



ADVENTA BERHAD
200301016113 (618533-M)



ANNUAL REPORT 2023

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CORPORATE INFORMATION

Board of Directors

EDMOND CHEAH SWEE LENG

Chairman
Senior Non-Independent Non-Executive Director

LOW CHIN GUAN

Executive Director

KWEK SIEW LENG

Executive Director

TOH SENG THONG

Non-Independent Non-Executive Director

DATO' SELWYN VIJAYARAJAN DAS

Independent Non-Executive Director

MUHAMAD YAZDI BIN CHE YA

Independent Non-Executive Director

Registered Office

21, Jalan Tandang 51/205A
Seksyen 51
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-9213 0520
Fax : 03-7772 9821
Email : contact.us@adventa.com.my

Share Registrar

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2084 9000
Fax : 03-2094 9940
Email : info@sshsb.com.my

Audit Committee

MUHAMAD YAZDI BIN CHE YA
Chairman
TOH SENG THONG
DATO' SELWYN VIJAYARAJAN DAS

Nomination Committee

DATO' SELWYN VIJAYARAJAN DAS
Chairman
TOH SENG THONG
MUHAMAD YAZDI BIN CHE YA

Remuneration Committee

TOH SENG THONG
Chairman
KWEK SIEW LENG
DATO' SELWYN VIJAYARAJAN DAS

Company Secretary

CHUA SIEW CHUAN
(SSM PC NO. 201908002648)(MAICSA 0777689)
LIM LIH CHAU
(SSM PC NO. 201908001454)(LS 0010105)

Principal Bankers

HSBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad

External Auditors

Moore Stephens Associates PLT
Unit 3.3A, 3rd Floor, Surian Tower
No. 1, Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor Darul Ehsan

Internal Auditors

PKF Advisory Sdn. Bhd.
Level 33, Menara 1MK
Kompleks 1 Mont Kiara
No. 1, Jalan Kiara Mont Kiara
50480 Kuala Lumpur
Wilayah Persekutuan

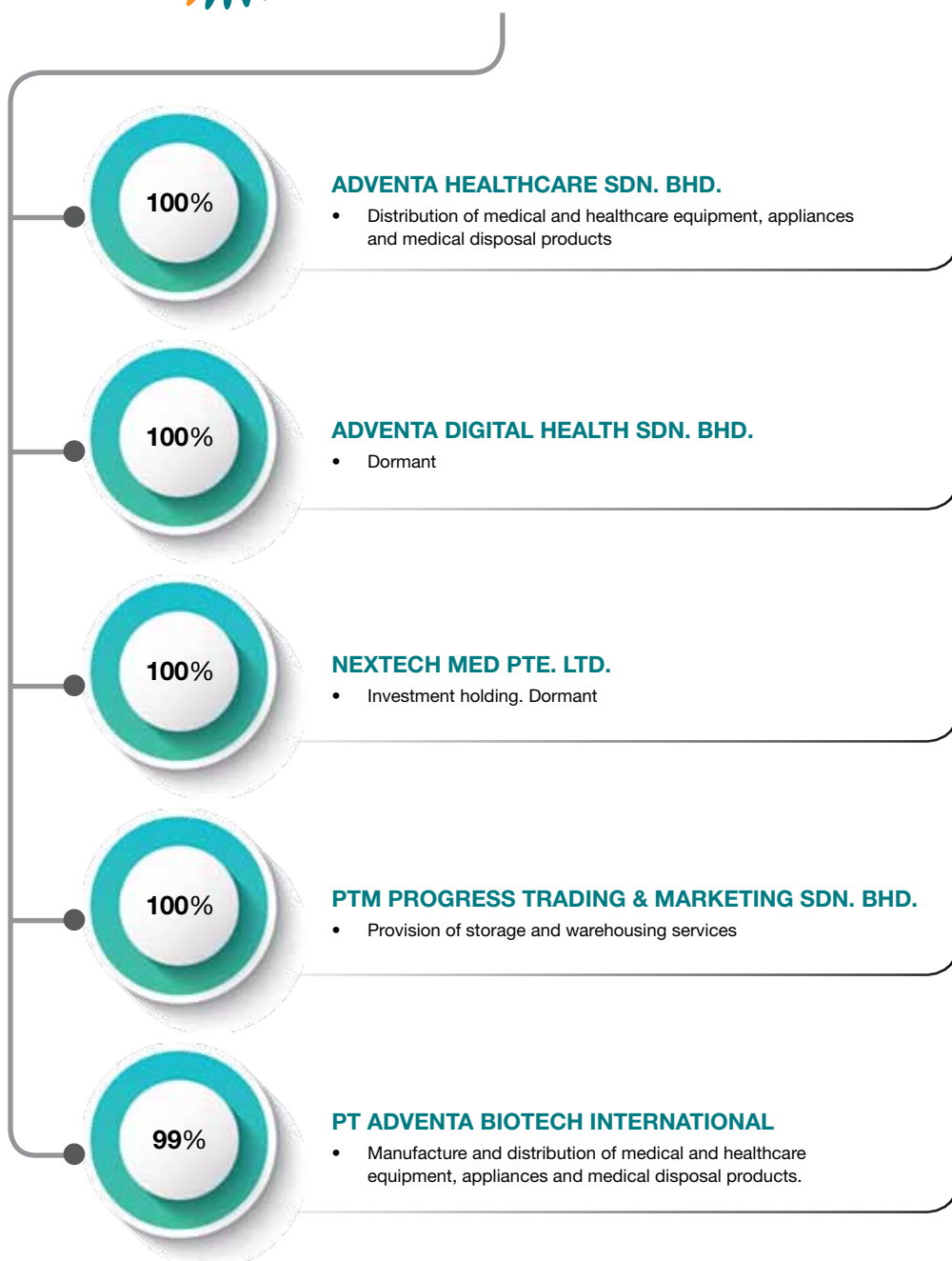
Stock Exchange Listing


Main Market of
Bursa Malaysia Securities Berhad

GROUP CORPORATE STRUCTURE



ADVENTA BERHAD
200301016113 (618533-M)





Low Chin Guan and Kwek Siew Leng
Executive Director

MANAGEMENT

DISCUSSION AND ANALYSIS

Primarily, we acknowledge that we were less prepared for the speed of change in the economic landscape within our industry post covid. The intense competition, supply chain uncertainties, and cost increases resulting from global geopolitical circumstances have significantly reduced our margins. We were wrong-footed in some product range. Several changes in product requirements, particularly for specialized personal protection equipment, have substantially reduced the demand for some of our inventories. This, combined with the weak Ringgit, has made it challenging to maintain market share and profitability across several of our product categories. Our overseas trade was similarly affected by these conditions too.

Internally, we have made concerted efforts to manage costs and mitigate the impact of external factors. However, our company policy dictates that the value of products be valued and assessed responsibly, leading to significant write-downs, as they were acquired at pandemic prices. Although it has been painful, we took the prudent actions of trimming our product range and revaluing slow-moving inventories. This has resulted in a net loss of RM9.16 million on the back of RM37.3 million revenue for the financial year ended 31 December 2023.

Learning from these experiences, we have implemented several changes aimed at enhancing our operational efficiency and strengthening our competitive position in the market. This includes optimizing the supply chain to reduce costs, enhancing risk management processes, reducing redundancies, and responding faster to changing market dynamics.

Dear Shareholders,

We want to provide a transparent explanation for the difficulties that our company has experienced in the past year.

Despite the setbacks we faced, we have made strategic investments in our company's fundamental strengths. We are building a manufacturing base for critical medical products. We made changes to our product portfolio and introduced advanced medical supplies that are more resilient to market fluctuations.

Our proactive actions and our investments shall put us on a stronger footing moving forward. We expect margin improvement and stronger sustained growth building on our growing new customer base, markets, product segments, and the experience and dedication of our people.

While fiscal year 2023 presented its share of challenges, we remain steadfast and confident in our commitment to deliver value to our shareholders.

Thank you for your continued support and confidence in Adventa.

SUSTAINABILITY STATEMENT

Sustainable development is the responsibility of a body to improve the quality of life of the community and future generations in which it operates. Adventa Berhad and its subsidiaries (**“the Group”**) are committed to sustainable development and to continuously returning better values to all stakeholders. The Group strives to make life better and safer and to protect the environment wherever it operates. These values should be embedded in how and why the Group does things and in the policies and culture of its business and people. The future generation and the future should be protected from the acts, products, and education the Group sets and seeks.

To achieve this objective, the Group is in continuous evaluation of its processes and development in terms of Environmental, Social, and Governance aspects and impacts. Ensuring sustainability across all aspects of the Fund - Economic, Environmental, Social, and Governance - is crucial for creating long-term value for our stakeholders, especially during challenging times. We will persist in integrating sustainable practices into our daily operations to achieve strategic business objectives while reducing our environmental impact. Additionally, we remain dedicated to providing our employees with a safe, healthy, and balanced workplace. The Group has the responsibility to deliver stakeholders' expectations of returns and, at the same time, to ensure a safe environment in the process.

APPROACH TO SUSTAINABILITY

In addressing this initiative, the Group plans development and management of the Economic, Environmental and Social (**“EES”**) elements in its strategy. This general Sustainability Statement is prepared in accordance to the Main Market Listing Requirements (**“MMLR”**) of Bursa Malaysia Securities Berhad (**“Bursa Malaysia Securities”**) and the Sustainability Reporting Guide, including its accompanying toolkits issued by Bursa Malaysia Securities.

This statement is to communicate our Group's material sustainability matters that reflect significant EES impacts of the business.

This statement covers the financial year ended 31 December 2023 for our healthcare segment.

THE GOVERNANCE

The Group's approach to sustainability is formulated based on its core values and principled around the Group's policy and culture, which are illustrated below and available on the company website.

INTEGRITY

The Group maintains integrity in all dealings and trade, working to achieve excellence through honesty and responsibility, without compromising on its duty of care. Undue and illegitimate practices are not tolerated.

CORPORATE RESPONSIBILITY

The Group operates with a clear open policy when dealing with its shareholders and the authorities, making proper and timely disclosures of any and all material factors it faces. The Group is to uphold and maintain the trust of its customers and shareholders.

QUALITY AND VALUES

The Group strives for quality in all it does, giving customers the value they expect and deserve. The Group endeavors to meet customer requirements and exceed expectations with the products it manufactures and sells.

FOCUS

The Group maintains a clear and defined focus on its objectives and targets. The Group is set to be a multi-layered and multi-product group producing and distributing products used in the healthcare industry.

SUSTAINABILITY STATEMENT

CONT'D

NON-POLITICAL INVOLVEMENTS

The Group operates for commercial enterprise and to create value and returns for its shareholders. The Group is determined to operate within the legitimate laws and regulations set down by the democratically elected governments and do not involve themselves in any political, philosophical activity or movement of any particular group, country or region.

ENVIRONMENTAL & SOCIAL CARES

The Group operates within accepted social and environmental requirements. Its responsibility to society and social wellbeing is a priority in all its commercial decisions. The Group works to achieve a cleaner and healthier environment for all employees and the societies it operates in and uses its knowledge and ability to contribute back to its environment. The lives, careers and the rights of its employees are respected and enhanced in recognition of their loyalty and dedication in the organisation.

MATERIAL CORE FOCUS AREAS

Materiality, in sustainability terms, is not limited to matters that may have a financial impact on the Group but includes issues that may impinge on its ability to meet its present and future needs. The Group's definition of materiality is derived from the prescribed guidelines provided by Section 6.3 of the Practice Note 9 of the MMLR of Bursa Malaysia Securities, where material issues are defined as those which:

- reflect the Group's significant EES impacts; and/or
- substantively influence the assessment and decisions of the stakeholders.

The Group have internally performed a materiality assessment on the Group's EES matters and has identified the key focus areas which may have a greater direct or indirect impact on our Group's ability to create, preserve or erode the EES position. We evaluate business strategy decisions for sustainability risks and long term impacts. Collateral risks are identified and contained.

EES

The Group has made awareness and commitment to sustainability as a part of our management goal. We strive to achieve equitable diversity in our people, culture, philosophies and open-minded inclusiveness in all communities we engaged with. The Group carries out continuous engagements with all stakeholders on the best approach to social, environmental and economic goals without negative impacts. The Group's environmental and social footprints are to be minimised. Wastages, emissions, and inefficiencies are targeted as an environmental issue. Energy saving processes and product designs are parameters in our Research & Development (R&D).

Being in the healthcare industry, product competitiveness and quality, functional relevance and service levels are fundamental criteria for the Group. The Group's policy and culture underpin our goals of:

- Products and services of value and quality that can ensure better safety and health of our customers.
- Minimal environmental footprint in process and product consumption.
- Improved social impact with our services.
- Safety and health assurance for our employees.

The Group practices diversity and equal opportunity for all, measured solely on performance metrics. There shall be zero discrimination in compensation and opportunities. Parental and family commitments are assessed and accommodated effectively to enable employees of all age and sex to participate productively and wholeheartedly.

BUILDING A SUSTAINABLE FUTURE

The Group is committed to ensure sustainability with the active participation of all its people, continuously assessing risks and opportunity, work with newer technologies, open engagement and with integrity in all the Group does.



SUSTAINABILITY REPORTING

INDICATOR	MEASUREMENT UNIT	2023
BURSA (DIVERSITY)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	73.33
Management Above 50	Percentage	26.67
Executive Under 30	Percentage	29.41
Executive Between 30-50	Percentage	67.65
Executive Above 50	Percentage	2.94
Non-executive/Technical Staff Under 30	Percentage	50.00
Non-executive/Technical Staff Between 30-50	Percentage	50.00
Non-executive/Technical Staff Above 50	Percentage	0.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	25.00
General Workers Above 50	Percentage	75.00
Gender Group by Employee Category		
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	35.29
Executive Female	Percentage	64.71
Non-executive/Technical Staff Male	Percentage	100.00
Non-executive/Technical Staff Female	Percentage	0.00
General Workers Male	Percentage	75.00
General Workers Female	Percentage	25.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.30
Female	Percentage	16.70
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
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	8

SUSTAINABILITY REPORTING

CONT'D

INDICATOR	MEASUREMENT UNIT	2023
BURSA (DIVERSITY)		
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 (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	66.67
Executive	Percentage	73.53
Non-executive/Technical Staff	Percentage	75.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	80.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megalitres	263.57
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3.965000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	32
Executive	Hours	82
Non-executive/Technical Staff	Hours	22
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	7
Executive	Number	17
Non-executive/Technical Staff	Number	0
General Workers	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	63.14
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,400.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	20

DIRECTORS' PROFILE



EDMOND CHEAH SWEE LENG

Chairman

Senior Non-Independent Non-Executive Director

Gender

Male

Nationality



Mr. Edmond Cheah Swee Leng ("Mr. Cheah"), aged 69, was appointed to the Board of Adventa Berhad on 9 August 2004 and is presently the Chairman of the Company.

He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and Association of Chartered Accountants, England and Wales. He is also a Certified Financial Planner. His professional experience has been in the fields of audit, merchant banking, corporate & financial advising, portfolio & investment management, unit trust management and financial planning.

His career started with a professional accounting firm in London where he was an Audit Manager. He was the manager in charge of Portfolio Investment in a merchant bank in Malaysia and subsequently in charge of the corporate and planning division in a public listed company. Mr. Cheah was the Chief Executive Officer/Executive Director and a member of the Investment Committee of Public Mutual Fund Berhad, the largest private unit trust management company in Malaysia.

He was also a council member and Chairman of the Secretariat of the Federation of Investment Managers Malaysia (FIMM), a former Task Force Member on Islamic Finance for Labuan International Offshore Financial Centre (LOFSA), and a former member on the Securities Market Consultation Panel in Bursa Malaysia Securities Berhad.

He attended all eight (8) Board Meetings held during the financial year ended 31 December 2023.

Mr. Cheah sits on the Board of Nylex (Malaysia) Berhad which is listed on Bursa Malaysia Securities Berhad. He is also an Investment Committee Member and Director of MAAKL Mutual Berhad.



LOW CHIN GUAN

Executive Director, Key Senior Management

Gender

Male

Nationality



Mr. Low Chin Guan ("Mr. Low"), aged 64, was appointed to the Board of Adventa Berhad on 12 April 2004 and is presently the Executive Director of the Company.

He graduated as a Civil Engineer from the University of Manchester Institute of Science and Technology (UMIST), United Kingdom.

Mr. Low founded the initial subsidiary of the Group in 1988. He has years of experience in project management, operations of manufacturing and assembly plants, financial control, strategic planning and marketing. In 2003, he formed Adventa Berhad to hold the various companies and manufacturing facilities under a single group management.

He led the Group as the Managing Director in the areas of strategic planning, business development, investments, acquisitions and key personnel recruitment until November 2021, when he relinquished his role as the Managing Director of the Group.

He attended all eight (8) Board Meetings held during the financial year ended 31 December 2023.

Mr. Low is the major shareholder of the Company. He does not have any family relationship with any other director nor any conflict of interest in any business arrangement involving the Company, except as disclosed in the Financial Statements.

DIRECTORS' PROFILE

CONT'D



KWEK SIEW LENG

Executive Director, Key Senior Management

Gender

Nationality

Female



Ms. Kwek Siew Leng ("Ms. Kwek"), aged 57, was appointed to the Board of Adventa Berhad on 12 April 2004 and is presently the Executive Director of the Company. She is a member of the Remuneration Committee.

She is an Associate Member of the Chartered Institute of Management Accountants (CIMA) and a Chartered Malaysian Institute of Accountants (MIA). She has senior operations experience in audit and accounting prior to joining the Adventa Berhad group. Her prior employment in public practice includes stints in statutory and regulatory reporting, financial planning, budgeting and forecasting, taxation, managerial skills as well as system development in various fields.

She joined one of the Company's subsidiaries as Finance Manager in 2002 and assumed the position of Group Finance Manager of Adventa Berhad in 2003. She was subsequently promoted to Finance Director in 2004. She is now responsible for the overall management and operations of the accounts and finance departments.

She attended all eight (8) Board Meetings held during the financial year ended 31 December 2023.



TOH SENG THONG

Non-Independent Non-Executive Director

Gender

Nationality

Male



Mr. Toh Seng Thong ("Mr. Toh"), aged 65, was appointed to the Board of Adventa Berhad on 10 May 2004. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

He graduated with a Bachelor of Commerce (Accounting) Degree from the University of Canterbury, New Zealand in 1981. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Certified Public Accountants, Chartered Accountants Australia and New Zealand, a Fellow member of the Chartered Tax Institute of Malaysia and an Associate member of the Harvard Business School Alumni Club of Malaysia.

Mr. Toh has over 30 years' experience in auditing, taxation and corporate and financial advisory. He is also a practicing Chartered Accountant of Malaysia. He started his own practice under Messrs. S T Toh & Co in 1997.

He attended all eight (8) Board Meetings held during the financial year ended 31 December 2023.

He sits on the Board of Rhong Khen International Berhad and PTT Synergy Group Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

DIRECTORS' PROFILE

CONT'D



**DATO' SELWYN
VIJAYARAJAN DAS**

Independent Non-Executive Director

Gender

Male

Nationality



Dato' Selwyn Vijayarajan Das ("Dato' Selwyn"), aged 69, was appointed to the Board of Adventa Berhad on 23 December 2021. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

Dato' Selwyn graduated with a Bachelor of Arts (Hons) from University of Malaya, Bachelor of Laws (Hons) from University of London, Master in Business Administration from University of Delaware, United States.

He has over 39 years of experience in government, diplomacy, negotiations, human resource, budget and finance, conference organisation and management and law.

Dato' Selwyn started his career in the Malaysian Administrative and Diplomatic Service in year 1979 and has served in various capacities in the Prime Minister's Department, Ministry of Finance and Ministry of Foreign Affairs. He was appointed as the High Commissioner of Malaysia to Kenya from year 2005 to year 2009, High Commissioner of Malaysia to Canada from year 2009 to year 2010 and Ambassador of Malaysia to Austria from year 2013 to year 2014.

He was a member of Public Services Commission of Malaysia from year 2016 to year 2019 and he is currently an Advocate and Solicitor of the High Court of Malaya.

He attended all eight (8) Board Meeting held during the financial year ended 31 December 2023.



**MUHAMAD YAZDI
BIN CHE YA**

Independent Non-Executive Director

Gender

Male

Nationality



Muhamad Yazdi bin Che Ya ("Mr. Yazdi"), aged 50, was appointed to the Board of Adventa Berhad on 1 July 2023. He is the Chairman of the Audit Committee and a member of the Nomination Committee.

Mr. Yazdi graduated with a Degree in Accounting and Finance from University of Lancaster. He is a corporate professional with a blend of experience as a regulator, advisor and practitioners.

Throughout his 27 years tenure in the corporate scene saw, he worked with large institutions such as the Securities Commission, Investment Banks and Fund Management Companies. He held senior corporate positions and directorships in several private companies in Malaysia. He currently serves as the Chief Executive Officer of Mas Aero Services Sdn. Bhd.

He attended all four (4) Board Meeting held during the financial year ended 31 December 2023.

Save as disclosed, none of the Directors have:-

1. Any other directorship in public companies and listed issuers;
2. Any family relationship with any Director and/or major shareholder of the Company;
3. Any conflict of interest with the Company;
4. Any convictions for offences within the past five (5) years other than traffic offences, if any; and
5. Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

KEY SENIOR MANAGERMENTS' PROFILE

LOW CHIN GUAN

Executive Director, Key Senior Management

The profile of Mr. Low Chin Guan is set out on page 9 of this Annual Report.

Gender

Nationality

Male



KWEK SIEW LENG

Executive Director, Key Senior Management

The profile of Ms. Kwek Siew Leng is set out on page 10 of this Annual Report.

Gender

Nationality

Female



Save as disclosed, none of the key senior management have:-

1. Any other directorship in public companies and listed issuers;
2. Any family relationship with any Director and/or major shareholder of the Company;
3. Any conflict of interest with the Company;
4. Any convictions for offences within the past five (5) years other than traffic offences, if any; and
5. Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Adventa Berhad (“**Adventa**” or “**the Company**”) is pleased to present this Corporate Governance (“**CG**”) Overview Statement (“**Statement**”) to provide the shareholders and investors with an overview on the application of CG practices by the Company and its subsidiaries (“**the Group**”) as set out in the Malaysian Code of Corporate Governance (“**MCCG**”) throughout the financial year ended 31 December 2023 (“**FYE 2023**”).

This Statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (“**Bursa Malaysia Securities**”) Main Market Listing Requirements (“**MMLR**”) and it is to be read together with the CG Report of the Company in respect of FYE 2023 (“**CG Report**”) which is published at www.adventa.com.my.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Company is led by a dynamic and experienced Board, with high personal integrity, business acumen and management skills, which is primarily entrusted with the responsibility of charting the direction of the Group.

The major responsibilities of the Board are outlined in the Board Charter. The Board discharged its key fiduciary duties, leadership functions and responsibilities, as follows:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company’s business;
- Considering the management recommendations on key issues - including acquisitions and divestments, restricting, funding and significant capital expenditure;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Deciding on necessary steps to protect the Company’s financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Ensuring that the Company’s financial statements are true and fair and conform with any applicable laws and/or regulations; and
- Ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

For the effective function of the Board, the Board has established the following Board Committees to assist in the discharge of its responsibilities:

- (i) Audit Committee (“**AC**”);
- (ii) Nomination Committee (“**NC**”); and
- (iii) Remuneration Committee (“**RC**”).

The Board Committees operates within clearly defined Terms of Reference (“**TOR**”) which were duly approved by the Board. The TORs are to be regularly reviewed as and when required to ensure they are consistent with MMLR and MCCG.

The Board is led by Mr. Edmond Cheah Swee Leng, who is the Chairman of the Company who always strive for instilling good CG practices, demonstrating leadership and oversee the effectiveness of the Board. The positions of Chairman and Managing Director are held by different individuals and their roles and responsibilities are distinct and clearly defined in the Board Charter.

The Board is supported by two (2) Company Secretaries who are suitably qualified under the Companies Act 2016 (“**CA 2016**”), in all respect in the CA 2016, MMLR of Bursa Malaysia Securities, MCCG and company secretaryship matters. The Board has full access to the advice and services of the Company Secretaries for the Board’s affairs and the businesses.

The Board received meeting materials, which are complete and accurate within a reasonable time prior to the meeting. Upon conclusion of the meeting, the minutes of meetings are circulated in a timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

The Board met eight (8) times during the FYE 2023. All Directors complied with the minimum requirements on attendance at Board meetings as stipulated in the MMLR (a minimum of 50% of the total Board meetings held during the FYE 2023). The details of the Directors' attendance at the Board meetings during the FYE 2023 are as follows:

No.	Name of Directors	Attendance of Board Meetings
1.	Edmond Cheah Swee Leng	8/8
2.	Low Chin Guan	8/8
3.	Kwek Siew Leng	8/8
4.	Toh Seng Thong	8/8
5.	Dato' Selwyn Vijayarajan Das	8/8
6.	Muhamad Yazdi bin Che Ya	4/4

The Board Charter of the Company documented the governance and structure of the Board, authority, major roles and responsibilities and TOR of the Board Committees, matters reserved for the Board and other guidance on the Board conduct.

The Company has in place the Whistleblowing Policy to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Group may be exposed. The AC oversees the administration of the Whistleblowing Policy.

The Group has in place a Code of Conduct and Ethical Practice that is applicable to all the Directors of the Group where appropriate standards of conduct and ethical behaviour are maintained in the Group to preserve the Group's reputation and success of its operation.

The Board Charter, Whistleblowing Policy and the Code of Conduct and Ethical Practice are to be regularly reviewed by the Board as and when required, and they are available for viewing at the Company's website www.adventa.com.my.

II. Sustainability

Adventa takes into account sustainability considerations when overseeing the Group's planning and performance. The Board and Senior Management have direct oversight on sustainability-related matters, which sets a strong tone from top as they plans development and management of the Economic, Environment and Social ("ESG") elements in its strategy. The Group is in continuous evaluation of the processes and development on the Environment, Social and Governance ("ESG") aspects and impact.

The Group has established a Sustainability Framework with key focus on the ESG principles, covering areas such as Carbon Reduction, Water Conservation, Pollution, Climate Change, Health and Safety, Corporate Social Responsibility, Compliance & Integrity.

The Board and Management communicates the Company's sustainability strategies, priorities, targets as well as performance with internal and external stakeholders through the following channels:

Internal stakeholders

- Group CEO Townhall
- Engagement sessions with various group of employees
- E-mail communication

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Sustainability (Cont'd)

The Board and Management communicates the Company's sustainability strategies, priorities, targets as well as performance with internal and external stakeholders through the following channels: (Cont'd)

External and internal stakeholders

- Adventa's Sustainability Statement in the Annual Report
- Annual General Meeting ("AGM")

The Board is cognisant that Directors are expected to have a strong understanding and be able to engage in rigorous discourse with Management in addressing sustainability-related risks.

The Group Risk Management Framework sets out the approach to the identification, assessment, management, monitoring and reporting of risks. The Board sets risk appetite and regularly reviews performance against the risk tolerance limits.

The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment, which are relevant to Adventa and its business, including climate and supply-chain risks, natural disaster, health and safety risks.

To this end, the Board members will keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, structured reading and discussions.

The Company has enhanced its Board and Board Committees Performance Evaluation Form by including questionnaires on ESG issues. The same performance evaluation criteria is apply to Senior Management as well.

As part of the Company's Board Effectiveness Evaluation exercise for 2023, the Directors were formally assessed on their performance with regards to oversight material sustainability risks and opportunities. Specifically, the questionnaire modality deployed through a self and peer evaluation provided extensive coverage on the following sustainability related areas:

- Presence of a business strategy as underpinned by Environmental;
- ESG considerations;
- ESG literacy of the Board; and
- Oversight and monitoring of sustainability targets and goals.

III. Board Composition

The Company is led by an experienced and competent Board with different expertise. Presently, there are six (6) members of the Board, comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Senior Non-Independent Non-Executive Director.

The Board deems its composition as appropriate in terms of its membership and size. There is a good mix of skills and core competencies in the current Board membership. The Board is well represented by individuals with diverse professional backgrounds and experience in the areas of finance, accounting and economics, as well as capital markets services.

The two (2) Independent Non-Executive Directors out of six (6) of the Board members, make up to 1/3 of the Board and is in compliance with the Paragraph 15.02(1) of the MMLR. Notwithstanding the above, the Board views the number of its Independent Non-Executive Directors as adequate to provide the necessary check and balance to the Board's decision-making process.

The Board has not developed a policy which limits the tenure of its Independent Directors ("ID") to nine (9) years. In the event the Board deems its beneficial to the Group to retain an ID beyond nine (9) years tenure, it will need to justify the recommendation to shareholders and seek shareholders' approval at a general meeting. None of the current IDs have served the Company for more than nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Board Composition (Cont'd)

In any appointment of Board and Senior Management, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a diversified Board and Senior Management team that will help to grow the Group and have better governance in the Group.

The Board also acknowledges the need to promote gender diversity in line with the MCCG and the Government's target for woman to fill 30% or more of the decision making positions in corporate Malaysia.

The Board does not have any Gender Diversity Policy and has not set any gender diversity target for FYE 2023. However, the Board is committed to gender diversity which includes the representation of women in the composition of the Board of the Company and at management level of the Group which is available for viewing at the Company's website <https://www.adventa.com.my/diversity>.

As at 31 December 2023, there is one (1) woman Director on Board which does not fulfil the MCCG's recommendation of at least 30% women participation in the Board. The Board will continue to identify suitable female candidate as Director from time to time to promote gender diversity.

NC

The NC that is established by the Board, is responsible for screening, evaluating and recommending to the Board suitable candidates for appointment as Directors and Senior Management as well as filling vacancies in the Board Committees. The NC is chaired by Dato' Selwyn Vijayarajan Das, the Independent Non-Executive Director.

During FYE 2023, the main activities undertaken by the NC were as follows:

- Reviewed and recommended to the Board, the Fit and Proper Policy.
- Reviewed and recommended to the Board, the revised annual assessment for the effectiveness of the Board as a whole and the Board Committees.
- Reviewed and recommended to the Board, the re-election of Directors of the Company who shall retire at the AGM of the Company.
- Assessed the independency of the Independent Non-Executive Directors of the Company.
- Reviewed the training programmes attended by the Directors for the financial year ended 31 December 2022.
- Reviewed the attendance of the Directors at Board and/or Board Committee Meetings for the financial year ended 31 December 2022.
- Assessed the effectiveness of the Board as a whole and the Board Committees including the AC.
- Assessed the contribution and performance of each individual Director of the Company and AC member.
- Reviewed and recommended to the Board, the re-designation of Mr. Edmond Cheah Swee Leng from Senior Independent Non-Executive Director to Senior Non-Independent Non-Executive Director and Mr. Toh Seng Thong from Independent Non-Executive Director to Non-Independent Non-Executive Director.
- Reviewed and recommended to the Board, the appointment of Independent Non-Executive Director.
- Reviewed and recommended to the Board, the change in composition of the NC and AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Board Composition (Cont'd)

NC (CONT'D)

The Board, through the NC, has established a formal assessment mechanism to carry out assessment on an annual basis on the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the ID. The areas covered in the annual assessment criteria of the Board, Board Committees and individual Directors are as follows:

Evaluation	Assessment Criteria
Board and Board Committees	<ul style="list-style-type: none"> Board mix and composition Quality of information and decision making Boardroom activities Board relationship with the Management Board Committees' Performance
Individual Directors	<ul style="list-style-type: none"> Fit and proper Contribution and performance Calibre and personality

The Company has enhanced its Board and Board Committees Performance Evaluation Form by including questionnaires on ESG issues.

In FYE 2023, the NC carried out the abovesaid assessments. The results indicated that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and IDs, is appropriate. The IDs had also fulfilled their independent role in corporate accountability.

For the purpose of determining the eligibility of the Directors to stand for re-election at the AGM of the Company, the Board through its NC to determine the eligibility of each retiring Director in line with MCCG, which include the following:

- I. Effectiveness of the Board as a whole and the Committees of the Board;
- II. Contribution and performance of each individual Director;
- III. Fit and proper assessment; and
- IV. The required mix of skills and experience and other qualities, including core competence.

The Directors who are to retire shall abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and NC, where relevant.

All Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities for directors of listed issuers. Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

The Directors will continue to participate from time to time in training programmes to keep abreast with the latest developments in the capital markets, relevant changes in laws and regulations, corporate governance matters, and current business issues, from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Board Composition (Cont'd)

NC (CONT'D)

During FYE 2023, all Directors had attended various training programmes and seminars as follows:

Directors	Training(s) Attended
Edmond Cheah Swee Leng	1) 12 September 2023 – Inhouse training: Surgical Instrument – Scanlan Needle Holders 2) 15 September 2023 – Inhouse training: Surgical Instruments – Scanlan Scissors, Forceps, Clamps
Low Chin Guan	1) 12 September 2023 – Inhouse training: Surgical Instrument – Scanlan Needle Holders 2) 15 September 2023 – Inhouse training: Surgical Instruments – Scanlan Scissors, Forceps, Clamps
Toh Seng Thong	1) 7 March 2023 – National Tax Conference by LHDN 2) 26 June 2023 – ESG in Financial Reporting by MICPA 3) 25 & 26 July 2023 – SSM National Conference 4) 27 November 2023 – AOB conversation with Audit Committees
Kwek Siew Leng	1) 10 April 2023 – HSBC Investment Forum – ASEAN Matters: Intra Region Growth and Investment Opportunities in Indonesia's New Capital City 2) 6 September 2023 – Inhouse training: Woundcare products: Non Woven Island Dressing/ Waterproof Transparent Island Dressing/ Fabric Roll/ Self Adhesive Wound Dressing 3) 12 September 2023 – Inhouse training: Surgical Instrument – Scanlan Needle Holders 4) 8 November 2023 – OCBC Webinar: 2024 Outlook: Indonesia and Malaysia
Dato' Selwyn Vijayarajan Das	1) 9 May 2023 – Probate by Selangor Bar 2) 17 August 2023 – Evidence in Digital Age by Selangor Bar 3) 5 September 2023 – Tax Disputes in Judicial Review by Selangor Bar 4) 12 October 2023 – Contempt of Court by Selangor Bar
Muhamad Yazdi bin Che Ya	1) 9 & 10 October 2023 – Mandatory Accreditation Programme (MAP)

V. Remuneration

The Board has adopted policies and procedures to determine the remuneration of Directors and Senior Management of the Company. The Board is aware that competitive remuneration is important to attract, retain and motivate its Directors and Senior Management to lead the Group in the long term.

The RC reviewed the remuneration packages of the Executive Directors to ensure their remuneration is sufficiently attractive and is able to retain and motivate them to run the Company successfully.

The remuneration packages for Directors were determined by the Board as a whole following the relevant recommendations made by the RC, with the Directors concerned abstaining from deliberations and voting on his/her own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

V. Remuneration (Cont'd)

During FYE 2023, the main activities undertaken by the RC were as follows:

- Reviewed and recommended to the Board, the Directors' fees and benefits payable to the Directors for the FYE 2023.
- Reviewed and discussed the remuneration packages for the year 2023 for the Executive Directors.

The full terms of reference of the RC is available on the Company's website at www.adventa.com.my.

Details of the Board's remuneration for FYE 2023 are set out as below: -

(i) Executive Directors

Name of Directors	Fee	Salary, Bonus and other emoluments	Benefits in Kind	Total
Low Chin Guan	34,320.00	299,000.00	–	333,320.00
Kwek Siew Leng	34,320.00	325,000.00	–	359,320.00

(ii) Non-Executive Directors

Name of Directors	Fees	Allowances	Total
Edmond Cheah Swee Leng	76,560.00	–	76,560.00
Toh Seng Thong	76,560.00	–	76,560.00
Dato' Selwyn Vijayarajan Das	52,800.00	–	52,800.00
Muhamad Yazdi bin Che Ya	24,000.00	–	24,000.00

The Directors' Fees of both Executive and Non-Executive Directors is subject to shareholders' approval annually.

The Board is of the view that it would not be in the best interest of the Company to make such detailed disclosure of Key Senior Management's remuneration on a named basis. Accordingly, such details are not disclosed in the Annual Report 2023 in view of the competitive market for talents in the industry and to support the Company's effort in attracting and retaining highly talented personnel.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC of the Company comprises exclusively two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The members of AC possess a wide range of necessary skills to discharge its duties. The Chairman of AC, Mr. Muhamad Yazdi bin Che Ya, is a separate person from the Chairman of the Board as the Board acknowledges that the AC, being an independent and objective body, should function as the Company's independent watchdog to ensure the integrity of financial controls and effective financial risk management. The performance of the members of the AC is reviewed by the NC annually.

The AC has adopted Policy – External and Internal Auditors to assess the suitability, objectivity and independence of the External Auditors. In line with the MCCG, the Board has revised the TOR of AC on 30 June 2023 to consider any related party transactions and conflict of interest situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measure taken to resolve, eliminate, or mitigate such conflicts. In FYE 2023, there was no declaration of conflict of interest made by the AC members.

II. Risk Management and Internal Control Framework

The Risk Management Committee (“**RMC**”) is responsible to manage and monitor risk management. The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of the business objective of the Group. The Board through the AC and RMC review the key risks identified on a regular basis to ensure proper management of risks and that measures are taken to mitigate any weaknesses in the control environment.

The AC is established by the Board to provide independent oversight on the Company's internal and external audit functions, financial reporting, internal control systems and to ensure proper checks and balances within the Company.

The Board has established an internal audit function within the Company, which is led by the out-sourced Internal Auditors, PKF Advisory Sdn. Bhd. (“**IA**”), who reports directly to the AC as an integral part of control structure and risk management framework of the Group.

During the FYE 2023, the AC is satisfied the IA has the necessary competencies, experience and sufficient resources to carry out the function effectively and independently.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control in this Annual Report 2023.

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

I. Effective Communication with Stakeholders

The Board recognises the importance of timely and high quality disclosure as a key component to uphold the principles and best practices of corporate governance for the Group. As such, maintaining an effective communication policy between members of the public and the Company is important to build trust and understanding between the Company and its various stakeholders.

The Board has in place Policy on Shareholders Communications and Investor Relations to ensure that shareholders and investment community are provided with timely and equal access to balanced and understandable information on the Company to enable shareholders to exercise their right in an informed manner and to allow shareholders and the investment community to engage actively with the Company.

Shareholders may communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's website enquiry form on its website, www.adventa.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONT'D

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. Effective Communication with Stakeholders (Cont'd)

The Board also recognises that effective and timely communication of information related to the Company's business strategies, financial performance and business initiatives are essential in maintaining good relationship with investors.

Various communication channels are used for disseminating information to the shareholders and the investing public on a timely basis, i.e. AGM, Annual Report, quarterly announcements and corporate disclosures to Bursa Malaysia Securities, press releases, and investor and analyst briefings, the Company's website with updated information.

The Company has yet to adopt integrated reporting for FYE 2023 but the Board ensures there is continuous communication between the Company and its stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Minutes of the Twentieth ("20th") AGM have been made available to shareholders no later than 30 business days after the AGM on the Company's website at www.adventa.com.my.

II. Conduct of General Meetings

The AGM has been the main forum for shareholders to engage with the Board to facilitate greater understanding of the Company's business, governance and performance.

The Notice of 20th AGM together with the explanatory notes of the background information and reports or recommendations that are relevant to the proposed resolutions, as well as the Form of Proxy, was sent to shareholders at least twenty-eight (28) days prior to the date of the 20th AGM, so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the 20th AGM, and to arrange for proxies to attend the 20th AGM on their behalf, if so required.

All Directors, Chairman of AC, RC and NC had attended the 20th AGM held on 23 June 2023.

The Directors had actively responded to relevant questions addressed to them during the 20th AGM.

The representatives of external auditors and/or representatives of Principal Adviser for the corporate exercise were also present to respond to the queries raised by the shareholders.

Compliance with MCCG

The Board is satisfied that during FYE 2023, the Company has complied with the best practices in MCCG on the application of the principles and best practices in corporate governance, except for those departures highlighted in the CG Report.

This Statement and the CG Report were approved by the Board of Directors of the Company on 8 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

OTHER INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Utilisation of Proceeds

For the financial year ended 31 December 2023, the details of utilisation of the proceeds from the Issuance of Right Issue RM38.19 million were as follows: -

Details of Utilisation	Expected utilisation time frame	Proposed Utilisation RM ('000)	Actual Utilisation RM ('000)	Remaining balance RM ('000)
Business expansion	Within 24 months	20,605	4,006	16,599
Working capital	Within 18 months	8,182	–	8,182
Repayment of bank borrowings	Within 6 months	8,755	8,755	NIL
Estimated expenses	Upon completion	654	654	NIL
Total		38,196	13,415	24,781

2. Recurrent Related Party Transactions of Revenue Nature ("RRPTs")

The RRPTs entered into by the Group during the financial year ended 31 December 2023 ("FYE 2023") were as follows:

Nature of RRPTs	Name of Company	Related Parties	Interested Directors and/or interested Major Shareholders	Aggregate value of the RRPTs during the FYE 2023
Rental of office Address: No. 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan Frequency of payment: monthly	Adventa Healthcare Sdn. Bhd.	Low Chin Guan	Low Chin Guan	RM156,000
Rental of office Address: No. 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan Frequency of payment: monthly	Adventa Berhad	Low Chin Guan	Low Chin Guan	RM66,000

ADDITIONAL COMPLIANCE INFORMATION

CONT'D

2. Recurrent Related Party Transactions of Revenue Nature ("RRPTs") (CONT'D)

The RRPTs entered into by the Group during the financial year ended 31 December 2023 ("FYE 2023") were as follows: (Cont'd)

Nature of RRPTs	Name of Company	Related Parties	Interested Directors and/or interested Major Shareholders	Aggregate value of the RRPTs during the FYE 2023
Distribution of healthcare products	Adventa Healthcare Sdn. Bhd.	Lucenxia (M) Sdn. Bhd.	Low Chin Guan (shareholder of Lucenxia (M) Sdn. Bhd.)	RM865,396
Distribution of healthcare products and purchase of healthcare disposal products	Adventa Healthcare Sdn. Bhd.	Connecx International Sdn. Bhd.	Low Chin Guan (Director of Connecx International Sdn. Bhd.)	Purchase of disposable healthcare product RM162,516 Sales of disposable healthcare product RM750,078

3. Audit and Non-Audit Fees

The audit and non-audit fees paid by the Group to external auditors or company affiliated to the external auditors' firm for the FYE 2023 were as follows: -

	Company (RM)	Group (RM)
Audit services rendered	83,000	132,500
Non-audit services rendered	11,000	11,000
Total	94,000	143,500

4. Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the FYE 2023 or, if not then subsisting, entered into since the end of the previous financial year.

5. Employee Share Scheme ("ESS")

The ESS which comprises the Employees' Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP") of up to fifteen per centum (15%) of the total number of issued shares in the Company (excluding treasury shares of the Company, if any) for the eligible person(s) during the ESS period, approved by the shareholders at the Annual General Meeting of the Company held on 23 June 2022 was implemented on 12 October 2022. The ESS shall be in force for a period of five (5) years until 11 October 2027. During the financial year ended 31 December 2023, there were no ESOS and/or SGP granted or awarded to eligible person(s).

AUDIT COMMITTEE REPORT

The Board of Directors of the Company (“**the Board**”) is pleased to present the report of the Audit Committee (“**AC**”) for the financial year ended 31 December 2023 (“**FYE 2023**”) in compliance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”).

COMPOSITION AND MEETINGS

The AC comprises three (3) members, which consist of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This complies with Paragraphs 15.09(1)(a) and (b) of the Main LR of Bursa Malaysia Securities.

The Chairman of the AC, Mr. Muhamad Yazdi bin Che Ya is an Independent Non-Executive Director. In this respect, the Company complies with Paragraph 15.10 of the Main LR of Bursa Malaysia Securities. Furthermore, in compliance with the Practice 9.1 of the Malaysian Code on Corporate Governance (“**MCCG**”), the Chairman of the AC is not the Chairman of the Board.

Mr. Toh Seng Thong, being member of Malaysian Institute of Accountants (MIA), fulfil the requirement of Paragraph 15.09(1)(c) of the Main LR of Bursa Malaysia Securities.

The term of office and performance of the AC and individual AC member has been reviewed by the Nomination Committee on 23 February 2024 in accordance with Paragraph 15.20 of the Main LR of Bursa Malaysia Securities. Having reviewed the results of the AC and individual AC member’s performance, the Board is satisfied that the AC and individual AC member have been able to carry out their duties with care and diligence in accordance with the Terms of Reference of the AC for the FYE 2023.

During the FYE 2023, the AC conducted a total of five (5) meetings. The composition of the AC and the attendance of the respective members at the meetings during the FYE 2023 are disclosed as follows:-

Name	Designation	Directorship	Attendance
Mr. Muhamad Yazdi bin Che Ya #	Chairman	<i>Independent Non-Executive Director</i>	2/2
Mr. Toh Seng Thong	Member	<i>Non-Independent Non-Executive Director</i>	5/5
Dato’ Selwyn Vijayarajan Das	Member	<i>Independent Non-Executive Director</i>	5/5
Mr. Edmond Cheah Swee Leng*	Member	<i>Senior Non-Independent Non-Executive</i>	3/3

appointed on 30 June 2023

* resigned on 30 June 2023

The Terms of Reference of the AC is available for reference on the Company’s website at www.adventa.com.my.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

1. OVERSIGHT OF THE FINANCIAL REPORTING PROCESS

During the FYE 2023, the AC carried out its duties as set out on its Terms of Reference. The AC discharged its oversight role by carrying out the following activities during the FYE 2023:

- (a) Reviewed and discussed the quarterly and year-end financial statements, prior to recommendations to the Board. The key areas of focus are the following:
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - going concern assumption;
 - compliance with accounting standards and other legal requirements;
 - significant matters highlighted in the financial statements; and
 - significant judgements made by the Management.

AUDIT COMMITTEE REPORT

CONT'D

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

1. OVERSIGHT OF THE FINANCIAL REPORTING PROCESS (CONT'D)

- (b) The dates the AC met during the FYE 2023 to deliberate on financial reporting matters as detailed below:-

Date of meetings	Financial Reporting Statements Reviewed (CoSec to update the following)
24 February 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 December 2022
18 May 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 31 March 2023
28 August 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 30 June 2023
28 November 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 30 September 2023

2. OVERSIGHT OF EXTERNAL AUDIT FUNCTION

During the FYE 2023, the AC:-

- Reviewed with the External Auditors, their audit plan including non-audit services for the FYE 2023, outlining the audit scope, methodology and timetable, audit materiality, area of focus, fraud considerations and the risk of management override and also the new and revised auditors reporting standards.
- Discussed and considered the significant accounting adjustments, auditing issues and management letter arising from the interim audit as well as the final audit with the External Auditors.
- Met with the External Auditors on 24 February 2023 and 28 November 2023 without the presence of the Executive Director and the Management.
- Assessed the performance of the External Auditors for the financial year ended 31 December 2023 covering areas such as suitability, objectivity and independence as well as the audit and non-audit fees of the External Auditors.
- Considered and recommended the re-appointment of External Auditors for the ensuing year.

Messrs. Moore Stephens Associates PLT (“**MSA**”) declared their independence and confirmed that they were not aware of any relationship between MSA and the Group that, in their professional judgement, might reasonably be thought to impair their independence.

The AC was satisfied with the independence, suitability and performance of MSA, recommended to the Board for approval, the re-appointment of MSA as External Auditors for the ensuing year at the Twenty-First Annual General Meeting of the Company.

3. OVERSIGHT OF INTERNAL AUDIT FUNCTION

In discharging its duties and responsibilities, the AC is supported by an independent and adequately resources internal audit function. The internal audit function is outsourced to PKF Advisory Sdn. Bhd. (“**Internal Auditors**”), an independent professional services firm which assesses the adequacy, efficiency and effectiveness of the Group’s internal control and risk management system.

During the FYE 2023, the internal audit function carried out audits in accordance with the internal audit plan approved by the AC. The results of the internal audit reviews and the recommendations for enhancement of existing controls were duly presented to the AC. The AC has full access to the Internal Auditors and has received reports on audits performed.

AUDIT COMMITTEE REPORT

CONT'D

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

3. OVERSIGHT OF INTERNAL AUDIT FUNCTION (CONT'D)

The internal audits were performed using a risk based approach and focused on:-

- (a) reviewing identified high risk areas for compliance with established policies, procedures, rules, guidelines, laws and regulations;
- (b) evaluating the adequacy of controls for safeguarding assets; and
- (c) identifying business risks which have not been appropriately addressed.

During the FYE 2023, the AC performed the following activities:

- (a) Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities.
- (b) Reviewed the internal audit report relating to account receivables and human resources management of the Group.
- (c) Reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective management's response thereon, and monitored the implementation recommendations and action plans.
- (d) Sought and obtain periodic updates from Internal Auditors on the status of implementation of post-audit recommendations from previous, as well as current, internal audit cycles.

The professional fees incurred for the internal audit function in respect of FYE 2023 amounted to RM15,000/-.

4. OTHER ACTIVITIES

- (a) Reviewed the contents of the AC Report and Statement on Risk Management and Internal Control and ensured that these reports were prepared in accordance with the applicable requirements for inclusion in the Annual Report prior to recommendation to the Board for approval.
- (b) Reviewed related party transactions and the adequacy of the Group's procedures and processes in identifying, monitoring, reporting and reviewing related party transactions in a timely and orderly manner.
- (c) Reviewed and recommended to the Board for approval the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") and Proposed New Shareholders' Mandate for RRPTs.
- (d) Received updates from the External Auditors on the new developments and amendments in disclosure requirements arising from the new and amended Malaysian Financial Reporting Standards and IC interpretation, Companies Act 2016 and the amendments to the Main LR of Bursa Malaysia Securities.
- (e) Proposed establishment of an Employee Share Scheme.
- (f) Reviewed the proposed investment projects undertaken by the Company.

BOARD'S CONCLUSION

The Board is satisfied that the AC and its members have carried out their functions, duties and responsibilities in accordance with the Terms of Reference of the AC and there were no material misstatements, frauds and deficiencies in the systems of internal control not addressed by the Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

INTRODUCTION

The Statement on Risk Management and Internal Control Statement (“**Statement**”) is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) in accordance with the Practices and Guidance relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD OF DIRECTORS’ (“**BOARD**”) RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the system of risk management and internal control of the Company and its subsidiaries (“**the Group**”) for good corporate governance. Due to the limitations that are inherent in any internal control system, the Group’s system of internal control can only manage the Group’s risks within an acceptable risk profile rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable and not absolute assurance against material misstatement, potential loss or fraud. Notwithstanding this, the Board requires that the procedures and controls in place are subject to regular review as part of an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Board has received assurance from the Executive Directors that the Group’s risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year ended 31 December 2023 (“**financial year under review**”) and up to the date of this Statement.

The Board has extended the responsibilities of the Audit Committee (“**AC**”) to include the role of reviewing and monitoring the effectiveness of the Group’s internal control system. The AC receives assurance reports from the Internal Auditors on findings from audits carried out at operating units, and the External Auditors on areas for improvement identified during the course of statutory audit.

The Reports of the AC is set out on pages 24 to 26 of the Annual Report 2023.

RISK MANAGEMENT

The oversight of the Group’s risk management process is the responsibility of the Executive Director who is assisted by the heads of department of the respective operating companies. During the financial year under review, the Group monitored significant risks and risk mitigation strategies on an ongoing basis through its Management at the Risk Management Committee (“**RMC**”) meetings and Board meetings. Under the purview of the RMC, the respective heads of each operating subsidiary and department of the Group are empowered with the responsibility of managing their respective operations. Its functions include, inter alia:

- developing risk management framework;
- coordinate the updating of the risk profile;
- monitor the implementation of action plans; and
- review and assess the applicability of the control environment in mitigating risk.

In view of a constantly changing environment and competitive landscape, the Board is committed in maintaining a system of internal control that comprises the following environment, key processes and monitoring systems: -

- An annual risk assessment analysis that assists the Management to continuously identify significant risks associated with key processes within a changing business and operating environment;
- The AC, through the RMC, reviews the adequacy and effectiveness of the Group’s risk management and internal control procedures as well as any internal control issues identified by the Internal Auditors and External Auditors. This also involves identifying alternative controls to reduce risk identified;
- The AC, through the Internal Audit, assess the potential financial and non-financial impacts to the business risk identified and with the assistance of the RMC formulate and develop action plan to address the risk with timeline; and
- The RMC will update the risk profile of operating companies and Group, monitor and update progress to the AC annually.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

CONT'D

RISK MANAGEMENT (CONT'D)

The Enterprise Risk Management (“**ERM**”) framework, risks and control measures established by the Company are documented and compiled by the RMC to represent the risk profile of the operating companies which in turn are consolidated to form the risk profile of the Group. Risk profiles are reviewed and updated on a yearly basis. Meetings are held at least once a year in which the updated risk profile will be deliberated by the AC before reporting to the Board.

During the financial year under review, the Group has continued with its ERM efforts. The risk profile of the Group was reviewed and updated to reflect the current conditions.

INTERNAL AUDIT FUNCTION

The Internal Audit Function adopts a risk-based approach, is guided by the International Professional Practice Framework (IPPF) and prepares its strategies and plans for AC's approval prior to execution of internal audit assessments. Internal audit reviews the internal controls in the key activities of the Group's businesses.

The internal audit team from PKF Risk Management Sdn. Bhd. (“**PKF**”), the independent consulting firm to which the Internal Audit Function has been outsourced, assesses the adequacy and effectiveness of the internal control system based on the scope of work approved by the AC and reports to the AC directly on its findings and recommendations for improvement. The Internal Auditors also reviews the extent to which its recommendations have been accepted and implemented by the Management. The AC reviews internal audit reports and management responses thereto and ensures significant findings especially control deficiencies are adequately addressed and rectified by the Management of the operating units concern. The AC reviews internal control matters and update the Board on significant issues for the Board's attention and action.

The Internal Auditors, which report directly to the AC, conducts reviews on the adequacy and effectiveness of the Group's system of internal controls that the Management has put in place. These audits review the internal controls in the key activities of the Group's business based on a three (3)-years detailed internal audit plan approved by the AC. Based on these audits, the Internal Auditors provide the AC with Annual Internal Audit Report highlighting observations, recommendations and management action plans to improve the system of internal control.

During the financial year under review, the AC with the assistance of the external professional consulting firm, PKF, reviewed the adequacy and integrity of the Group's internal control systems relating to Fixed Assets and Inventory Management. There were no material issues highlighted by PKF during the financial year under review.

The Engagement Director, Dr. Wong Ka Fee, Chartered Member of the Institute of Internal Auditors Malaysia, Fellow Member of Institute of Public Accountants, has a diverse professional experience in internal audit, risk management and corporate governance advisory, and the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Upon conduct a review on the Internal Audit Function, the AC concluded that the Internal Audit function is independent and PKF has performed their audit assignments with impartiality, proficiency and due professional care for the financial year under review.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group's system of internal controls comprises the following key elements:-

- a well defined organisational structure with clear reporting lines and accountabilities;
- clearly defined internal policies and procedures for key processes to ensure full compliance by all operating units and to minimise operating risks;
- close monthly monitoring and review of financial results and forecasts for all operating units by the Managing Director; and
- clear reporting structures to ensure proper monitoring of the Group's operations together with regular quarterly reports which monitor the Group's performance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

CONT'D

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited procedures on this Statement on Risk Management and Internal Control for the inclusion in the Annual Report 2023 of the Company in accordance with Malaysian Approved Standard on Assurance Engagements, International Standard on Assurance Engagement (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls. Their work performance is restricted to the requirements by Paragraph 15.23 of the MMLR of Bursa Malaysia Securities.

OPINION OF THE BOARD

The improvement of the system of internal control is an ongoing process and the Board maintains an ongoing commitment to strengthening the Group's internal control and risk management environment and processes.

Based on the internal processes which have been put into place by the Management, as well as the activities carried out by and subsequent reports of the outsourced Internal Audit function, the Board is of the view that the Group's system of internal control and risk management is sufficiently sound and adequate to safeguard the shareholders' investments and Group's assets for the financial year under review.

This statement is made in accordance with a resolution of the Board of Directors dated 8 April 2024.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

The Directors are required under the provisions of the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries (“**the Group**”) at the end of the financial year and their results and cash flows of the Group. In preparing the financial statements for the financial year ended 31 December 2023 in this 2023 Annual Report, the Directors have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, as well as ensured that all applicable accounting standards in Malaysia have been followed.

The Directors have ensured that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and ensured that the financial statements comply with the provision of the Companies Act 2016, Main Market Listing Requirements of Bursa Securities Malaysia Berhad and all applicable accounting standards in Malaysia.

The Directors also have general responsibilities for taking the necessary steps to safeguard the assets of the Group and to detect and prevent fraud as well as other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 8 April 2024.

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DIRECTORS' REPORT

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities and other information of its subsidiaries are set out in Note 15 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net loss for the financial year	(9,158,569)	(1,039,903)
Attributable to:		
- Owners of the Company	(9,076,322)	
- Non-controlling interests	(82,247)	
	(9,158,569)	

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.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

ISSUANCE OF SHARES OR DEBENTURES

On 22 November 2023, the Company has increased its issued and paid up ordinary shares by way of issuance of 152,785,770 new ordinary shares at the issue price of RM0.25 per ordinary share arising from the renounceable rights issue exercise.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT

CONT'D

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year to the date of this report are:

Kwek Siew Leng *
Low Chin Guan *
Edmond Cheah Swee Leng
Toh Seng Thong
Dato' Selwyn Vijayarajan Das
Muhamad Yazdi Bin Che Ya

(Appointed on 1 July 2023)

* *Being a Director of one or more subsidiaries*

DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016 ("Act"), the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of this report are as follows:

Ang Teck Koon
Datuk Mark Victor Rozario
Ary Gunawan
Tan Xi Yi

(Resigned on 15 November 2023)

Galabada Payagalage Dinesh Udayakantha

(Resigned on 1 February 2023)
(Resigned on 22 August 2023)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Act, the interest of Directors in office at the end of the financial year in shares or debentures of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 01.01.2023 Unit	Acquired Unit	Sold Unit	At 31.12.2023 Unit
Name of Director:				
<i>Ordinary shares in the Company</i>				
Direct interest:				
- Kwek Siew Leng	500,000	668,800	–	1,168,800
- Low Chin Guan	59,035,652	74,140,427	–	133,176,079
- Edmond Cheah Swee Leng	–	1,400,200	–	1,400,200

Low Chin Guan is deemed to have interest in the shares held by the Company in its subsidiaries by virtue of his substantial interest in shares of the Company to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

CONT'D

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated monetary value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM
Fees	298,560
Salaries and other emoluments	624,000
Contributions to defined contribution plan	111,720
Social security contributions	1,902
	1,036,182

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in Note 9 to the financial statements or the fixed salary of a full-time employee of the Company) 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 those as disclosed in Note 27 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including 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.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.
- (e) The total amount paid to or receivable by the auditors of the Company and its subsidiaries as remuneration for their services has been disclosed in Note 7 to the financial statements.
- (f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.
- (g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company and its subsidiaries.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 8 April 2024.

KWEK SIEW LENG

LOW CHIN GUAN

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 91 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 8 April 2024.

KWEK SIEW LENG

LOW CHIN GUAN

STATUTORY DECLARATION

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

I, KWEK SIEW LENG (MIA No.: 22423), being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 13 to 91 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 8 April 2024.

KWEK SIEW LENG

Before me,
Mohamad Zuliswandi
Bin Mohamed (W1006)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADVENTA BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Adventa Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 91.

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 IESBA Code.

Key Audit Matters

Key audit matters are the matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Recognition of Deferred Tax Assets

As at 31 December 2023, as shown in Note 18 to the financial statements, the Group recognised deferred tax assets of RM1,535,461 as at 31 December 2023. The deferred tax assets are mainly contributed by two of the main operating subsidiaries which have recognised net deferred tax assets of RM1,479,000 and RM56,461 respectively.

The recognition of deferred tax assets relies on the application of judgement by the Directors in respect of assessing the probability and sufficiency of future taxable profits to utilise such temporary differences in future. We have determined this to be a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.

Our audit procedures performed and responses thereon

We have performed the following audit procedures to evaluate management's assessment on the recognition of deferred tax assets:

- Reviewed the computation and recognition of deferred tax assets and assessed whether the recognition criteria for deferred tax assets is met in accordance to MFRS 112 Income Taxes;
- Reviewed the availability of unabsorbed capital allowances and unutilised tax losses to last year tax computation;
- Compared the key assumptions including forecast revenue, growth rates and gross margin against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available;
- Reviewed the sensitivity analysis by changing certain key assumptions used in the profit projection and assessed the impact of the recognition of deferred tax assets; and
- Evaluated management's budgeting process by comparing actual results to historical profit projections.

INDEPENDENT AUDITORS' REPORT

CONT'D

Key Audit Matters (Cont'd)

Impairment Review of Right-of-use Assets and the Company's Investments in Subsidiaries

Right-of-use ("ROU") Assets

As at 31 December 2023, as shown in Note 13 to the financial statements, the carrying amount of the Group's ROU assets amounted to RM28,549,197.

The ROU assets are mainly contributed by the main operating subsidiaries of the Group, all of these subsidiaries are in loss-making and/or accumulated losses positions and has resulted in multiple indications that the carrying amounts of the ROU assets may be impaired. Accordingly, the Group estimated the recoverable amount of the ROU assets based primarily on value-in-use ("VIU") calculations using cash flows projections derived from the most recent financial forecast approved by Directors covering a five-year period.

Investments in subsidiaries

As at 31 December 2023, as shown in Note 15 to the financial statements, the carrying amount of the Company's investments in subsidiaries amounted RM45,811,750.

Certain subsidiaries had recent history of losses, accumulated losses and/or the carrying amounts of the investments were lower than the net assets. These observations have resulted in multiple indicators that the carrying amount of these investments in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of these investments in subsidiaries based on fair value less cost of disposal method using cash flows projections derived from the most recent financial forecast approved by Directors covering a three to five-year period or net assets of subsidiaries (as the case may be).

We have identified the impairment review of ROU assets and investments in subsidiaries as key audit matters as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections. The recoverable amount of ROU assets and investments in subsidiaries are highly sensitive to key assumptions applied in respect of future revenue growth rate, gross margin and the pre-tax and/or post-tax discount rate used in the cash flows projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to evaluate management's basis and assumptions used to determine the recoverable amounts:

- Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors;
- Evaluated management's budgeting process by comparing actual results to historical cash flows projections;
- Reviewed management's impairment assessment including the growth rate, gross margin and discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; and
- Performed sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amounts of the ROU assets and investments in subsidiaries.

INDEPENDENT AUDITORS' REPORT

CONT'D

Key Audit Matters (Cont'd)

Recoverability Assessment of Amount Due From Subsidiaries

As at 31 December 2023, as shown in Note 20 to the financial statements, the amounts due from subsidiaries was RM46,288,213.

We have identified the recoverability of amounts due from subsidiaries as a key audit matter due to judgement involved by management as to the likelihood of the recoverability of these amounts due from subsidiaries, which is based on a number of factors, including whether there will be sufficient cash flows in the future to repay the outstanding amounts.

Our audit procedures performed and responses thereon

We have performed the following audit procedures to evaluate management's assessment about the recoverability of amounts due from subsidiaries:

- Evaluated management's assessment on the sufficiency of future cash flows of respective subsidiaries in support of the amounts due from subsidiaries by comparing management's forecasts of future cash flows approved by the Directors to historical results and evaluating the assumptions used in those forecasts;
- Evaluated management's budgeting process by comparing actual results to historical cash flows forecast and projections;
- Reviewed management's impairment assessment including the growth rate, gross margin and discount rate against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; and
- Reviewed the sensitivity analysis by changing certain key assumptions used in the forecast of future cash flows calculations and assessed the impact to the future cash flows.

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 Annual Report 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 Annual Report 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 the Annual Report, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

CONT'D

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:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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.
- (e) 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.
- (f) 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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

CONT'D

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 15 to the financial statements.

Other Matter

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

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

Petaling Jaya, Selangor
Date: 8 April 2024

LO KUAN CHE
03016/11/2024 J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	3	37,299,302	59,000,308	960,000	960,000
Cost of sales	4	(34,255,368)	(49,487,485)	–	–
Gross profit		3,043,934	9,512,823	960,000	960,000
Other income	5	235,297	487,275	1,006,079	1,392,732
Administrative expenses		(5,510,243)	(7,075,853)	(2,034,427)	(2,015,062)
Selling and marketing expenses		(784,516)	(1,035,695)	–	–
Other expenses		(6,599,965)	(6,471,536)	(884,311)	(1,217,096)
Loss from operations		(9,615,493)	(4,582,986)	(952,659)	(879,426)
Finance costs	6	(667,127)	(162,047)	(87,244)	–
Share of result of an associate, net of tax	16	–	(20,066)	–	–
Loss before tax	7	(10,282,620)	(4,765,099)	(1,039,903)	(879,426)
Income tax credit/(expense)	10	1,124,051	(440,101)	–	–
Loss net of tax		(9,158,569)	(5,205,200)	(1,039,903)	(879,426)
Other comprehensive income ("OCI"), net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations, representing other comprehensive income for the financial year, net of tax		488,779	(155,484)	–	–
Total comprehensive income for the financial year, net of tax		(8,669,790)	(5,360,684)	(1,039,903)	(879,426)
Loss attributable to:					
Owners of the Company		(9,076,322)	(5,141,551)	(1,039,903)	(879,426)
Non-controlling interests		(82,247)	(63,649)	–	–
		(9,158,569)	(5,205,200)	(1,039,903)	(879,426)
Total comprehensive income attributable to:					
Owners of the Company		(8,592,352)	(5,294,930)	(1,039,903)	(879,426)
Non-controlling interests		(77,438)	(65,754)	–	–
		(8,669,790)	(5,360,684)	(1,039,903)	(879,426)
Loss per ordinary share attributable to Owners of the Company:					
Basic (sen):	11	(5.35)	(3.37)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
		2023	Restated 2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	1,281,907	2,156,781	190,961	243,055
Right-of-use assets	13	28,549,197	11,966,618	–	–
Goodwill	14	54,870	54,870	–	–
Investment in subsidiaries	15	–	–	45,811,750	36,057,053
Investment in associate	16	–	–	–	–
Other investment	17	11,500,000	–	–	–
Deferred tax assets	18	1,535,461	425,800	–	–
		42,921,435	14,604,069	46,002,711	36,300,108
Current Assets					
Inventories	19	12,405,210	19,747,136	–	–
Trade and other receivables	20	15,583,360	27,893,019	46,356,753	37,872,808
Tax recoverable		627,297	1,165,575	–	37,280
Fixed deposits placed with licensed banks	21(i)	25,750,000	2,750,000	23,000,000	–
Cash and bank balances	21(ii)	8,403,581	8,195,369	2,465,132	218,120
		62,769,448	59,751,099	71,821,885	38,128,208
TOTAL ASSETS		105,690,883	74,355,168	117,824,596	74,428,316
EQUITY AND LIABILITIES					
Equity					
Share capital	22	95,192,172	57,680,204	95,192,172	57,680,204
(Accumulated losses)/ Retained earnings		(3,619,387)	5,456,935	15,167,198	16,207,101
Foreign currency translation reserve	23	329,277	(153,623)	–	–
Total equity attributable to Owners of the Company		91,902,062	62,983,516	110,359,370	73,887,305
Non-controlling interests	15(d)	24,397	(12,978)	–	–
Total Equity		91,926,459	62,970,538	110,359,370	73,887,305
Non-Current Liability					
Loans and borrowings	24	5,669,592	–	–	–
Current Liabilities					
Trade and other payables	25	6,027,194	10,747,805	7,465,226	541,011
Loans and borrowings	24	2,067,638	540,696	–	–
Lease liability	26	–	66,633	–	–
Tax payable		–	29,496	–	–
		8,094,832	11,384,630	7,465,226	541,011
Total Liabilities		13,764,424	11,384,630	7,465,226	541,011
TOTAL EQUITY AND LIABILITIES		105,690,883	74,355,168	117,824,596	74,428,316

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2023

	Attributable to Owners of the Company					
	Share Capital	Foreign Currency Translation Reserve	(Accumulated Distributable Retained Earnings)	Non-Controlling Interests	Total Equity	
	RM	RM	RM	RM	RM	RM
Group						
2022						
At 1 January 2022	57,680,204	(244)	10,598,486	20,423	68,298,869	
Loss net of tax	-	-	(5,141,551)	(63,649)	(5,205,200)	
Other comprehensive income:						
- Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	(153,379)	-	(2,105)	(155,484)	
Total comprehensive income for the financial year	-	(153,379)	(5,141,551)	(65,754)	(5,360,684)	
Transactions with Owners of the Company:						
- Incorporation of a subsidiary	-	-	-	32,353	32,353	
At 31 December 2022	57,680,204	(153,623)	5,456,935	(12,978)	62,970,538	

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

CONT'D

	Attributable to Owners of the Company				
	Share Capital RM	Foreign Currency Translation Reserve RM	(Accumulated Loss)/ Distributable Retained Earnings RM	Non-Controlling Interests RM	Total Equity RM
Group					
2023					
At 1 January 2023	57,680,204	(153,623)	5,456,935	(12,978)	62,970,538
Loss net of tax	-	-	(9,076,322)	(82,247)	(9,158,569)
Other comprehensive income:					
- Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	483,970	-	4,809	488,779
Total comprehensive income for the financial year	-	483,970	(9,076,322)	(77,438)	(8,669,790)
Transactions with Owners of the Company:					
- Disposal of a subsidiary	-	(1,070)	-	114,813	113,743
- Issuance of shares pursuant to rights issue, net of transaction costs	37,511,968	-	-	-	37,511,968
Total transactions with Owners of the Company	37,511,968	(1,070)	-	114,813	37,625,711
At 31 December 2023	95,192,172	329,277	(3,619,387)	24,397	91,926,459

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

CONT'D

	Note	Share Capital RM	Distributable Retained Earnings RM	Total Equity RM
Company				
2022				
At 1 January 2022		57,680,204	17,086,527	74,766,731
Loss net of tax, representing total comprehensive income for the financial year		–	(879,426)	(879,426)
At 31 December 2022		57,680,204	16,207,101	73,887,305
2023				
At 1 January 2023		57,680,204	16,207,101	73,887,305
Loss net of tax, representing total comprehensive income for the financial year		–	(1,039,903)	(1,039,903)
Transaction with Owners of the Company:				
- Issuance of shares pursuant to rights issue, net of transaction costs	22	37,511,968	–	37,511,968
At 31 December 2023		95,192,172	15,167,198	110,359,370

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

FOR YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	Restated 2022 RM	2023 RM	2022 RM
Cash Flows from Operating Activities					
Loss before tax		(10,282,620)	(4,765,099)	(1,039,903)	(879,426)
Adjustments for:					
Depreciation of property, plant and equipment		265,141	652,376	51,679	206,196
Depreciation of right-of-use assets		405,408	414,048	–	–
Interest expense		667,127	162,047	87,244	–
Interest income		(100,003)	(178,875)	(1,005,050)	(1,392,349)
Gain on disposal of investment in associate		(365)	–	(365)	–
Loss on disposal of subsidiaries	15(b)	4,448	–	–	–
Loss on disposal of property, plant and equipment		120	–	–	–
Net additions of impairment loss on:					
- Investment in an associate	16	–	–	–	359,025
- Trade receivables	29 (i)	3,097,068	1,108,969	–	–
- Other receivables	29 (i)	128,251	–	–	–
- Amounts due from related parties		–	2,150,447	–	–
Share of result of an associate	16	–	20,066	–	–
Unrealised loss/(gain) on foreign exchange, net		23,972	112,164	69	(120)
Written down of inventories		1,208,457	–	–	–
Written off of inventories		917,842	–	–	–
Written off of property, plant and equipment		287,065	–	415	–
Operating loss before changes in working capital		(3,378,089)	(323,857)	(1,905,911)	(1,706,674)
Changes in working capital:					
Inventories		5,261,086	3,076,661	–	–
Trade and other receivables		(2,491,011)	10,265,323	(1,926,216)	(2,365,127)
Trade and other payables		(1,268,177)	(12,104,068)	372,039	(119,788)
Cash (used in)/generated from operations		(1,876,191)	914,059	(3,460,088)	(4,191,589)
Interest paid		(667,127)	(162,047)	(87,244)	–
Interest received		100,003	178,875	1,005,050	1,392,349
Tax paid		(30,726)	(608,088)	–	–
Tax refund		583,394	–	37,280	–
Net cash (used in)/from operating activities		(1,890,647)	322,799	(2,505,002)	(2,799,240)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

CONT'D

		Group		Company	
	Note	2023 RM	Restated 2022 RM	2023 RM	2022 RM
Cash Flows from Investing Activities					
Net advances to an associate		–	(1,260,570)	–	–
Net repayment from related parties		485,600	11,018,569	485,600	11,018,569
Net advances to subsidiaries		–	–	(7,043,329)	(4,147,853)
Net cash (outflows)/inflows from:					
- Investment in subsidiaries		–	–	(9,754,697)	(327)
- Non-controlling interest arising from incorporation of a subsidiary		–	32,353	–	–
Net placement of deposits pledged		–	(1,662,969)	–	–
Proceeds from disposal of property, plant and equipment		934,443	–	–	–
Proceeds from disposal of an associate		365	–	365	–
Cash outflows arising from disposal of a subsidiary	15(b)(i)	(116,128)	–	–	–
Purchase of property, plant and equipment		(352,882)	(248,727)	–	–
Purchase of right-of-use assets		(17,560,027)	–	–	–
Net cash (used in)/from investing activities		(16,608,629)	7,878,656	(16,312,061)	6,870,389
Cash Flows from Financing Activities					
Expenses paid on issuance of shares	22	(684,474)	–	(684,474)	–
Net repayment to related parties	(iii)	(2,896,824)	(1,281,556)	–	–
Net advances from subsidiaries	(iii)	–	–	6,552,342	300,000
Net drawdown/(repayment) of loans and borrowings	(iii)	7,196,534	(178,001)	–	–
Net repayment to a Director	(iii)	(166)	(5,000,000)	(166)	(5,000,000)
Payment for the principal portion of lease liability	(ii), (iii)	(66,633)	(80,008)	–	–
Proceeds from issuance of shares	22	38,196,442	–	38,196,442	–
Net cash from/(used in) financing activities		41,744,879	(6,539,565)	44,064,144	(4,700,000)
Net increase/(decrease) in cash and cash equivalents		23,245,603	1,661,890	25,247,081	(628,851)
Effect of exchange rate changes on cash and cash equivalents		(37,391)	(184,227)	(69)	120
Cash and cash equivalents at beginning of the financial year		8,154,369	6,676,706	218,120	846,851
Cash and cash equivalents at end of the financial year	(i)	31,362,581	8,154,369	25,465,132	218,120

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

CONT'D

Note:

(i) Cash and cash equivalents comprise:

		Group	Company	
Note	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits placed with licensed banks	25,750,000	2,750,000	23,000,000	–
Cash and bank balances	8,362,581	8,154,369	2,465,132	218,120
Pledged deposits to licensed banks	41,000	41,000	–	–
	8,403,581	8,195,369	2,465,132	218,120
Cash and cash equivalents as reported in the statements of financial position	34,153,581	10,945,369	25,465,132	218,120
Less:				
- Fixed deposits pledged as collateral	21(i) (2,750,000)	(2,750,000)	–	–
- Pledged deposits as performance bond	21(ii) (41,000)	(41,000)	–	–
	31,362,581	8,154,369	25,465,132	218,120

(ii) Cash outflows for lease as a lessee are as follows:

	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
Included in net cash (used in)/ from operating activities:				
- Interest paid in relation to lease liability	(7,567)	(9,080)	–	–
- Payment relating to short-term leases	(311,289)	(576,919)	(66,000)	(102,000)
Included in net cash from/ (used in) financing activities:				
- Payment for the principal portion of lease liability	(66,633)	(80,008)	–	–
Total outflows for leases	(385,489)	(666,007)	(66,000)	(102,000)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

CONT'D

Note: (cont'd)

(iii) The reconciliation of the movements of liabilities to cash flows arising from financing activities:

	Amount due to related parties RM	Amount due to a Director RM	Borrowings RM	Lease liability RM
Group				
2023				
At beginning of the financial year	2,869,377	166	540,696	66,633
Net drawdown	–	–	7,196,534	–
Net repayment to	(2,896,824)	(166)	–	(66,633)
Net changes from financing cash flows	(2,896,824)	(166)	7,196,534	(66,633)
Effect of exchange rate changes	27,447	–	–	–
Interest expense	–	–	659,560	7,567
Interest paid	–	–	(659,560)	(7,567)
At the end of the financial year	–	–	7,737,230	–
2022				
At beginning of the financial year	4,361,804	5,000,000	718,697	146,641
Drawdown	–	–	15,898,826	–
Net repayment to	(1,281,556)	(5,000,000)	(16,076,827)	(80,008)
Net changes from financing cash flows	(1,281,556)	(5,000,000)	(178,001)	(80,008)
Effect of exchange rate changes	(210,871)	–	–	–
Acquisition of equity interest of a subsidiary	–	166	–	–
Interest expense	–	–	152,967	9,080
Interest paid	–	–	(152,967)	(9,080)
At the end of the financial year	2,869,377	166	540,696	66,633

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

CONT'D

Note: (cont'd)

(iii) The reconciliation of the movements of liabilities to cash flows arising from financing activities: (cont'd)

	Amount due to subsidiaries RM	Amount due to a Director RM
Company		
2023		
At beginning of the financial year	300,000	166
Net advances from/(repayment to), representing net changes from financing cash flows	6,552,342	(166)
At the end of the financial year	6,852,342	–
2022		
At beginning of the financial year	–	5,000,000
Acquisition of equity interest of a subsidiary	–	166
Net advances from/(repayment to), representing net changes from financing cash flows	300,000	(5,000,000)
At the end of the financial year	300,000	166

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2023

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at No. 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services. The principal activities and other information of its subsidiaries are set out in Note 15.

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

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 8 April 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application on MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company except as described below.

The Group and the Company adopted amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except otherwise disclosed in the notes.

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

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

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements

(i) Impairment of financial assets and receivables

The Group and the Company assess on a forward-looking basis the expected credit loss associated with their debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. 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 any). If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 20.

For other receivables and amounts due from an associate, subsidiaries and related parties, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(iii) Impairment of right-of-use assets and investments in subsidiaries

The Group and the Company determine whether its right-of-use assets and investments in subsidiaries are impaired by evaluating the extent to which the recoverable amount of the right-of-use assets and investment in subsidiaries is less than its carrying amount.

Discounted cash flows is used to determine the recoverable amount of which significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of right-of-use assets and investments in subsidiaries as at the reporting date are disclosed in Notes 13 and 15.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

3. REVENUE

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Healthcare business:					
- Distribution of medical and healthcare equipment	(i)	37,061,442	58,905,088	–	–
Management fee Warehousing provider:	(ii)	–	–	960,000	960,000
- Storage and warehouse handling fee	(iii)	237,860	95,220	–	–
		37,299,302	59,000,308	960,000	960,000
Timing of revenue recognition:					
- Point in time		37,299,302	59,000,308	960,000	960,000

The disaggregation of revenue by segment and geographical market is disclosed in Note 28.

(i) Distribution of medical and healthcare equipment

The Group is engaged in the distribution of medical and healthcare equipment, appliances and medical disposal products including personal protective equipment to its customers.

Performance obligation ("PO")

The contracts with customers are bundled and consist of obligations for the sale of goods and delivery of the said goods to its customers in some instances. Contracts for bundled services are comprised of multiple POs and are capable of being distinct and separately identifiable. However, the management has assessed that the delivery obligation is primarily a value-added fulfilment service and is not considered to be a significant distinct PO. Accordingly, the contract with customers is considered as a single PO and is satisfied at point in time basis.

Timing of recognition/Unsatisfied PO

Revenue is recognised at point in time when the control over the goods have been transferred to the customer and obtain customer acceptance of the said goods. Revenue is recognised based on the price specified in the invoices, net of discounts, rebates and incentives where applicable. Payment is generally due within 30 to 120 days from the date when PO is satisfied. There is no unsatisfied PO yet to be recognised as revenue as at the reporting date.

(ii) Management fee

The performance obligation is satisfied at point in time upon completion of services rendered and billed on a monthly basis.

(iii) Storage and warehouse handling fee

The Group provides storage and warehousing services to its customers.

Performance obligation ("PO")

The contracts with customers were bundled and consist of obligations for managing storage of goods and arranging transportation for delivery of goods. However, the management has assessed that these services are interrelated and interdependent and shall not be considered as distinct services which come as a service package offered to customers. Accordingly, the contract with customers was considered as a single PO and was satisfied at point in time basis upon monthly services rendered and charged based on per pallet basis at a pre-determined fixed rate.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

3. REVENUE (CONT'D)

(iii) Storage and warehouse handling fee (cont'd)

Timing of recognition/Unsatisfied PO

Revenue was recognised at point in time based on monthly billing of the pallet of goods price and at pre-determined charges. Payment is generally due within 30 to 90 days from the date when PO is satisfied. There was no unsatisfied PO yet to be recognised as revenue as at the reporting date.

4. COST OF SALES

Cost of sales represents cost of goods sold, direct costs and overheads of services.

5. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bad debts recovered	8,731	—	—	—
Compensation for late refund of tax payment	1,313	—	—	—
Gain on disposal of investment in associate	365	—	365	—
Interest income	100,003	178,875	1,005,050	1,392,349
Realised gain on foreign exchange	102,972	126,065	—	—
Rental income	—	54,964	—	—
Sundry income	21,913	25,742	664	263
Unrealised gain on foreign exchange	—	101,629	—	120
	235,297	487,275	1,006,079	1,392,732

6. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bankers' acceptance	36,798	60,890	—	—
Lease liabilities	7,567	9,080	—	—
Letter of credit	35,449	79,832	—	—
Term loan	563,809	—	87,244	—
Trust receipt	23,504	12,245	—	—
	667,127	162,047	87,244	—

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

7. LOSS BEFORE TAX

Other than those disclosed in Notes 5 and 6, loss before tax is arrived at after charging:

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration					
- Auditors of the Company:					
- Statutory audit		132,500	129,000	83,000	83,000
- Other services		11,000	11,000	11,000	11,000
- Component auditors:					
- Statutory audit		565	1,946	-	-
Services rendered by Auditors' affiliate:					
- Tax agent fee		2,000	-	-	-
Depreciation of property, plant and equipment	12	265,141	652,376	51,679	206,196
Depreciation of right-of-use assets	13	405,408	414,048	-	-
Employee benefit expenses	8	5,485,365	6,801,000	1,840,725	1,830,870
Impairment loss on:					
- Investment in an associate	16	-	-	-	359,025
- Trade receivables	29(i)	3,097,068	1,108,969	-	-
- Other receivables	29(i)	128,251	-	-	-
- Amounts due from related parties	29(i)	-	2,150,447	-	-
Loss on disposal of property, plant and equipment		120	-	-	-
Loss on disposal of a subsidiary	15(b)	4,448	-	-	-
Loss on foreign exchange		-	-	-	316
- Realised					
- Unrealised		23,972	213,793	69	-
Right-of-use assets:					
- Short-term leases		311,289	576,919	66,000	102,000
Written down of inventories	19	1,208,457	-	-	-
Written off of inventories	19	917,842	-	-	-
Written off of property, plant and equipment	12	287,065	-	415	-

8. EMPLOYEE BENEFIT EXPENSES

		Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Salaries, allowances, overtime and bonus		3,918,041	5,076,491	694,944	891,735
Directors' remuneration (Note 9)		1,051,960	1,069,390	1,036,182	801,025
Contributions to defined contribution plan		443,172	590,185	107,561	135,405
Social security contributions		72,192	64,934	2,038	2,705
		5,485,365	6,801,000	1,840,725	1,830,870

NOTES TO THE FINANCIAL STATEMENTS

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9. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company:				
Executive Directors:				
Fees	68,640	62,400	68,640	62,400
Salaries and other emoluments	624,000	462,000	624,000	462,000
Contributions to defined contribution plan	111,720	87,780	111,720	87,780
Social security contributions	1,902	1,645	1,902	1,645
	806,262	613,825	806,262	613,825
Non-Executive Directors:				
Fees	229,920	187,200	229,920	187,200
	1,036,182	801,025	1,036,182	801,025
Directors of the subsidiaries:				
Executive Directors:				
Salaries and other emoluments	13,145	239,530	–	–
Contributions to defined contribution plan	2,536	27,833	–	–
Social security contributions	97	1,002	–	–
	15,778	268,365	–	–
Total remuneration	1,051,960	1,069,390	1,036,182	801,025
Estimated monetary value of benefits-in-kind	–	28,000	–	–

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as below:

	Number of Directors	
	2023	2022
Executive Directors:		
RM250,001 - RM400,000	2	2
Non-Executive Directors:		
Less than RM50,000	1	1
RM50,001 - RM100,000	3	2

NOTES TO THE FINANCIAL STATEMENTS

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10. INCOME TAX (CREDIT)/EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
- Current year	4,461	49,937	-	-
- Overprovision in prior year	(18,851)	(17,036)	-	-
	(14,390)	32,901	-	-
Deferred tax (Note 18):				
- Relating to (origination)/reversal of deductible temporary differences	(1,109,661)	316,252	-	-
- Underprovision in prior year	-	90,948	-	-
	(1,109,661)	407,200	-	-
Income tax (credit)/expense for the financial year	(1,124,051)	440,101	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation of the tax amount at statutory income tax rate to the Group's and to the Company's tax expense is as follows: (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(10,282,620)	(4,765,099)	(1,039,903)	(879,426)
Tax at the Malaysian statutory income tax rate of 24% (2022: 24%)	(2,467,829)	(1,143,624)	(249,577)	(211,062)
Income not subject to tax	-	(23,677)	-	-
Expenses not deductible for tax purposes	431,485	127,547	11,703	64,962
Effect of different tax rate in other country	16,212	-	-	-
Deferred tax assets recognised	(143,920)	(210,509)	-	-
Deferred tax assets not recognised	1,058,852	1,611,636	237,874	146,100
Tax effect on share of result of an associate	-	4,816	-	-
Overprovision of income tax in prior year	(18,851)	(17,036)	-	-
Underprovision of deferred tax in prior year	-	90,948	-	-
Income tax (credit)/expense for the financial year	(1,124,051)	440,101	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. INCOME TAX (CREDIT)/EXPENSE (CONT'D)

The Group and the Company have the following estimated items available for set-off against future taxable profits:

	2023 RM	Group Restated 2022 RM	2023 RM	Company Restated 2022 RM
Unutilised tax losses	9,817,418	4,070,708	2,968,102	1,663,432
Unabsorbed capital allowances	2,215,640	2,253,499	1,079,405	1,029,185
	12,033,058	6,324,207	4,047,507	2,692,617

For entities incorporated in Malaysia, the comparative figures have been restated to reflect the actual tax losses and unabsorbed capital allowances carried forward available to the Group and to the Company. The availability of the tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. The unutilised tax losses of the Company and its subsidiaries in Malaysia will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA 2019. The unutilised tax losses applicable to foreign subsidiaries are subject to the tax legislation of the respective countries.

11. LOSS PER ORDINARY SHARE

(a) Basic loss per share

Basic loss per ordinary share for the financial year is calculated by dividing loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2023	Group 2022
Basic loss per share:		
Loss after tax attributable to Owners of the Company (RM)	(9,076,322)	(5,141,551)
Weighted average number of ordinary shares in issue (unit)	169,529,416	152,785,770
Basic loss per share (sen):	(5.35)	(3.37)

(b) Diluted loss per share

The Group has no dilution in its loss per ordinary share as there were no potential dilutive ordinary shares outstanding as at 31 December 2023 and 31 December 2022 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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12. PROPERTY, PLANT AND EQUIPMENT

	Computers RM	Machineries RM	Motor vehicles RM	Other assets* RM	Total RM
Group					
2023					
Cost					
At 1 January 2023	1,334,825	746,914	450,290	3,014,348	5,546,377
Additions	22,818	—	—	330,064	352,882
Disposal	(41,762)	(646,767)	—	(480,461)	(1,168,990)
Written off	—	—	—	(435,596)	(435,596)
Transfer from right-of-use asset (Note 13)	—	—	518,318	—	518,318
Exchange differences	(96)	—	—	(81)	(177)
At 31 December 2023	1,315,785	100,147	968,608	2,428,274	4,812,814
Accumulated Depreciation					
At 1 January 2023	1,170,030	251,312	274,168	1,694,086	3,389,596
Charge for the financial year	70,788	—	44,837	149,516	265,141
Disposal	(20,364)	(151,165)	—	(62,898)	(234,427)
Written off	—	—	—	(148,531)	(148,531)
Transfer from right-of-use asset (Note 13)	—	—	259,140	—	259,140
Exchange differences	(7)	—	—	(5)	(12)
At 31 December 2023	1,220,447	100,147	578,145	1,632,168	3,530,907
Net Carrying Amount					
At 31 December 2023	95,338	—	390,463	796,106	1,281,907
2022					
Cost					
At 1 January 2022	1,296,917	728,214	430,201	2,842,318	5,297,650
Additions	37,908	18,700	20,089	172,030	248,727
At 31 December 2022	1,334,825	746,914	450,290	3,014,348	5,546,377
Accumulated Depreciation					
At 1 January 2022	921,546	159,016	229,564	1,427,094	2,737,220
Charge for the financial year	248,484	92,296	44,604	266,992	652,376
At 31 December 2022	1,170,030	251,312	274,168	1,694,086	3,389,596
Net Carrying Amount					
At 31 December 2022	164,795	495,602	176,122	1,320,262	2,156,781

* Other assets comprise of furniture and fittings, renovation, signboard, office, warehouse, factory, lab and medical equipment.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

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

	Computers RM	Motor vehicles RM	Office equipment, renovation, furniture and fittings RM	Total RM
Company				
2023				
Cost				
At 1 January 2023	856,845	159,748	97,076	1,113,669
Written off	–	–	(811)	(811)
At 31 December 2023	856,845	159,748	96,265	1,112,858
Accumulated Depreciation				
At 1 January 2023	799,885	39,930	30,799	870,614
Charge for the financial year	26,022	15,972	9,685	51,679
Written off	–	–	(396)	(396)
At 31 December 2023	825,907	55,902	40,088	921,897
Net Carrying Amount				
At 31 December 2023	30,938	103,846	56,177	190,961
2022				
Cost				
At 1 January 2022/31 December 2022	856,845	159,748	97,076	1,113,669
Accumulated Depreciation				
At 1 January 2022	619,393	23,958	21,067	664,418
Charge for the financial year	180,492	15,972	9,732	206,196
At 31 December 2022	799,885	39,930	30,799	870,614
Net Carrying Amount				
At 31 December 2022	56,960	119,818	66,277	243,055

Material accounting policy information

(i) Recognition and measurement

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

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing costs incurred during the period of construction.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

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

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight-line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Computers	25%
Machineries	14%
Motor vehicles	10%
Furniture and fittings, renovation, signboard, office, warehouse, factory, lab and medical equipment	10% – 20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

13. RIGHT-OF-USE ASSETS

	Capital work-in-progress RM	Leasehold lands RM	Building RM	Motor vehicles RM	Total RM
Group					
2023					
Cost					
At 1 January 2023	–	7,500,000	6,988,735	518,318	15,007,053
Additions	4,040,662	13,519,365	–	–	17,560,027
Transfer to property, plant and equipment (Note 12)	–	–	–	(518,318)	(518,318)
Exchange differences	(70,612)	(242,250)	–	–	(312,862)
At 31 December 2023	3,970,050	20,777,115	6,988,735	–	31,735,900
Accumulated Depreciation					
At 1 January 2023	–	1,531,250	1,293,235	215,950	3,040,435
Charge for the financial year	–	187,500	174,718	43,190	405,408
Transfer to property, plant and equipment (Note 12)	–	–	–	(259,140)	(259,140)
Exchange differences	–	–	–	–	–
At 31 December 2023	–	1,718,750	1,467,953	–	3,186,703
Net Carrying Amount					
At 31 December 2023	3,970,050	19,058,365	5,520,782	–	28,549,197

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

13. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM	Building RM	Motor vehicles RM	Total RM
Group (cont'd)				
2022				
Cost				
At 1 January 2022/				
31 December 2022	7,500,000	6,988,735	518,318	15,007,053
Accumulated Depreciation				
At 1 January 2022	1,343,750	1,118,515	164,122	2,626,387
Charge for the financial year	187,500	174,720	51,828	414,048
31 December 2022	1,531,250	1,293,235	215,950	3,040,435
Net Carrying Amount				
31 December 2022	5,968,750	5,695,500	302,368	11,966,618

- (i) The expenses charged to the profit or loss during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation of right-of-use assets	405,408	414,048	–	–
Interest expense on lease liabilities	7,567	9,080	–	–
Short-term leases	311,289	576,919	66,000	102,000

- (ii) The Group's leasehold lands have remaining unexpired lease period of 17 to 32 years (2022: 33 years).
- (iii) Included in the right-of-use assets of the Group are leasehold land and building with carrying amount of RM11,302,032 (2022: Nil) which have been pledged to a third party money lender corporation as security for credit facilities granted as disclosed in Note 24.

Impairment testing for ROU assets

The recoverable amount of ROU assets (including capital work-in-progress and leasehold land) were determined based on the higher of value-in-use or fair value less costs of disposal.

The value-in-use calculations was using cash flows projections from financial forecasts and projections approved by Board of Directors covering a five-year period.

The fair value was determined based on sales comparison approach, where sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

13. RIGHT-OF-USE ASSETS (CONT'D)

Impairment testing for right-of-use assets ("ROU") (cont'd)

The calculation of value-in-use for the ROU assets are most sensitive to the following assumptions:

(i) Revenue growth rate

Projected revenue growth rate ranges from 59% to 72% (2022: Nil) per annum based on management's assessment of future trends and market development in the healthcare segment in Indonesia with terminal value without growth rate and capped at the remaining leasehold period of 17 years.

(ii) Budgeted gross margin

Budgeted gross margin ranges from 65% to 69%.

(iii) Discount rate

A discount rate of 18.7% (2022: Nil) was applied to the calculations in determining the recoverable amount of the ROU assets. This discount rate used is based on the weighted average cost of capital of its subsidiary with reference to similar industry in Indonesia.

The sensitivity analysis is presented as follows:

- A decrease of 11% to 15% in the budgeted gross margin would have reduced the recoverable amount by approximately RM129.5 million.
- A decrease of 10% in the revenue growth would have reduced the recoverable amount by approximately RM151.9 million.

Based on the above sensitivity analyses, the adverse situations contemplated would not cause the carrying values of the ROU assets to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

Material accounting policy information

Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Building	2.5%
Leasehold lands	Over the remaining lease period

Capital work-in-progress are not depreciated until they are ready for use.

Lease payments associated with short-term leases is recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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14. GOODWILL

	2023 RM	2022 RM
Cost/Net Carrying Amount		
At 1 January/31 December	54,870	54,870

Goodwill

The goodwill arose from the Group's acquisition of a subsidiary, Adventa Healthcare Sdn. Bhd., and has been wholly allocated to this cash generating unit ("CGU").

Impairment testing for goodwill

The recoverable amount of the CGU has been determined based on value-in-use calculation using cash flows projections from financial forecast and projections approved by Board of Directors covering a three-year (2022: three-year) period and by extrapolation using the growth rate based on historical experience, management's assessment of future trends and expectation of market development. The discount rate (per annum) applied to the cash flows projections are as follows:

	Discount rate	
	2023 %	2022 %
Adventa Healthcare Sdn. Bhd.	8.15	10.90

(i) Revenue and growth

Revenue is projected based on future demand outlook. Revenue is projected to normalise from the range 20% to 37% (2022: from -10% to 5%) growth over the next three years. Terminal value is based on the third-year cash flows without growth rate.

(ii) Gross margin

Gross margins are assumed to be maintained over the budgeted period for which projected at 33% (2022: 24%) over the next three years.

(iii) Discount rate

Discount rate per annum applied to the cash flows was used to determine the recoverable amounts of the CGUs. The discount rate used is based on the weighted average cost of capital of the Company.

Management believes that while cash flows projections are subject to inherent uncertainty, any reasonably possible changes to the key assumptions used in assessing recoverable amounts have been considered in determining the recoverable amount of the CGU. Based on the sensitivity analysis performed, management concluded that no reasonably possible change in any of the above key assumptions would cause the recoverable amount of the unit to be materially below its carrying amount.

Material accounting policy information

(i) **Recognition and measurement**

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but subject to annual impairment review.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES

	2023 RM	Company 2022 RM
Unquoted shares, at cost		
At 1 January	36,057,053	36,056,726
Additions [Note 15(a)]	9,754,697	6,605,977
Transfer from investment in an associate (Note 16)	–	166
Disposal of subsidiaries [Note 15(b)]	–	(6,605,816)
At 31 December	45,811,750	36,057,053

The details of its subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2023	2022
Held through the Company:				
Adventa Healthcare Sdn. Bhd. ("AHSB")	Malaysia	Distribution of medical and healthcare equipment, appliances and medical disposal products	100%	100%
PTM Progress Trading & Marketing Sdn. Bhd.	Malaysia	Provision of storage and warehousing services	100%	100%
Adventa Digital Health Sdn. Bhd. ("ADHSB")	Malaysia	Dormant	100%	100%
Nextech Med Pte. Ltd. ("Nextech") #	Singapore	Investment holding	100%	100%
PT Adventa Biotech International ("PT Adventa Biotech") #*	Indonesia	Manufacture and distribution of medical and healthcare equipment, appliances and medical disposal products	99%	–
Held through AHSB:				
Mycare Lanka (Private) Limited ^* ("Mycare Lanka")	Sri Lanka	Distribution of medical and healthcare equipment, appliances and medical disposal products	–	51%
Held through Nextech:				
PT Adventa Biotech International ("PT Adventa Biotech") # *	Indonesia	Manufacture and distribution of medical and healthcare equipment, appliances and medical disposal products	–	99%

^ Audited by member firm of Moore Global Network Limited

* Not audited by Moore Stephens Associates PLT

The management accounts were reviewed by Moore Stephens Associates PLT for consolidation purpose.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) **Additions**

2023

(i) Nextech

On 27 February 2023, there is a cancellation of ordinary shares amounting to SGD 100 (equivalent to RM325). On the same day, the Company has subscribed 1,465,000 ordinary shares of Nextech for a total consideration of USD1,465,000 (equivalent to RM6,552,081). Consequently, Nextech remained as a wholly-owned subsidiary of the Company.

(ii) PT Adventa

On 31 May 2023, the Company has acquired 99% of equity interest of PT Adventa from Nextech comprising 10,890 ordinary shares of IDR1,000,000 each for a total consideration of IDR10,890,000,000 (equivalent to RM3,202,941). Consequently, PT Adventa became a subsidiary of the Company.

2022

(i) ADHSB

On 12 July 2022, the Company incorporated a new wholly-owned subsidiary in Malaysia with the name of Adventa Digital Health Sdn. Bhd., comprising 2 ordinary shares for a cash subscription of RM2.

(ii) Nextech

On 26 August 2022, the Company incorporated Nextech in Singapore, at equity interest of 49% comprising 49 ordinary shares for a cash subscription of SGD49 (equivalent to RM166).

On 19 December 2022, the Company acquired the remaining 51% of equity interest, comprising 51 ordinary shares for a total cash consideration of SGD51 (equivalent to RM159). Consequently, Nextech became a wholly-owned subsidiary of the Company.

(iii) PT Adventa Biotech

On 29 July 2022, the Company incorporated PT Adventa Biotech, at equity interest of 99% comprising 10,890 ordinary shares for a cash subscription of IDR10,890,000,000 (equivalent to RM3,267,000).

On 21 December 2022, the Company has disposed 10,890 ordinary shares of PT Adventa Biotech to Nextech for a total consideration of IDR10,890,000,000 (equivalent to RM3,267,000). Consequently, PT Adventa Biotech became an indirect subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of subsidiaries

2023

(i) Mycare Lanka (Private) Limited

On 22 August 2023, a subsidiary of the Company, Adventa Healthcare Sdn. Bhd. has disposed its 51% equity interest (equivalent to 51,000 ordinary shares) in Mycare Lanka for a total consideration of USD 70 (equivalent to RM330). Consequently, Mycare Lanka ceased to be the subsidiary of the Group.

For accounting purposes, the cut-off was taken on 31 August 2023.

The summary of the effect of disposal of subsidiary on the statements of financial position of the Group were as follows:

	As at 31.08.2023 RM
Trade and other receivables	26,808
Cash at bank	116,458
Trade and other payables	(216,791)
Tax payable	(35,440)
Attributable assets and (liabilities) disposed	(108,965)
Less:	
- Non-controlling interests	114,813
- Realisation of foreign currency translation reserve	(1,070)
	4,778
Total disposal consideration	(330)
Loss on disposal of a subsidiary	4,448

The effect of the disposal on cash flows is as follows:

	As at 31.08.2023 RM
Net cash flows arising from disposal of subsidiary	
Disposal consideration, representing net cash inflows from disposal	330
Less: Cash and cash equivalents of the subsidiary disposed	(116,458)
Net cash outflows from disposal (Group)	(116,128)

2022

(i) AH Biomedical Pte. Ltd. (formerly known as "Adventa Healthcare Pte. Ltd.")

On 5 July 2022, the Company incorporated a new wholly-owned subsidiary in Singapore with the name of Adventa Healthcare Pte. Ltd., comprising 100 ordinary shares for a cash subscription of SGD100 (equivalent to RM316). Subsequently, Adventa Healthcare Pte. Ltd. has changed its name to AH Biomedical Pte. Ltd. ("AH Biomedical").

On 21 December 2022, the Company disposed 100% equity interest of AH Biomedical for a total cash consideration of SGD100 (equivalent to RM316). Consequently, AH Biomedical ceased to be a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of subsidiaries (cont'd)

2022 (cont'd)

(ii) PT Humana Medical International ("PT Humana")

On 26 March 2020, the Company incorporated PT Humana in Indonesia with 90% equity interest comprising 3,375 ordinary shares of IDR1,000,000 each for a total cash consideration of IDR3,375,000,000. PT Humana became a subsidiary of the Company since the date of incorporation. However, the issued and paid up share capital for PT Humana has not been made as at 31 December 2021.

During the financial year 2022, the issued and paid up share capital of PT Humana has been made and increased to 11,000 ordinary shares of IDR1,000,000,000 each. The Company has increased its equity interest to 99% comprising 10,999 ordinary shares of IDR1,000,000 each for a total cash consideration of IDR7,624,000,000.

On 2 November 2022, the Company has disposed 99.99% equity interest of PT Humana to AH Biomedical for a total cash consideration of IDR10,999,000,000 (equivalent to RM3,338,500). Subsequently, PT Humana became an indirect subsidiary of the Company.

Subsequent to the disposal of AH Biomedical as disclosed in Note 15(b)(i), the Company is deemed to have disposed 10,999 ordinary shares, representing 99.99% indirect interest in PT Humana. Consequently, PT Humana ceased to be an indirect subsidiary of the Company.

(c) Impairment loss on investment in subsidiaries

During the financial year, the Company carried out a review of the recoverable amounts of its investments in subsidiaries that are in loss-making and/or significant accumulated losses positions. The recoverable amounts were derived based on fair value less costs of disposal ("FVL COD") method using cash flows projection from financial budget approved by Board of Directors covering a three-year period and five-year period for AHSB and PT Adventa respectively.

The key assumptions used in the determination of recoverable amount derived based on FVL COD method are as follows:

Adventa Healthcare Sdn. Bhd.

(i) Revenue growth rate

Revenue is projected based on future demand outlook. Revenue is projected to normalise from the range 20% to 37% (2022: from -10% to 5%) growth over the next three years. Terminal value is based on the third-year cash flows without growth rate.

(ii) Budgeted gross margin

Gross margins are assumed to be maintained over the budgeted period for which projected at 33% (2022: 24%) over the next three years.

(iii) Discount rate

A discount rate of 8.15% (2022: 10.9%) was applied to the calculations in determining the recoverable amount of the cash generating unit ("CGU"). The discount rate used is based on the weighted average cost of capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Impairment loss on investments in subsidiaries (cont'd)

PT Adventa Biotech International

(i) Revenue growth rate

Projected revenue growth rate ranges from 59% to 72% (2022: Nil) per annum based on management's assessment of future trends and market development in the segment with terminal value without growth rate.

(ii) Budgeted gross margin

Budgeted gross margin ranges from 65% to 69%.

(iii) Discount rate

A discount rate of 18.7% (2022: Nil) was applied to the calculations in determining the recoverable amount of the CGU. The discount rate used is based on the weighted average cost of capital of the Company with reference to similar industry in Indonesia.

(d) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCIs") are as follows:

	Mycare Lanka	PT Adventa Biotech	Total
Group			
2023			
NCI percentage of ownership and voting interest	–	1%	
Carrying amount of NCI	–	24,397	24,397
	01.01.2023 to 31.08.2023 Mycare Lanka RM	01.01.2023 to 31.12.2023 PT Adventa Biotech RM	Total
Loss allocated to NCI	(74,141)	(8,106)	(82,247)
Other comprehensive income allocated to NCI	3,038	1,771	4,809
Total comprehensive income allocated to NCI	(71,103)	(6,335)	(77,438)

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Non-controlling interests in subsidiaries (cont'd)

	01.01.2022 to 31.12.2022 Mycare Lanka RM	01.01.2022 to 31.12.2022 PT Adventa Biotech RM	Total
Group (cont'd)			
2022			
NCI percentage of ownership and voting interest	49%	1%	
Carrying amount of NCI	(43,710)	30,732	(12,978)
Loss allocated to NCI	(63,577)	(72)	(63,649)
Other comprehensive income allocated to NCI	(556)	(1,549)	(2,105)
Total comprehensive income allocated to NCI	(64,133)	(1,621)	(65,754)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

		PT Adventa Biotech RM
Group		
2023		
Assets and liabilities:		
Non-current assets		17,156,216
Current assets		6,282,821
Current liabilities		(20,999,325)
Net assets		2,439,712
	01.01.2023 to 31.08.2023 Mycare Lanka RM	01.01.2023 to 31.12.2023 PT Adventa Biotech RM
Results:		
Revenue	—	—
Loss for the financial period/year	(151,309)	(810,601)
Total comprehensive income	(145,108)	(633,513)

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (cont'd)

	01.01.2023 to 31.12.2023 PT Adventa Biotech RM
--	---

Group (cont'd)

2023 (cont'd)

Cash flows:

Net cash used in operating activities	(1,238,061)
Net cash used in investing activities	(17,569,911)
Net cash from financing activities	20,970,908

Net increase in cash and bank balances	2,162,936
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	01.01.2022 to 31.12.2022 Mycare Lanka RM	01.01.2022 to 31.12.2022 PT Adventa Biotech RM
--	---	---

2022

Assets and liabilities:

Current assets	543,001	3,783,056
Current liabilities	(632,204)	(709,831)

Net (liabilities)/assets	(89,203)	3,073,225
---------------------------------	-----------------	------------------

Results:

Revenue	589,437	–
Loss for the financial year	(129,748)	(7,154)
Total comprehensive income	(130,882)	(162,069)

Cash flows:

Net cash from/(used in) operating activities	11,947	(3,235,262)
Net cash from financing activities	–	3,235,294

Net increase in cash and bank balances	11,947	32
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NOTES TO THE FINANCIAL STATEMENTS

CONT'D

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Material accounting policy information

Investment in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. The resulting difference is recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition date and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

16. INVESTMENT IN ASSOCIATE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost				
At 1 January	359,025	359,025	359,025	359,025
Addition	–	166	–	166
Disposal	(359,025)	–	(359,025)	–
Transfer to investment in subsidiaries (Note 15)	–	(166)	–	(166)
At 31 December	–	359,025	–	359,025
Add: Share of post-acquisition results				
At 1 January	(360,296)	(340,230)	–	–
Addition	–	(20,066)	–	–
Disposal	360,296	–	–	–
At 31 December	–	(360,296)	–	–
Add: Share of OCI				
At 1 January	1,271	1,271	–	–
Disposal	(1,271)	–	–	–
At 31 December	–	1,271	–	–
Less: Accumulated impairment loss				
At 1 January	–	–	359,025	–
Addition (Note d)	–	–	–	359,025
Disposal	–	–	(359,025)	–
At 31 December	–	–	–	359,025
Net Carrying Amount				
At 31 December	–	–	–	–

The details of its associate are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023	2022
PT Akema Healthcare International ("PT Akema") *	Indonesia	Trading of pharmaceutical and medical equipment	–	49%

* Not required to audit in accordance to Article 68(1) of Number 40 of 2007 of the Law of the Republic of Indonesia.

- (a) On 1 December 2023, the Group and the Company disposed 49% equity interest of PT Akema for a total consideration of IDR 1,225,000 (equivalent to RM365). Consequently, PT Akema ceased to be an associate of the Group.
- (b) There is no quoted market price available for the shares as the associate is a private company. For the purpose of applying the equity method of accounting, the management accounts of PT Akema for the financial period/ year ended 30 November 2023/31 December 2022 have been used.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

16. INVESTMENT IN ASSOCIATE

- (c) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	2022 RM
Assets and liabilities:	
Non-current assets	47,075
Current assets	2,073,562
Current liabilities	(3,535,646)
Net liabilities	(1,415,009)
Group's share of net assets	–
	01.01.2022 to 31.12.2022 RM
Results:	
Revenue	835,466
Loss for the financial year	(1,529,891)
Total comprehensive income	(1,455,957)
Share of results:	
Share of loss for the financial year	(20,066)

- (d) In prior financial year, the Company carried out review of the recoverable amount of the investment in an associate. An impairment loss amounted to RM359,025 was recognised as "other expenses" in the statements of comprehensive income for the financial year ended 31 December 2022.

The recoverable amount was derived based on fair value less cost of disposal which was measured based on the proportionate adjusted net assets of the associate.

Material accounting policy information

Investment in associates of the Company are measured at cost less any accumulated impairment losses.

17. OTHER INVESTMENT

	2023	Group 2022
At Fair Value through Profit or Loss:		
At 1 January	–	–
Addition	11,500,000	–
At 31 December	11,500,000	–
Unquoted Redeemable Convertible Preference Shares		
A private limited liability company in Malaysia	11,500,000	–

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

17. OTHER INVESTMENT (CONT'D)

On 28 December 2023, the Group had entered into a Redeemable Convertible Preference Shares ("RCPS") Subscription Agreement ("RCPS SA") with a trade receivable of the Group, to subscribe for up to RM11,500,000, consisting of 286,641 RCPS, for the purpose of settling the outstanding debt due to a subsidiary of the Company, AHSB. AHSB has fully subscribed the RCPS on 29 December 2023.

The fair value of the unquoted investment is determined by using valuation techniques based on the information applicable to level 3 fair value measurement.

Material accounting policy information

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of the investment through profit or loss. This election is made as an investment-by-investment basis.

Financial assets whose payments are not simply payments of principal and interest, including equity instruments and derivatives, are classified as fair value through profit or loss, with all changes in fair value presented in finance income and expense.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

18. DEFERRED TAX ASSETS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	425,800	833,000	–	–
Recognised in profit or loss (Note 10)	1,109,661	(407,200)	–	–
At 31 December	1,535,461	425,800	–	–

Presented after appropriate offsetting as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets	2,102,302	1,008,647	30,094	28,960
Deferred tax liabilities	(566,841)	(582,847)	(30,094)	(28,960)
	1,535,461	425,800	–	–

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

18. DEFERRED TAX ASSETS (CONT'D)

The recognised deferred tax assets/(liabilities) arising from temporary differences before offsetting are as follows:

	Unutilised tax losses RM	Unabsorbed capital allowances RM	Others RM	Total RM
Group				
Deferred tax assets:				
2023				
At 1 January 2023	78,495	393,067	537,085	1,008,647
Recognised in profit or loss	1,565,341	(90,277)	(381,409)	1,093,655
At 31 December 2023	1,643,836	302,790	155,676	2,102,302
2022				
At 1 January 2022	16,783	290,291	918,542	1,225,616
Recognised in profit or loss	61,712	102,776	(381,457)	(216,969)
At 31 December 2022	78,495	393,067	537,085	1,008,647
		Property, plant and equipment and Right-of- use assets RM	Others RM	Total RM
Group				
Deferred tax liabilities:				
2023				
At 1 January 2023		(582,162)	(685)	(582,847)
Recognised in profit or loss		15,321	685	16,006
At 31 December 2023		(566,841)	–	(566,841)
2022				
At 1 January 2022		(392,616)	–	(392,616)
Recognised in profit or loss		(189,546)	(685)	(190,231)
At 31 December 2022		(582,162)	(685)	(582,847)

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

18. DEFERRED TAX ASSETS (CONT'D)

The recognised deferred tax assets/(liabilities) arising from temporary differences before offsetting are as follows: (cont'd)

	Unabsorbed capital allowances RM	Property, plant and equipment RM	Total RM
Company			
2023			
At 1 January 2023	28,960	(28,960)	–
Recognised in profit or loss	1,134	(1,134)	–
At 31 December 2023	30,094	(30,094)	–
2022			
At 1 January 2022	49,558	(49,558)	–
Recognised in profit or loss	(20,598)	20,598	–
At 31 December 2022	28,960	(28,960)	–

The Group has recognised the deferred tax assets based on the current level of operations of the Group and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows (stated at gross):

	2023 RM	Group Restated 2022 RM	2023 RM	Company Restated 2022 RM
Unutilised tax losses	2,968,102	3,338,865	2,968,102	1,663,432
Unabsorbed capital allowances	954,012	1,189,894	954,012	908,517
Other deductible temporary differences	9,792,943	5,374,082	–	359,025
	13,715,057	9,902,841	3,922,114	2,930,974

19. INVENTORIES

	2023 RM	Group 2022 RM
Trading goods:		
- At cost	12,059,715	19,747,136
- At net realisable value	345,495	–
Net Carrying Amount	12,405,210	19,747,136

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

19. INVENTORIES (CONT'D)

- (a) The Group recognised inventories as cost of sales amounted to RM32,451,220 (2022: RM48,251,257).
- (b) The Group has written off inventories of RM917,842 (2022: Nil) and written down inventories of RM1,208,457 (2022: Nil) respectively. The amounts being written off and written down have been included in "cost of sales" line item in the statements of comprehensive income of the Group.

Material accounting policy information

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

The cost of inventories is measured based on first-in, first-out ("FIFO") cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

20. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables:					
Third parties	(i)	8,018,028	20,665,627	-	-
Amount due from an associate	(ii)	-	689,868	-	-
Amount due from related parties	(iii)	3,862,893	720,337	-	-
		11,880,921	22,075,832	-	-
Less: Allowance for impairment loss					
- Third parties		(192,372)	(599,101)	-	-
- Amount due from an associate		-	(689,868)	-	-
- Amount due from related parties		(3,040,666)	-	-	-
	29(i)	(3,233,038)	(1,288,969)	-	-
Trade receivables, net		8,647,883	20,786,863	-	-
Other receivables:					
Third parties	(iv)	5,998,518	2,519,545	365	1,000
Amounts due from an associate	(v)	-	2,150,447	-	-
Amounts due from subsidiaries	(vi)	-	-	46,288,213	37,309,560
Amounts due from a related party	(vii)	-	485,600	-	485,600
		5,998,518	5,155,592	46,288,578	37,796,160
Less: Allowance for impairment loss					
- Third parties	29(i)	(128,251)	-	-	-
- Amount due from an associate	29(i)	-	(2,150,447)	-	-
		(128,251)	(2,150,447)	-	-
		5,870,267	3,005,145	46,288,578	37,796,160
Deposits	(viii)	176,138	4,010,205	23,500	32,500
Advances	(ix)	142,625	-	-	-
Prepayments	(x)	746,447	90,806	44,675	44,148
Other receivables, net		6,935,477	7,106,156	46,356,753	37,872,808
Total trade and other receivables		15,583,360	27,893,019	46,356,753	37,872,808

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

20. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) The normal credit terms of trade receivables of the Group range from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (ii) In prior financial year, this amount was unsecured, interest-free and was subject to normal credit term of range from 60 to 120 days.
- (iii) This trade amount is unsecured, interest-free and subject to normal credit term of Nil to 120 days (2022: 60 to 120 days).
- (iv) Included in other receivables of the Group are net advance payments made to suppliers for purchase of inventories amounted to RM2,183,396 (2022: RM2,462,545) and for purchase of plant and machineries amounted to RM1,534,811 (2022: Nil). Remaining capital commitment is disclosed in Note 33.
- (v) In the prior financial year, this non-trade amount represents unsecured, interest-free advance which was collectible on demand.
- (vi) These non-trade amounts represent management fee receivable which is subject to normal credit term of 60 days (2022: 60 days) and unsecured advances for purchase of goods, which bear interest of 4% (2022: 4%) per annum and collectible on demand.
- (vii) In the prior financial year, this non-trade amount represents unsecured, interest-free advance which was collectible on demand.
- (viii) In the prior financial year, included in the deposits is an amount of RM3,783,024 relating to the deposits paid for the acquisition of an industrial land/plot of which the Sale and Purchase Agreement has been entered during the financial year as disclosed in Note 32. The remaining capital commitment has been disclosed in Note 33.
- (ix) Refers to advance payment made for obtaining warehouse license and layout plan. This amount will be capitalised into property, plant and equipment subsequently when the warehouse license and layout plan are received from the authority.
- (x) Included in prepayments of the Group is an amount of RM684,422 relating to administrative costs and withholding taxes on the industrial land/plot of which the Sale and Purchase Agreement has been entered during the financial year as disclosed in Note 32.

21. FIXED DEPOSITS PLACED WITH LICENSED BANKS / CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits	25,750,000	2,750,000	23,000,000	–
Cash and bank balances	8,403,581	8,195,369	2,465,132	218,120
Cash and cash equivalents	34,153,581	10,945,369	25,465,132	218,120

The effective interest rate per annum of the fixed deposits placed with licensed banks of the Group are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits	2.35% - 3.00%	1.55% - 2.65%	3.00%	–

NOTES TO THE FINANCIAL STATEMENTS

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21. FIXED DEPOSITS PLACED WITH LICENSED BANKS / CASH AND BANK BALANCES (CONT'D)

- (i) The fixed deposits placed have maturity period ranging from 3 to 12 months (2022: 12 months). Fixed deposits of RM2,750,000 (2022: RM2,750,000) have been pledged to licensed banks as security for borrowings (Note 24) granted to the Group.
- (ii) Included in the cash and bank balances of the Group at the end of the reporting period is an amount of RM41,000 (2022: RM41,000) pledged deposit to a licensed bank as security for performance guarantee which is non-interest bearing.

22. SHARE CAPITAL

	Group and Company		Amount	
	Number of shares 2023 Unit	2022 Unit	2023 RM	2022 RM
Ordinary shares Issued and fully paid:				
At beginning of the financial year	152,785,770	152,785,770	57,680,204	57,680,204
Issuance of shares	152,785,770	–	38,196,442	–
Expenses on rights issue of shares	–	–	(684,474)	–
At end of the financial year	305,571,540	152,785,770	95,192,172	57,680,204

On 22 November 2023, the Company has increased its issued and paid up ordinary shares by way of issuance of 152,785,770 new ordinary shares at the issue price of RM0.25 per ordinary share arising from the renounceable rights issue exercise.

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

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

Material accounting policy information

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

23. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

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24. LOANS AND BORROWINGS

	Note	2023 RM	Group 2022 RM
Group			
Secured			
Non-current:			
Term loan	(i)	5,669,592	–
Current:			
Bankers' acceptance	(ii)	184,000	277,000
Trust receipt	(ii)	422,730	263,696
Term loan	(i)	1,460,908	–
		2,067,638	540,696
		7,737,230	540,696
Total borrowings			
Bankers' acceptance		184,000	277,000
Trust receipt		422,730	263,696
Term loan		7,130,500	–
		7,737,230	540,696

(i) Term loan

	2023 RM	Group 2022 RM
Repayable within one year (current)	1,460,908	–
Repayable between one and two years	1,586,096	–
Repayable between two and five years	4,083,496	–
Repayable after one year (non-current)	5,669,592	–
	7,130,500	–

The term loan is secured by the following:

- (a) Third party legal charge over a piece of leasehold land and building held by the Group as disclosed in Note 13; and
- (b) Corporate guarantee by the Company.

(ii) The bankers' acceptance and trust receipt are secured by the following:

- (a) Fixed deposits placed with licensed banks as disclosed in Note 21(i); and
- (b) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

24. LOANS AND BORROWINGS (CONT'D)

The effective interest rates per annum of the borrowings are as follows:

	2023 RM	Group 2022 RM
Bankers' acceptance	7.49 - 10.32	7.49
Trust receipt	7.82 - 8.07	7.82
Term loan	8.25	–

25. TRADE AND OTHER PAYABLES

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Trade payables:					
Third parties	(i)	3,522,706	5,287,809	–	–
Amount due to a related party	(ii)	–	61,750	–	–
		3,522,706	5,349,559	–	–
Other payables:					
Third parties	(iii)	1,529,520	1,737,706	481,050	50,134
Accruals		831,748	704,977	131,834	190,711
Refundable deposits received		143,220	86,020	–	–
Amount due to a Director	(iv)	–	166	–	166
Amount due to subsidiaries	(iv)	–	–	6,852,342	300,000
Amounts due to related parties	(iv)	–	2,869,377	–	–
		2,504,488	5,398,246	7,465,226	541,011
Total trade and other payables		6,027,194	10,747,805	7,465,226	541,011

- (i) The normal credit terms granted by the trade creditors to the Group range from 30 to 120 days (2022: 30 to 120 days).
- (ii) In the prior financial year, this amount was unsecured, interest-free and was subject to normal credit term of 120 days.
- (iii) Included in the other payables of the Group are advance payments received from customers of RM850,260 (2022: RM895,173), where the Group has collected the payments before goods are delivered.
- (iv) These non-trade amounts represent unsecured, interest-free advances which are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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26. LEASE LIABILITY

	2023 RM	Group 2022 RM
Motor vehicle		
Future minimum lease payments:		
Payable within one year	–	74,200
Less: Unexpired finance charges	–	(7,567)
Present value of future minimum lease payments	–	66,633
Present value of future minimum lease payments:		
Payable within one year	–	66,633
Analysed as:		
Current	–	66,633

The effective interest rate per annum at the reporting date for the lease liability is as follows:

	2023 %	Group 2022 %
Hire purchase (motor vehicle)	2.27	2.27

27. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its Directors, subsidiaries, related parties, an associate and key management personnel. The related parties are companies in which certain Directors have substantial financial interests and/or also Directors of the Group. The related party balances of the Group and of the Company are disclosed in Notes 20 and 25.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

27. RELATED PARTIES DISCLOSURES (CONT'D)

(b) Related party transactions

The related party transactions of the Group and of the Company are shown below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Transactions with subsidiaries:				
- Interest income	–	–	(975,324)	(1,254,847)
- Net advances to	–	–	(7,043,329)	(4,147,853)
- Net advances from	–	–	6,552,342	300,000
- Management fee	–	–	(960,000)	(960,000)
Transactions with related parties:				
- Proceed from disposal of property, plant and equipment	(932,391)	–	–	–
- Interest income	–	(137,502)	–	(137,502)
- Net repayment to (non-trade)	(2,896,824)	(1,281,556)	–	–
- Net repayment from (non-trade)	485,600	11,018,569	485,600	11,018,569
- Net repayment from (trade)	1,479,018	1,861,823	–	–
- Purchase of goods	162,516	732,618	–	–
- Rental of premises ^	–	276,000	–	–
- Sales of goods	(1,615,474)	(3,797,665)	–	–
Transactions with an associate:				
- Net advances to	–	(1,260,570)	–	–
- Sales of goods	–	(163,766)	–	–
Transactions with Directors:				
- Acquisition of equity interest of a subsidiary	–	166	–	166
- Net repayment to	(166)	(5,000,000)	(166)	(5,000,000)
- Rental of premises ^	222,000	255,000	66,000	102,000

^ Inclusive of short-term lease and payment of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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27. RELATED PARTIES DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise all the Directors of the Company and its subsidiaries, as well as certain senior management personnel of the Group and of the Company.

The remunerations paid by the Group and the Company to key management personnel during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' remuneration:				
- Fees	298,560	249,600	298,560	249,600
- Salaries and other emoluments	637,145	701,530	624,000	462,000
- Contributions to defined contribution plan	114,256	115,613	111,720	87,780
- Social security contributions	1,999	2,647	1,902	1,645
	1,051,960	1,069,390	1,036,182	801,025
- Estimated monetary value of benefits-in-kind	–	28,000	–	–
	1,051,960	1,097,390	1,036,182	801,025
Key management personnel:				
- Salaries and other emoluments	643,846	780,000	643,846	780,000
- Contributions to defined contribution plan	103,016	124,800	103,016	124,800
- Social security contributions	953	1,002	953	1,002
	747,815	905,802	747,815	905,802
Total remuneration	1,799,775	2,003,192	1,783,997	1,706,827

28. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- i. The healthcare business segment comprises the supply of healthcare and related products and services to hospitals, healthcare centres and pharmacies.
- ii. The warehousing provider segment comprises provision of storage and warehousing services.
- ii. The corporate segment is involved in Group-level corporate services, treasury functions and provision of management services to subsidiaries.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE FINANCIAL STATEMENTS

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28. SEGMENT INFORMATION (CONT'D)

(a) Reporting format (cont'd)

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investment in an associate, corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

	Healthcare Business RM	Warehousing Provider RM	Corporate RM	Elimination RM	Note	Total RM
Group						
2023						
Revenue:						
External sales	37,061,442	237,860	–	–		37,299,302
Inter-segment sales	–	2,092,677	960,000	(3,052,677)	A	–
Total revenue	37,061,442	2,330,537	960,000			37,299,302
Results:						
Bad debts recovered	(8,731)	–	–	–		(8,731)
Depreciation of property, plant and equipment	102,654	110,808	51,679	–		265,141
Depreciation of right-of-use assets	43,190	362,218	–	–		405,408
Employee benefit expenses	3,175,227	469,413	1,840,725	–		5,485,365
Impairment loss on:						
- Trade receivables	3,097,068	–	–	–		3,097,068
- Other receivables	128,251	–	–	–		128,251
Interest income	(70,277)	–	(1,005,050)	975,324		(100,003)
Written down of inventories	1,208,457	–	–	–		1,208,457
Written off of inventories	917,842	–	–	–		917,842
Gain on disposal of investment in associate	–	–	(365)	–		(365)
(Gain)/Loss on foreign exchange, net						
- realised	(102,972)	–	–	–		(102,972)
- unrealised	23,903	–	69	–		23,972
Loss on disposal of property, plant and equipment	120	–	–	–		120
Loss on disposal of a subsidiary	11,060	–	–	(6,612)		4,448
Written off of property, plant and equipment	286,147	503	415	–		287,065
Right-of-use assets:						
- Short-term leases	245,289	–	66,000	–		311,289

NOTES TO THE FINANCIAL STATEMENTS

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28. SEGMENT INFORMATION (CONT'D)

(b) Allocation basis and transfers (cont'd)

	Healthcare Business RM	Warehousing Provider RM	Corporate RM	Elimination RM	Note	Total RM
Group (cont'd)						
2023 (cont'd)						
Segment results	(8,132,489)	438,367	(952,659)	(968,712)		(9,615,493)
Interest expense	(1,555,207)	–	(87,244)	975,324		(667,127)
(Loss)/Profit before tax	(9,687,696)	438,367	(1,039,903)			(10,282,620)
Income tax credit	1,122,538	1,513	–	–		1,124,051
(Loss)/Profit for the financial year	(8,565,158)	439,880	(1,039,903)			(9,158,569)
Segment assets	74,158,202	14,685,245	117,824,596	(100,977,160)	B	105,690,883
Segment liabilities	61,390,383	354,738	7,465,226	(55,445,923)	C	13,764,424
Other information:						
Additions to non-current assets excluding deferred tax assets and financial assets	17,587,395	325,514	–	–	D	17,912,909
2022						
Revenue:						
External sales	58,905,088	95,220	–	–		59,000,308
Inter-segment sales	–	1,988,706	960,000	(2,948,706)	A	–
Total revenue	58,905,088	2,083,926	960,000	(2,948,706)		59,000,308
Results:						
Depreciation of property, plant and equipment	353,879	92,301	206,196	–		652,376
Depreciation of right-of-use assets	51,828	362,220	–	–		414,048
Employee benefit expenses	4,622,704	347,426	1,830,870	–		6,801,000
Impairment loss on:						
- Investment in an associate	–	–	359,025	(359,025)		–
- Trade receivables	1,108,969	–	–	–		1,108,969
- Amount due from related parties	2,275,793	–	–	(125,346)		2,150,447
Interest income	(41,373)	–	(1,392,349)	1,254,847		(178,875)
(Gain)/Loss on foreign exchange, net						
- realised	(126,065)	–	–	–		(126,065)
- unrealised	210,939	–	(98,775)	–		112,164
Rental income	(54,964)	–	–	–		(54,964)
Right-of-use assets:						
- Short-term leases	558,709	–	102,000	(83,790)		576,919

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

28. SEGMENT INFORMATION (CONT'D)

(b) Allocation basis and transfers (cont'd)

	Healthcare Business RM	Warehousing Provider RM	Corporate RM	Elimination RM	Note	Total RM
Group (cont'd)						
2022 (cont'd)						
Segment results	(3,416,443)	408,386	(804,453)	(770,476)		(4,582,986)
Share of result of an associate, net of tax	–	–	–	(20,066)		(20,066)
Interest expense	(1,416,894)	–	–	1,254,847		(162,047)
(Loss)/Profit before tax	(4,833,337)	408,386	(804,453)			(4,765,099)
Income tax (expense)/credit	(505,907)	65,806	–	–		(440,101)
(Loss)/Profit for the financial year	(5,339,244)	474,192	(804,453)			(5,205,200)
Segment assets	60,797,820	14,156,391	78,168,179	(78,767,222)	B	74,355,168
Segment liabilities	46,581,241	265,764	4,205,011	(39,667,386)	C	11,384,630
Other information:						
Additions to non-current assets excluding deferred tax assets and financial assets	227,656	222,852	–	(201,781)	D	248,727

Operating segments

Note:

- A Inter-segment revenues are eliminated on consolidation.
- B The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM	Group 2022 RM
Adjustments on consolidation	46,202	46,202
Investment in subsidiaries	(45,811,750)	(39,271,384)
Inter-segment assets	(55,068,346)	(39,542,040)
Assets relating to disposal of a subsidiary	(143,266)	–
	(100,977,160)	(78,767,222)

NOTES TO THE FINANCIAL STATEMENTS

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28. SEGMENT INFORMATION (CONT'D)

Operating segments (cont'd)

Note: (cont'd)

- C The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM	Group 2022 RM
Inter-segment liabilities	(55,068,346)	(39,667,386)
Liabilities relating to disposal of a subsidiary	(377,577)	–
	(55,445,923)	(39,667,386)

- D Additions to non-current assets excluding deferred tax assets and financial assets consist of:

	2023 RM	Group 2022 RM
- Property, plant and equipment	352,882	248,727
- Right-of-use assets	17,560,027	–
	17,912,909	248,727

Geographical information

Revenue based on geographical location of the Group's customers are as follows:

	2023 RM	Group 2022 RM
Revenue:		
- Malaysia	36,986,290	57,615,284
- Sri Lanka	100,747	602,601
- Indonesia	–	626,897
- Others	212,265	155,526
	37,299,302	59,000,308

Major customer information

The Group has 1 customer which contribute approximately RM4.68 million or 13% (2022: 1 customer, RM24.05 million or 41%) of the Group's revenue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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29. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets (excluding prepayments) and financial liabilities are all categorised as amortised costs respectively, except for investment in the redeemable convertible preference shares measured at fair value through profit or loss as disclosed in Note 17.

Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing their financial risks, including credit risk, interest rate risk, liquidity risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from its receivables (which consist of trade and other receivables), amounts due from an associate and related parties and cash and cash equivalents. The Company's exposure to credit risk arises primarily from its receivables (which consist of other receivables), amounts due from subsidiaries and a related party, as well as financial guarantees given to banks for credit facilities granted to certain subsidiaries and cash and cash equivalents. There are no significant changes as compared to prior years.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

Healthcare business

As the Group does not hold any collateral, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position as at the end of the reporting period.

Warehousing provider

The Group's policy is to collect deposits from the customers upon signing of the service agreement. These deposits collected from customers serve as security deposits by the Group in the event of default in rental payment.

As at the end of the reporting period, there is no allowance for impairment loss arising from the trade receivable as the credit risk is mitigated by the security deposits in the event of default payment.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the profiles of their receivables on an ongoing basis.

As at the reporting date, the Group has significant concentration of credit risk arising from the amounts due from 3 customers (2022: 1 customer) constituting 48% (2022: 67%) of net trade receivables of the Group.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group has recognised a loss allowance of 100% for any receivables over 270 to 365 days past due from different customer profiles because historical experience has indicated that these receivables are generally not recoverable.

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses. The Group assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to different credit risk characteristics and the number of debtors is minimal and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

For collective assessment, the Group determines the expected credit losses by using a provision matrix for collective assessed receivables which are grouped together based on shared credit risk characteristics, the number of days past due and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the forward-looking information on macroeconomic factors. The Group also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current economic conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team and where necessary, the Group will also commence legal proceeding against the customers.

NOTES TO THE FINANCIAL STATEMENTS

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29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023 and 31 December 2022:

	Gross RM	Loss allowances RM	Net RM
Group			
2023			
Not past due	4,626,085	(4,921)	4,621,164
Past due:			
Less than 30 days	619,275	(2,803)	616,472
31 days to 60 days	576,464	(5,363)	571,101
61 days to 90 days	403,576	(9,070)	394,506
91 days to 120 days	45,710	(219)	45,491
More than 120 days	2,405,071	(5,922)	2,399,149
	4,050,096	(23,377)	4,026,719
Trade receivables, gross	8,676,181	(28,298)	8,647,883
Less: Loss allowances			
- Individually impaired	3,204,740	(3,204,740)	-
Trade receivables, net	11,880,921	(3,233,038)	8,647,883
2022			
Not past due	4,483,320	-	4,483,320
Past due:			
Less than 30 days	1,257,209	(19,207)	1,238,002
31 days to 60 days	2,810,567	(21,103)	2,789,464
61 days to 90 days	4,641,583	(29,771)	4,611,812
91 days to 120 days	2,200,898	(52,181)	2,148,717
More than 120 days	5,529,256	(13,708)	5,515,548
	16,439,513	(135,970)	16,303,543
Trade receivables, gross	20,922,833	(135,970)	20,786,863
Less: Loss allowances			
- Individually impaired	1,152,999	(1,152,999)	-
Trade receivables, net	22,075,832	(1,288,969)	20,786,863

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Impairment losses (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group. None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Healthcare business

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. These relate to a number of independent customers with slower repayment patterns, for whom there is no recent history of default. The Group does not hold any collateral or other credit enhancement over these balances.

Warehousing provider

The third-party receivable has slower repayment pattern. As the Group has collateral of RM57,200 (2022: Nil) held as security to minimise the credit risk over the outstanding balances, the Group has not provided impairment for the outstanding balances that are past due but not impaired.

Credit impaired

Trade receivables that are individually or collectively determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments which are past due more than 270 to 365 days from different customer profiles. These receivables are not secured by any collateral or credit enhancements.

The movement in the allowance for impairment loss on trade receivables is as follows:

	2023 RM	Group 2022 RM
At 1 January	1,288,969	3,789,981
Charge for the financial year	3,097,068	1,108,969
Written off during the financial year	(1,152,999)	(3,609,981)
At 31 December	3,233,038	1,288,969

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group has assessed debtors which are past due more than 1 year as credit impaired. As such, the Group has provided allowances for expected credit losses on these debtors as disclosed in Note 20.

The movement in the allowance for impairment loss on other receivables is as follows:

	2023 RM	Group 2022 RM
At 1 January	–	–
Charge for the financial year	128,251	–
At 31 December	128,251	–

Credit risk on deposits is mainly arising from deposits paid to landlord and local authorities as security and utilities deposit for rental of premises and for collateral which will be received upon termination of such services and thus have low credit risks. The Group and the Company manage the credit risk together with the leasing arrangement.

As at the end of the reporting period, no allowance for doubtful debts is necessary in respect of the deposits as these are mainly arising from debtors that have good records of payment in the past.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM7,737,230 (2022: RM540,696), representing the outstanding credit facilities of the subsidiaries as at the end of reporting period. The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

These financial guarantees are subject to the impairment requirement under MFRS 9. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligations to the bank in full; or
- The subsidiaries are continuously loss-making and having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that the subsidiaries' which were granted these loan facilities (Note 24) would default on repayment. Hence, the financial guarantees granted by the Company has not been recognised since the fair value on initial recognition was not material.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Amounts due from related parties

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral.

Subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' 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 the loans or advances to be credit impaired when the subsidiaries are unlikely to repay their loans or advances to the Company in full given insufficient highly liquid resources when the loans are demanded.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the reporting date, there was no indication of impairment loss in respect of amounts due from subsidiaries.

Associate

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured loans and advances to an associate. The Group monitors the ability of an associate to repay the loans and advances on an individual basis.

Recognition and measurement of impairment loss

Generally, the Group considers loans and advances to an associate have moderate credit risk. The Group assumes that there is a significant increase in credit risk when the associate's financial position deteriorates significantly. The Group considers the associate's loans and advances to be credit impaired when the associate is unlikely to repay its loans or advances to the Group in full given insufficient highly liquid resources when the loans are demanded.

The movement in the allowance for impairment loss on amount due from an associate is as follows:

	2023 RM	Group 2022 RM
Addition (Written off)/addition during the financial year	2,150,447 (2,150,447)	– 2,150,447
At 31 December	–	2,150,447

During current financial year, the amount due from an associate has been fully written off.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial liability.

In respect of interest-bearing financial liability, the effective interest rates at the reporting date, in which they reprice or mature, whichever is earlier are disclosed in Notes 21 and 24 respectively.

Exposure in interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2023 RM	Group 2022 RM
Floating rate instruments		
Financial asset:		
- Fixed deposits placed with licensed banks	25,750,000	2,750,000
Financial liability:		
- Borrowings	(7,737,230)	(540,696)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group Increase/ (Decrease) RM	Group Increase/ (Decrease) RM
Effect on loss after tax/equity		
Increase of 100 basis point (2022: 100 basis point)	(136,897)	(16,791)
Decrease of 100 basis point (2022: 100 basis point)	136,897	16,791

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities. As at 31 December 2023, the Group has remaining unutilised trade facilities by financial institution amounting to RM95,069,206 and unutilised working capital loan of RM1,019,500.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

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29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and of the Company's financial liabilities as 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):

	Carrying Amount RM	On demand/ Within 1 year RM	Contractual Cash Flows			Total RM
			1 to 2 years RM	2 to 5 years RM		
Group						
2023						
Financial liabilities:						
Trade and other payables	6,027,194	6,027,194	—	—		6,027,194
Borrowings	7,737,230	2,677,758	1,994,753	4,488,195		9,160,706
	13,764,424	8,704,952	1,994,753	4,488,195		15,187,900
2022						
Financial liabilities:						
Trade and other payables	10,747,805	10,747,805	—	—		10,747,805
Borrowings	540,696	592,895	—	—		592,895
Lease liabilities	66,633	74,200	—	—		74,200
	11,355,134	11,414,900	—	—		11,414,900
Company						
2023						
Financial liabilities:						
Trade and other payables	7,465,226	7,465,226	—	—		7,465,226
Financial guarantees *	—	7,737,230	—	—		7,737,230
	7,465,226	15,202,456	—	—		15,202,456
2022						
Financial liabilities:						
Trade and other payables	541,011	541,011	—	—		541,011
Financial guarantees *	—	540,696	—	—		540,696
	541,011	1,081,707	—	—		1,081,707

* The liquidity risk exposure is included for illustration purpose only as the related financial guarantee have not crystallised.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the functional currency of the Group, which is RM as disclosed in Note 2(c). The currencies giving rise to this risk are primarily Chinese Yuan Renminbi ("CNY"), Indonesian Rupiah ("IDR"), United States Dollar ("USD") and Euro ("EUR") respectively.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as a natural hedge against fluctuations in foreign currency risk.

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

Exposure to foreign currency risk

The Group's and the Company's significant exposure to foreign currency (a currency which is other than functional currency of the Group and of the Company) risk, based on carrying amounts as at end of the reporting period was:

	Cash at bank RM	Receivables RM	Payables RM	Total RM
Group				
2023				
CNY	10,771	158,717	(391,954)	(222,466)
IDR	–	164,074	–	164,074
USD	86,949	111,976	(979,296)	(780,371)
EUR	–	15,046	–	15,046
	97,720	449,813	(1,371,250)	(823,717)
2022				
CNY	106	–	(151,380)	(151,274)
IDR	–	1,152,999	–	1,152,999
USD	20,575	14,429	(1,012,810)	(977,806)
	20,681	1,167,428	(1,164,190)	23,919

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iv) Foreign currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	Cash at bank RM	Amount due from subsidiaries RM	Amount due to subsidiaries RM	Total RM
Company				
2023				
IDR	–	21,068,787	–	21,068,787
USD	6,403	–	(6,852,342)	(6,845,939)
	6,403	21,068,787	(6,852,342)	14,222,848
2022				
USD	2,343	4,127,058	–	4,129,401

Foreign currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's results net of tax to a reasonably possible change in these foreign currencies exchange rates against RM, with all other variables held constant:

		Increase/(Decrease) in loss net of tax/equity	
		2023 RM	2022 RM
Group			
CNY/RM	- Strengthened 5% (2022: 5%)	8,454	5,748
	- Weakened 5% (2022: 5%)	(8,454)	(5,748)
IDR/RM	- Strengthened 5% (2022: 5%)	(6,235)	(43,814)
	- Weakened 5% (2022: 5%)	6,235	43,814
USD/RM	- Strengthened 5% (2022: 5%)	29,654	37,157
	- Weakened 5% (2022: 5%)	(29,654)	(37,157)
EUR/RM	- Strengthened 5% (2022: 5%)	(572)	–
	- Weakened 5% (2022: 5%)	572	–
Company			
IDR/RM	- Strengthened 5% (2022: 5%)	(800,614)	–
	- Weakened 5% (2022: 5%)	800,614	–
USD/RM	- Strengthened 5% (2022: 5%)	260,146	(156,917)
	- Weakened 5% (2022: 5%)	(260,146)	156,917

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

30. FAIR VALUES INFORMATION

Financial instruments at fair value

The fair value measurement hierarchies used to measure financial asset at fair value in the statements of financial position is disclosed in Note 17.

Financial instruments other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loan approximate its fair value as the loan will be re-priced to market interest rate on or near reporting date.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a healthy capital ratio in order to support their business and maximise shareholders' value. The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirement.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital. Net debt includes loans and borrowings and lease liabilities whilst total capital is the equity attributable to the Owners of the Company.

The gearing ratio as at 31 December 2023 and 31 December 2022, which are within the Group's and the Company's objective of capital management are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loans and borrowings	7,737,230	540,696	—	—
Lease liabilities	—	66,633	—	—
	7,737,230	607,329	—	—
Total equity attributable to Owners of the Company	91,902,062	62,983,516	110,359,370	73,887,305
Gearing ratio (times)	0.084	0.010	*	*

* Not applicable

There were no changes in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

31. CAPITAL MANAGEMENT (CONT'D)

Under the terms of the borrowing facilities, AHSB is required to comply with the following financial covenants:

- (i) Dividends are only allowed to be declared and paid if AHSB records a profit; and
- (ii) AHSB shall maintain a gearing ratio of not more than 2.00 times throughout the tenure of the facility.

The Group is in compliance with the externally imposed capital requirement as mentioned above.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) Proposed Rights Issue

On 14 July 2023, the Company proposed to undertake a renounceable rights issue ("Proposed Rights Issue") of up to 152,785,770 new ordinary shares at the issue price of RM0.25 per rights share, on the basis of 1 rights share for every 1 existing ordinary share in the Company. The rights shares pursuant to the Rights Issue were listed and quoted on the Main Market of Bursa Securities Berhad on 22 November 2023.

(ii) Disposal of subsidiaries

Details of significant events in relation to the disposal of subsidiaries during the financial year are disclosed in 15(b).

(iii) Acquisition of industrial land/plot by PT Adventa Biotech

On 13 January 2023, a subsidiary of the Company, PT Adventa Biotech has entered into a Sale and Purchase Agreement with PT Kawasan Industri Kendal of Jalan Raya Arteri KM. 19, Desa Brangsong, Kecamatan Brangsong, Kabupaten Kendal, 51371 Jawa Tengah, Indonesia for the purpose of acquiring an industrial land/plot which is locally known as Jalan Pareanom No. 11. The acquisition process has deemed to be completed on 22 May 2023 when the conditions precedent have been fulfilled. Consequently, the deposits paid for the acquisition of the industrial land/plot was recognised as right-of-use assets as disclosed in Note 13.

33. CAPITAL COMMITMENT

	2023 RM	Group 2022 RM
Authorised and contracted for:		
- Industrial land	–	9,277,416
- Plant and equipment for the manufacturing facility	19,609,066	–
	19,609,066	9,277,416

NOTES TO THE FINANCIAL STATEMENTS

CONT'D

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation:

	As previously reported RM	As reclassified RM
Group		
Statements of Financial Position		
- Property, plant and equipment	7,852,281	2,156,781
- Right-of-use assets	6,271,118	11,966,618
Statements of Cash Flows		
Cash Flows from Operating Activities		
Adjustments for:		
- Depreciation of property, plant and equipment	827,096	652,376
- Depreciation of right-of-use assets	239,328	414,048
- Net additions of impairment loss on other receivables	2,150,447	–
- Net additions of impairment loss on amounts due from related parties	–	2,150,447
Changes in working capital		
Trade and other receivables	10,402,825	10,265,323
Trade and other payables	(12,104,234)	(12,104,068)
Cash Flows from Investing Activities		
Net repayment from related parties	10,881,067	11,018,569
Cash Flows from Financing Activities		
Net repayment to a Director	(4,999,834)	(5,000,000)
Company		
Statements of Cash Flows		
Cash Flows from Operating Activities		
Changes in working capital		
Trade and other receivables	(12,778)	(2,365,127)
Trade and other payables	(119,954)	(119,788)
Cash Flows from Investing Activities		
Net repayment from related parties	10,881,067	11,018,569
Net advances to subsidiaries	(6,362,700)	(4,147,853)
Cash Flows from Financing Activities		
Net repayment to a Director	(4,999,834)	(5,000,000)

LIST OF PROPERTIES

FOR YEAR ENDED 31 DECEMBER 2023

Name of registered owner/Address	Description/ Use	Land Area (square metres)	Tenure	Age of Building (No. of Years)	Net Book Value as at 31.12.2023 RM'000	Date of Revaluation Or Acquisition
PTM Progress Trading & Marketing Sdn. Bhd. No. 148, Jalan TUDM, Kampung Baru Subang, 40150 Shah Alam, Selangor Darul Ehsan	Warehouse	8,090	60 years leasehold expiring on 29.12.2055	8	11,302	22.12.2014

STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Class of Shares : Ordinary Shares
On a poll : One (1) vote per Ordinary Share
Total number of issued shares : 152,785,770 Ordinary Shares

ANALYSIS OF SHAREHOLDINGS

A. DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1-99	164	2.28	5,990	0.00
100-1,000	1,536	21.34	1,054,183	0.34
1,001-10,000	3,809	52.91	18,091,368	5.92
10,001-100,000	1,550	21.53	48,036,200	15.72
100,001-15,278,576 (*)	137	1.90	51,331,320	16.80
15,278,577 and above (**)	3	0.04	187,052,479	61.21
TOTAL	7,199	100.00	305,571,540	100.00

Remark: * less than 5% of issued holdings
** 5% and above of issued holdings

B. SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

No.	Name	No. of Shares	Direct	No. of Shares	Indirect
			%		%
1.	Low Chin Guan	133,176,079	43.58	–	–

C. DIRECTORS' SHAREHOLDINGS (as shown in the Register of Directors' Shareholdings)

No.	Name	No. of Shares	Direct	No. of Shares	Indirect
			%		%
1.	Low Chin Guan	133,176,079	43.58	–	–
2.	Kwek Siew Leng	1,168,800	0.38	–	–
3.	Toh Seng Thong	–	–	–	–
4.	Edmond Cheah Swee Leng	1,400,200	0.46	–	–
5.	Dato' Selwyn Vijayarajan Das	–	–	–	–
6.	Muhamad Yazdi bin Che Ya	–	–	–	–

Mr. Low Chin Guan, by virtue of his total direct interests of 133,176,079 shares in the Company, and pursuant to Section 8(4)(c) of the Companies Act 2016, is deemed interested in the shares in all of the Company's subsidiary companies to the extent that the Company has interests.

STATISTICS OF SHAREHOLDINGS

CONT'D

D. THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	Number Of Shares	%
1.	Low Chin Guan	105,176,079	34.42
2.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An For Clearstream Banking S.A.	53,876,400	17.63
3.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Low Chin Guan	28,000,000	9.16
4.	Low Lea Kwan	11,021,920	3.61
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Teck Huat	2,220,500	0.73
6.	Mohamed Izani Bin Mohamed Jakel	1,800,000	0.59
7.	Lee Seng Yong	1,700,000	0.56
8.	Chong Ching Yee	1,500,000	0.49
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Swee Leng Edmond Cheah	1,400,200	0.46
10.	Cartaban Nominees (Asing) Sdn. Bhd.	1,326,200	0.43
11.	Kwek Siew Leng	1,168,800	0.38
12.	Chan Yen Jone	870,300	0.28
13.	Tasec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Sin Tong Meng	760,000	0.25
14.	Khoo Se Hai	750,000	0.25
15.	K Mayah A/P Kuppusamy @ Naghuran	730,400	0.24
16.	Lim Hui Hui	655,500	0.21
17.	Pang Chok Ee	650,000	0.21
18.	Liew Thau Sen	625,100	0.20
19.	Chia Lee Aik	603,900	0.20
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chang Jong Yu	560,000	0.18
21.	W H Timber Industries Sdn. Bhd.	550,000	0.18
22.	Lim Soon Huat	451,400	0.15
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chan Kai Lum	450,000	0.15
24.	Tai Chong Seng @ Tai Sah Ha	450,000	0.15
25.	Theang Wai Kit	450,000	0.15
26.	Jalaludin Bin Sulaiman	400,000	0.13
27.	Ng Chai Yong	400,000	0.13
28.	Ting Mee Ling	400,000	0.13
29.	Chin Swee Ming	375,300	0.12
30.	Tee Ser Hock	360,000	0.12
		219,681,999	71.89

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan on Friday, 21 June 2024 at 3:00 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. [Please refer to Explanatory Note (i)]
2. To approve the payment of Directors' fees and benefits amounting to RM336,000/- for the financial year ending 31 December 2024. (Resolution 1)
3. To re-elect Encik Muhamad Yazdi bin Che Ya who retire pursuant to Clause 113 of the Company's Constitution and being eligible, has offered himself for re-election. (Resolution 2)
4. To re-elect the following Directors who retire pursuant to Clause 114 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Low Chin Guan; and (Resolution 3)
 - (b) Ms. Kwek Siew Leng. (Resolution 4)
5. To re-appoint Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)
6. **As Special Business**

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

ORDINARY RESOLUTION 1 (Resolution 6)

- **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

"THAT subject always to the Companies Act 2016, the Constitution of the Company, the approvals of Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

CONT'D

ORDINARY RESOLUTION 2

(Resolution 7)

- PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATES FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject to the Companies Act 2016, the Constitution of the Company and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**") as set out in the Company's Circular to Shareholders dated 30 April 2024 ("**Circular**") with the related parties mentioned therein subject further to the following:-

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on normal commercial terms not more favourable than those generally available to the public and not detrimental to the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

AND THAT the authority conferred by such mandate upon the passing of this ordinary resolution shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next Annual General Meeting of the Company after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier,

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

ORDINARY RESOLUTION 3

(Resolution 8)

- WAIVER OF PRE-EMPTIVE RIGHTS FOR ISSUANCE OF NEW SHARES UNDER EMPLOYEES SHARES OPTION SCHEME ("ESOS")

"THAT further to shareholders' approval obtained on 23 June 2023 on the Employee Share Scheme, which comprises the ESOS and the Share Grant Plan and pursuant to Section 85(1) of the Act and Clause 14 of the Constitution of the Company, shareholders hereby waive their pre-emptive rights over all options and/or grants offered/to be offered pursuant to the ESOS and/or any new shares to be issued pursuant to the exercise of such options and/or the vesting of such grants by eligible employees and executive directors of the Company and its subsidiaries, such new shares, when issued, shall rank pari passu with the existing shares."

7. To transact any other ordinary business of which due notice has been given in accordance with the Companies Act 2016 or the Constitution.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

CONT'D

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)

LIM LIH CHAU (SSM PC NO. 201908001454) (LS 0010105)

Company Secretaries

Kuala Lumpur

30 April 2024

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 June 2024 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.
2. A Member entitled to attend and vote at the Meeting of the Company, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the Member at the Meeting. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the Member to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a Member appoints more than one (1) proxy in relation to the Meeting, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Where a Member of the Company is an Exempt Authorised Nominee which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. The lodging of the Form of Proxy will not preclude any shareholder from participating and voting at the Twenty-First Annual General Meeting should any shareholder subsequently wishes to do so provided a Notice of Termination of Authority to act as Proxy is given to the Company.

All resolutions set out in this notice of meeting are to be voted by poll.

7. Any Notice of Termination of Authority to act as Proxy must be received in writing by the Company at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the commencement of the General Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

CONT'D

Explanatory Notes to Ordinary and Special Business:

(i) Audited Financial Statements for the financial year ended 31 December 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Resolution 2 - Re-election of Director who retire pursuant to Clause 113 of the Company's Constitution

Pursuant to Clause 113 of the Company's Constitution, the Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any Director so appointed shall hold office only until the conclusion of the next Annual General Meeting and shall be eligible for re-election at such meeting. A Director retiring under this Clause shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

For the purpose of determining the eligibility of the Director to stand for re-election at the Twenty-First Annual General Meeting of the Company, the Board of Directors through its Nomination Committee undertakes a formal evaluation to determine the eligibility of each retiring Director in line with Practice 6.1 of the Malaysian Code on Corporate Governance, which include the following:

- i. Effectiveness of the Board as a whole and the Committees of the Board;
- ii. Contribution and performance of each individual Director;
- iii. Independence of the Independent Non-Executive Directors;
- iv. Fit and proper assessment; and
- v. The required mix of skills and experience and other qualities, including core competence.

Based on the results of the abovementioned evaluations, the Board of Directors considered that the performance of Encik Muhamad Yazdi bin Che Ya (referred to as "**retiring Director**") was able to meet the Board of Directors' expectations in terms of experience, expertise, integrity, competency, participation and contribution. The retiring Director had abstained from deliberation and decision on his own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

(iii) Resolutions 3 and 4 - Re-election of Directors who retire pursuant to Clause 114 of the Company's Constitution

Pursuant to Clause 114 of the Company's Constitution, an election of Directors shall take place each year. At the first Annual General Meeting of the Company, all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors including Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the general meeting at which he retires.

For the purpose of determining the eligibility of the Director to stand for re-election at the Twenty-First Annual General Meeting of the Company, the Board of Directors through its Nomination Committee undertakes a formal evaluation to determine the eligibility of each retiring Director in line with Practice 6.1 of the Malaysian Code on Corporate Governance, which include the following:

- i. Effectiveness of the Board as a whole and the Committees of the Board;
- ii. Contribution and performance of each individual Director;
- iii. Fit and proper assessment; and
- iv. The required mix of skills and experience and other qualities, including core competence.

Based on the results of the abovementioned evaluations, the Board of Directors considered that the performance of Mr. Low Chin Guan and Ms. Kwek Siew Leng to be effective. The retiring Directors were able to meet the Board of Directors' expectation in terms of experience, expertise, integrity, competency, participation and contribution. Each retiring Director demonstrates commitment to the role and has sufficient time to meet his commitment to the Company. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

CONT'D

Explanatory Notes to Ordinary and Special Business: (Cont'd)

- (iv) Resolution 6 - Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

The Company intended to renew the authority granted to the Directors of the Company at the Twentieth Annual General Meeting of the Company held on 23 June 2023 ("**Previous Mandate**") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting.

The General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, investment project(s), and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 14 of the Company's Constitution, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The following are excerpted from the Companies Act 2016 and the Company's Constitution:

<u>Section 85(1) of the Companies Act 2016</u>	<u>Clause 14 of the Company's Constitution</u>
<p>Pre-Emptive Rights to New Shares</p> <p>Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.</p>	<p>14. Subject to any direction to the contrary that may be given by the Company in general meeting and subject always to this Constitution and the Act, all new shares or other Securities shall, before issue, be offered to Members who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.</p>

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

CONT'D

Explanatory Notes to Ordinary and Special Business: (Cont'd)

- (v) Resolution 7 - Proposed renewal of and new shareholders' mandates for recurrent related party transactions of a revenue or trading nature

The Proposed Resolution 6, if passed, will give mandates to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details of which are set out in Section 2.4 of the Circular to Shareholders dated 30 April 2024.

The aforesaid mandates from shareholders are on an annual basis and are subject to renewal at the next AGM of the Company.

The details of the proposals are set out in the Circular to Shareholders dated 30 April 2024.

- (vi) Resolution 8 – Waiver of Pre-Emptive Rights for Issuance of New Shares under Employees Shares Option Scheme (“**ESOS**”)

The Employee Share Scheme, which comprises the ESOS and the Share Grant Plan was approved by the shareholders on 23 June 2023. Subsequent to the approval, the Company now seeks for waiver of the pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 14 of the Constitution of the Company from the shareholders.



Registration No. 200301016113 (618533-M)
(Incorporated in Malaysia)

[illegible]

Full Name	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

Full Name	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon			
		Resolution	For	Against
2.	To approve the payment of Directors' fees and benefits amounting to RM336,000/- for the financial year ending 31 December 2024.	1		
3.	To re-elect Encik Muhamad Yazdi bin Che Ya who retires pursuant to Clause 113 of the Company's Constitution.	2		
4.	To re-elect Mr. Low Chin Guan who retires pursuant to Clause 114 of the Company's Constitution.	3		
5.	To re-elect Ms. Kwek Siew Leng who retires pursuant to Clause 114 of the Company's Constitution.	4		
6.	To re-appoint Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	5		
Special Business				
7.	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.	6		
8.	Proposed Renewal of and New Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature.	7		
9.	Waiver of Pre-emptive rights for issuance of new shares under Employees Shares Option Scheme.	8		

Signature(s) of Member(s)/Common Seal*

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 June 2024 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.
2. A Member entitled to attend and vote at the Meeting of the Company, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the Member at the Meeting. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the Member to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a Member appoints more than one (1) proxy in relation to the Meeting, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
4. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Where a Member of the Company is an Exempt Authorised Nominee which holds Deposited Securities in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. The lodging of the Form of Proxy will not preclude any shareholder from participating and voting at the Twenty-First Annual General Meeting should any shareholder subsequently wishes to do so provided a Notice of Termination of Authority to act as Proxy is given to the Company. All resolutions set out in this notice of meeting are to be voted by poll.
7. Any Notice of Termination of Authority to act as Proxy must be received in writing by the Company at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the commencement of the General Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.

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AFFIX
STAMP

ADVENTA BERHAD

Registration No. 200301016113 (618533-M)

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing

