Supply Act 1990 ("Act").

TNB had managed to recover RM150,000 only from the Construction All Risks Insurance taken by KISB for this Project from TNB's panel insurance company, QBE Insurance (Malaysia) Berhad. The policy limit is RM150,000 only. The said insurance does not have "principal existing property" cover which will protect the insured against loss or damage to property located on or surrounding the site belonging to or held in care, custody or control by the insured.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2023

46. MATERIAL LITIGATIONS (CONT'D)

- (c) High Court of Malaya at Penang ("Penang High Court") Suit No: PA-22NCVC-155-09/2022 between Tenaga Nasional Berhad ("TNB") as Plaintiff against Kumpulan Ikram Sdn Bhd ("KISB") as the Defendant (Cont'd):-

In view thereof, TNB filed a suit against KISB pursuant to Section 41(1) of the Act under the strict liability tort on the reason that KISB's workers have neglected during the carrying out of the picking up the U-drain surplus and remnants works and caused damage on the TNB's cable. The damage on the TNB's Cable had caused the followings:-

- (i) a power outage to TNB's customers hence, TNB suffered loss of income during the period of the power outage; and
- (ii) rectification cost incurred to rectify the damage and replace the new cable.

TNB further alleged that TNB had issued a Notice of Claim for damages by way of letter dated 23 March 2016 and also a Letter of Demand dated 11 January 2018 to KISB to inform on the damage and to claim on the rectification cost amounting to RM6,799,962.

TNB's claims are as follows:-

1. General damages to be assessed;
2. Special damages amounting to RM6,799,962;
3. General damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
4. Economic damages to be assessed together with interest of 5% per annum calculated from the date of the filing of the writ until full settlement;
5. Interest of 5% per annum on the sum of RM6,799,962 calculated from the date of the filing of the writ until full settlement;
6. Aggravated and exemplary damages;
7. Cost; and
8. Any other relief court deems fit.

The status of this suit is as follows:-

KISB had filed its Defence on 2 October 2020. TNB had filed its Reply on 9 November 2020.

The Full Trial fixed on 29 and 30 August 2023 and on 25 and 26 October 2023 has been concluded. The Penang High Court has fixed 8 May 2024 for oral submission.

Notwithstanding the above litigation, the provision for the claim amount has been fully provided for in the financial year ended 31 December 2020.

APPENDIX A FOR THE FINANCIAL YEAR

Ended 31 December 2023

DIRECTORS OF SUBSIDIARY COMPANIES OF THE GROUP

The following is the list of Directors who served on the boards of the subsidiary companies of the Group since the beginning of the current financial year to the date of the Directors' Report:-

Adlin Binti Masood
 Ahmad Farid Bin Ghazali (Resigned on 2 January 2024)
 Aminah Binti Mohd Taib (Appointed on 6 February 2024)
 Asri Bin Ramli
 Azman Bin Ali @ Raji'i (Appointed on 30 January 2023)
 Cheong Kah Wang
 Chong Ther Shern
 Chong Ther Vern
 Chong Ther Zern (Appointed on 12 January 2023)
 Dato' Akram Ali Al Agil
 Dato' Mohd Ibrahim Bin Mohd Nor
 Dato' Ir Ts. Mohd Taufik Bin Haron
 Dato' Ronnie Yap Kee Tian
 Dato' Sri Salleh Bin Mat Rasid
 Dato' Ts. Azizee Bin Ismail (Appointed on 24 January 2024)
 Dato' Wan Imran Bin Wan Omar
 Dato' Jamal Bin Nasir
 Dato' Wan Mohamed Yaacob Bin Wan Salaidin
 Datuk Ir Ts. Wan Nazri Bin Haji Wan Aria (Resigned on 7 November 2023)
 Engku Farhan Bin Engku Azahan (Appointed on 30 January 2023 and resigned on 11 July 2023)
 Hasrin Bin Abdul Rahman (Appointed on 2 January 2024)
 Hiew Yun Heng
 Hishamuddin Bin Hussein
 Hong Au Sheue
 Hong Jok Hon
 Hong Sun Ho
 Idham Bin Mustafa
 Ir Edward Khoo Mong Wei
 Johari Bin Zainal
 Kamaljeet Kaur
 Kenneth Lim Wei Sen
 Lee Geok Chai (Resigned on 13 January 2023)
 Mac Chung Jin (Resigned on 6 February 2024)
 Marina Binti Jaal
 Mat Zin Bin Hussain

Appendix A for the Financial Year

Ended 31 December 2023

DIRECTORS OF SUBSIDIARY COMPANIES OF THE GROUP

The following is the list of Directors who served on the boards of the subsidiary companies of the Group since the beginning of the current financial year to the date of the Directors' Report (Cont'd):-

Mohamad Nasriff Bin Daud @ Daud Yatimee (Resigned on 30 September 2023)
 Mohd Akhir Bin Abdullah
 Mohd Fairuz Bin Mohamed Isa
 Mohd Hafiz Bin Belal Din (Appointed on 30 January 2023)
 Mohd Kamsatul Aidi Bin Mohd Noor (Appointed on 30 January 2023)
 Mohd Najib Bin Abdullah
 Mohd Shahrul Bin Sidin
 Mohd Soud Bin Said @ Mat Ali (Appointed on 1 March 2024)
 Mohd Yazip Bin Matori
 Muhyidin Bin Abdul Rashid (Resigned on 1 March 2024)
 Nafisah Binti Abdul Aziz
 Ng Lan Fong (Resigned on 26 July 2023)
 Nik Farzimar Binti Nik Omar (Appointed on 1 October 2023)
 Nikifli Nurizan Bin Nik Saad (Appointed on 2 January 2024)
 Nik Nur Aini Binti Nik Abdullah
 Noor Hasnan Bin Hamzah (Resigned on 5 September 2023)
 Nora Binti Amir
 Nordin Bin Kasiran
 Norihan Binti Maelah (Appointed on 10 July 2023 and resigned on 19 January 2024)
 Pon Tiam Wee
 Rameli Bin Ismail
 Tan Chong Seng
 Tan Heng Kui
 Tan Wei Meng
 Taufik Bin Abd Rahim (Resigned on 31 January 2023 and appointed on 18 January 2024)
 Ting Choon Fook
 Tuan Haji Zulkifli Bin Ibrahim
 Vong Kee Sin
 Wong Chun Wei
 Wong Meng Jinn
 Wong Wirry @ Wong Wee Chong
 Zainal Abidin Bin Abu Bakar

LIST OF PROPERTIES

No.	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2023 RM'000	Date of Revaluation*/ Acquisition#
1	Lot No. 52500,52501, 52502, 52503, 52504 & P.T. 70410, Bandar Baru Bangi, District of Sepang State of Selangor Darul Ehsan.	Institutional, commercial and residential	Between 15 - 41 years	Freehold	3,411 million	92,022	18.04.02*
2	Lot No. P.T. 172, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	40 years	Leasehold 99 years expiring in 2076	1,760	508	01.03.02#
3	Lot No. P.T. 166, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	40 years	Leasehold 99 years expiring in 2076	1,760	425	11.06.02#
4	Lot No. P.T. 167, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	40 years	Leasehold 99 years expiring in 2076	1,760	425	11.06.02#
5	Lot No. P.T. 168, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	40 years	Leasehold 99 years expiring in 2076	1,760	425	11.06.02#
6	Lot No. P.T. 169, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Corner lot four-storey shophouse	40 years	Leasehold 99 years expiring in 2076	2,208	601	11.06.02#
7	Country Lease No. 075356580, Sungai Tinosan, Sandakan, Sabah.	Land for future development	N/A	Leasehold 99 years expiring in 2074	291,850	521	10.03.05#
8	HS (M) 1156, Blok 7, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Workshop	18 years	Leasehold 99 years expiring in 2080	126,300	1,391	05.08.05#
9	HS (M) 3647, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Vacant Land	N/A	Leasehold 99 years expiring in 2091	79,100	569	25.06.08#
10	No. Hakmilik Geran 79109, Lot 3223 Mukim of Beranang District of Ulu Langat State of Selangor Darul Ehsan.	Factory	12 years	Freehold	185,566	2,121	07.10.10#

List of Properties

No.	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2023 RM'000	Date of Revaluation*/ Acquisition#
11	Parcel No #17-16, Level 17, Type A Lot No HS(D) 452849 PTD 198871 Mukim of Plentong District of Johor Bahru State of Johor Darul Takzim.	Service Apartment	12 years	Leasehold 99 years expiring in 2105	609	251	18.10.12#
12	De Centrum Mall Jalan Ikram-Uniten 43690 Kajang State of Selangor Darul Ehsan.	Retail mall	8 years	Freehold	197,327	32,135	31.12.15#
13	C-13-1 till C-13-10 C-14-1 till C-14-10 C-15-1 till C-15-10 C-16-1 till C-16-10 D-13-1 till D-13-10 D-14-1 till D-14-10 D-15-1 till D-15-10 D-16-1 till D-16-10 Kondominium Unipark Jalan US 1, Taman Unipark Suria Off Jalan Ikram-Uniten 43690 Kajang State of Selangor Darul Ehsan.	Condominiums	7 years	Freehold	208,000	39,318	21.11.16#
14	Lot No P.T. 70411 Bandar Baru Bangi District of Sepang State of Selangor Darul Ehsan.	Twelve-storey academic block	7 years	Freehold	42,688	36,127	06.04.16#
15	Park Inn by Radisson Hotel Taman Unipark Suria 43000 Kajang Selangor	Hotel	4 years	Freehold	131,277	36,344	20.2.2020
16	45-3A, The Residence St Regis Kuala Lumpur 6, Jalan Stesen Sentral 2 50470 Kuala Lumpur	Condominiums	2 Years 9 months	Freehold	2,408	4,700	26.3.2021
17	No 11, Jalan Gangsa 3 Desa Perindustrian, Kulai 2, Kelapa Sawit 81030 Kulai Johor	Factory	28 Years	Freehold	47,508	4,787	1.11.2023
18	Lot No. 1827 Title No. PN32554 Mukim Pagoh, Daerah Alor Gajah Melaka	Vacant Land	N/A	Leasehold 99 years expiring in 2094	7,653	139	28.10.2022

ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

Issued Share Capital : RM249,436,954
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	634	10.043	29,932	0.006
100 – 1,000	348	5.512	129,106	0.027
1,001 – 10,000	2,379	37.685	11,732,707	2.435
10,001 – 100,000	2,485	39.363	79,490,803	16.501
100,001 to less than 5% of issued shares	463	7.334	216,968,939	45.039
5% and above of issued shares	4	0.063	173,383,923	35.992
*TOTAL	6,313	100.000	481,735,410	100.000

Remarks:

* Excluding 13,656,900 treasury shares

SUBSTANTIAL SHAREHOLDERS

Name	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	45,597,197 ⁽¹⁾	9.47
Penmacorp Sdn Bhd	45,597,197	9.47	-	-
Gan Chun Hui	35,814,100	7.43	-	-

Notes:

(1) Deemed interested pursuant to Section 8 of the Company's Act 2016 by virtue of his shareholdings in Penmacorp Sdn Bhd

DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	50,312,361 ^(a)	10.44
Dato' Ir Kenny Chong Ther Nen	2,866,458	0.60	2,095,800 ^(b)	0.44
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman	875,000	0.18	3,645,833 ^(c)	0.76
Dato' Tan Yee Boon	-	-	-	-
Suhaimi Bin Badrul Jamil	105,832	0.02	-	-
Tham Wei Mei	-	-	-	-
Celine Chan Hooi Li	-	-	-	-

Notes:

(a) by virtue of his interest via his spouse, children and Penmacorp Sdn Bhd

(b) by virtue of his interest via spouse

(c) by virtue of his interest in Rencana Berkat Sdn Bhd

Analysis of Shareholdings

as at 29 March 2024

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG KET PEN (PB)	57,777,816	11.994
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR PENMACORP SDN BHD	43,943,447	9.122
3	CHONG KET PEN	35,848,560	7.442
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GAN CHUN HUI (PB)	35,814,100	7.434
5	MAR WOOL LIENG	9,091,100	1.887
6	TAN HENG KUI	7,656,250	1.589
7	YAP MAN CHAN	6,685,900	1.388
8	FEDERLITE HOLDINGS SDN BHD	6,188,454	1.285
9	ADDEEN HOLDINGS SDN BHD	4,899,999	1.017
10	MAGDALEN KHOO MONG CHEEN	4,690,683	0.974
11	KENANGA NOMINEES (ASING) SDN BHD RAKUTEN TRADE SDN BHD FOR YANG JIAYUAN	4,000,000	0.830
12	RENCANA BERKAT SDN BHD	3,645,833	0.757
13	LIM SIM KEE	3,291,300	0.683
14	RONNIE YAP KEE TIAN	2,755,307	0.572
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHUNG MAN CHONG	2,700,058	0.560
16	LEE WEE MIEN	2,480,900	0.515
17	LEE BOON KIAN	2,291,479	0.476
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR WONG TACK PENG (LBU1031)	2,275,966	0.472
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YAP OON NEO (PB)	2,178,883	0.452
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ROSEMARY KHOO MONG SAN	2,095,800	0.435
21	KHOR KENG SAW @ KHAW AH SOAY	2,036,400	0.423
22	LAI SEE CHEH	2,013,520	0.418
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SHEAH KOK FAH (7000808)	1,950,000	0.405
24	SABRINA HO WEI LING	1,942,183	0.403
25	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TING YI EN	1,828,800	0.380
26	PENMACORP SDN BHD	1,653,750	0.343
27	LIM YING ZHEN	1,645,141	0.342
28	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	1,559,000	0.324
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ONG YII BOON	1,500,000	0.311
30	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR QUEK SEE KUI	1,500,000	0.311
	TOTAL	257,940,629	53.544

Note:

Without aggregating securities from different securities accounts belonging to the same person.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting of the Company will be held at the Conference Hall, 1st Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 30 May 2024 at 11.00 a.m. to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits of up to RM500,000/- for the period from the day after the Annual General Meeting to the next Annual General Meeting. Ordinary Resolution 1
3. To re-elect the following Directors retiring in accordance with Article 107(1)(b) of the Company's Constitution:
 - (i) Encik Suhaimi Bin Badrul Jamil Ordinary Resolution 2
 - (ii) Ms Tham Wei Mei Ordinary Resolution 3
4. To appoint auditors of the Company and authorise the Directors to determine their remuneration. Ordinary Resolution 4
5. To consider and if thought fit, to pass the following resolution, with or without modifications:

ORDINARY RESOLUTION - AUTHORITY TO ALLOT SHARES

"THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Companies Act 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be allotted pursuant to this Resolution does not exceed 10% of the issued shares of the Company for the time being. Ordinary Resolution 5

AND THAT authority be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company."

6. To consider and if thought fit, to pass the following resolution, with or without modifications:

ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Companies Act 2016 ("Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and requirements of any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following: Ordinary Resolution 6

- (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;

Notice of Annual General Meeting

- (c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:
 - (i) the conclusion of the next Annual General Meeting ("AGM"), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Act; or
 - (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

- (d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt in the following manner as the Directors of the Company may decide:
 - (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as treasury shares; or
 - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as dividends to shareholders; or
 - (v) resell the treasury shares or any of the shares in accordance with the relevant rules of Bursa Securities; or
 - (vi) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
 - (vii) transfer the treasury shares, or any of the shares as purchase consideration; or
 - (viii) cancel the treasury shares or any of the treasury shares; or
 - (ix) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

THAT the Directors of the Company be authorised to take all such steps as are necessary and enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

7. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTORS

"THAT Dato' Tan Yee Boon who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company until the end of the term of twelve years, as allowed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad." Ordinary Resolution 7

"THAT Encik Suhaimi bin Badrul Jamil who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company." Ordinary Resolution 8

Notice of Annual General Meeting

8. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

KHOR HOOI LING (SSM PC No. 202008000854)

SEOW FEI SAN (SSM PC No. 201908002299)

Secretaries

Petaling Jaya

30 April 2024

NOTES TO NOTICE OF THE 23RD ANNUAL GENERAL MEETING:

- Only members whose names appear on the Record of Depositors as at 20 May 2024 shall be entitled to attend, speak and vote at the 23rd AGM.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may 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 Account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
- 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 thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul not less than 48 hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid.
- Explanatory notes:

Ordinary Resolution 1 - The proposed Ordinary Resolution 1 is to approve the Directors' fees and benefits payable to the Non-Executive Directors ("NED") of up to an amount of RM500,000 with effect from the day after the AGM to the next AGM of the Company.

The fees and benefits payable to the NEDs of the Company are as follows:

- Monthly fixed fees for discharging duties as Director; and
- Meeting allowance for each Board/Board Committee/General Meeting attended.

Notice of Annual General Meeting

The shareholders at the Twenty-Second ("22nd") AGM held on 31 May 2023 approved the Directors' fees and benefits of up to RM500,000/- for the period from 1 June 2023 until the AGM for year 2024. The actual Directors' fees and benefits paid to the NEDs for the period from 1 June 2023 until the 23rd AGM is RM227,500.

Details of the fees and benefits paid to the Non-Executive Directors for the financial year ended 31 December 2023 are disclosed on page 112 of the Overview Statement on Corporate Governance in the 2023 Annual Report.

The Directors' fees and benefits for the Non-Executive Directors for the period from the day after the AGM to the next AGM in year 2025 are estimated not to exceed RM500,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on assumption that the number of the Non-Executive Directors will remain the same until the next AGM in year 2025.

The Board will seek shareholders' approval at the next AGM in the event the proposed Directors' fees and benefits are insufficient.

Ordinary Resolution 5 - The proposed Ordinary Resolution 5, if passed, will:

empower the Directors of the Company to allot and issue not more than 10% of the issued shares of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

The authority, if granted, will enable quick and cost-efficient fundraising for funding future investment projects, working capital, acquisitions, or strategic opportunities involving equity deals, which may require issuance of new shares.

The authorisation, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

As of the date of printing of the Annual Report, no new share was issued by the Company pursuant to the authority granted to the Directors at the 22nd Annual General Meeting held on 31 May 2023 and the said authority will lapse at the conclusion of the 23rd AGM.

Ordinary Resolution 6 - The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Shares Buy-Back is provided in the Share Buy-Back Statement to Shareholders dated 30 April 2024.

Ordinary Resolutions 7 & 8 - The proposed Ordinary Resolutions 7 & 8, if passed, will allow Dato' Tan Yee Boon ("Dato' Tan") and Encik Suhaimi bin Badrul Jamil ("Encik Suhaimi") to be retained and continue to act as Independent Non-Executive Directors of the Company.

Dato' Tan has over 22 years of experience in both contentious and non-contentious legal matters specialising in corporate, commercial, litigation and advisory works. He has focused on matters such as initial public offering, transactions involving public listed companies, mergers and acquisitions and has represented various listed companies in matters relating to listing rules and the takeover code. In addition, Dato' Tan also has extensive experience in compliance and advisory works for listed companies in Malaysia as well as general commercial work such as corporate restructuring and cross-border matters.

En Suhaimi is a highly accomplished and experienced leader with expertise in corporate transformation, value management, restructuring, finance, turnaround management, risk management, cross-border investments, mergers & acquisitions, and strategic management.

Notice of Annual General Meeting

His extensive background spans various industries, having served in key senior roles such as Group Financial Controller, Group General Manager, and Group Executive Director within a Malaysian conglomerate. The conglomerate operates in diverse sectors including property development, transportation, insurance and banking, plantation, construction, manufacturing, and investment holdings.

The Board of Directors has via the Nomination and Remuneration Committee conducted Directors' annual performance evaluation and assessment of both Dato' Tan and Encik Suhaimi, based on the following justifications:

- a. compliance with independence criteria set out in the Independence self-assessment test;
- b. compliance with criteria outlined in the Directors' Fit and Proper Policy;
- c. possession of sufficient self-esteem and confidence to stand up for an independent point of view;
- d. approach to any transaction that requires Board's approval with a vigilant eye and an inquisitive mind;
- e. unafraid to express an unpopular stance on issues or express disagreement on matters and actively pursue them with the rest of the Board; and
- f. do not hesitate to ask hard and uncomfortable questions during board deliberations.

The Board believes that the skills, competence, experience and familiarity with the fundamentals of the Group's business possessed by Dato' Tan and Encik Suhaimi are crucial for effective decision making. Furthermore, the Board is of the opinion that their long service does not compromise their independence, and they consistently provide the required checks and balances as Independent Directors of the Company. Consequently, the Board recommends their continuation as Independent Non-Executive Directors of the Company.



FORM OF PROXY

Registration No. 200101012322 (548078-H)
(Incorporated in Malaysia)

I/We _____
(Full Name)

NRIC/Passport/Company No. _____

of _____
(Full Address)

being a member/members of **Protasco Berhad** hereby appoint _____
(Full Name)

NRIC/Passport No. _____

of _____
(Full Address, Email Address & Contact Number)

or failing him/her _____
(Full Name)

NRIC/Passport No. _____

of _____
(Full Address, Email Address & Contact Number)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the 23rd Annual General Meeting of the Company to be held at the Conference Hall, 1st Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 30 May 2024 at 11.00 a.m. and at any adjournment thereof and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits.		
2.	To re-elect Encik Suhaimi Bin Badrul Jamil as a director of the Company.		
3.	To re-elect Ms Tham Wei Mei as a director of the Company.		
4.	To appoint auditors of the Company and authorise the Directors to determine their remuneration.		
5.	To approve the authority to allot shares.		
6.	To approve the proposed renewal of share buy-back authority.		
7.	To approve the retention of office of Dato' Tan Yee Boon as an Independent Non-Executive Director.		
8.	To approve the retention of office of Encik Suhaimi bin Badrul Jamil as an Independent Non-Executive Director.		

Please indicate with a "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____, 2024

Signature/Seal of Member

No. of Shares Held	
CDS Account No.	
Proportion of shareholdings to be represented	1 st Proxy: 2 nd Proxy:

Notes:

1. Only members whose names appear on the Record of Depositors as at 20 May 2024 shall be entitled to attend, speak and vote at the 23rd AGM.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may 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 Account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. 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 thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid.

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STAMP

The Company Secretaries

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17, Jalan SS7/26, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please fold here

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