



B u i l d t o S u c c e e d



**DEDICATE TO  
SUCCESS WITH FORESIGHT**

ANNUAL REPORT 2023

# Our VISION

To excel in the integration of evolving technologies while upholding a commitment to environmental stewardship, thereby establishing enduring benchmarks for construction excellence.



## Good Corporate Governance

We believe in having an independent and diverse board of directors, a well-defined code of conduct, transparent reporting mechanisms, effective risk management, stakeholder engagement, and compliance with laws and regulations



## Customer Satisfaction

We believe in providing customers with quality products and excellent customer service to ensure their satisfaction



## Environmentally Friendly

We incorporate sustainable practices in all our projects, reducing our environmental footprint and creating healthier, greener spaces for future generations

# Core VALUE



## Social Responsibility

We commit to being responsible corporate citizens through contributions that benefit communities



## Shareholders Value Creation

We meet shareholders' expectations by delivering good returns for their investment

## Human Resources/ Employee Welfare

We believe effective human resource management and employee welfare programs are essential in a construction company to attract, retain, and develop a skilled and motivated workforce



## Suppliers Relationship

We value the importance of mutual progression and treat our suppliers as valuable business partners



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Proxy Form

## **20<sup>th</sup>** Annual General Meeting

**Venue**

Greens III, Sports Wing,  
Tropicana Golf & Country Resort,  
Jalan Kelab Tropicana,  
47410 Petaling Jaya,  
Selangor Darul Ehsan

**Date**

Thursday, 20 June 2024

**Time**

2:30 p.m.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Ahmed Azhar bin Abdullah**  
Independent Non-Executive  
Chairman

**Dato' Doh Tee Leong**  
Executive Director

**Koong Wai Seng**  
Independent Non-Executive Director

**Loh Pek Mee**  
Independent Non-Executive Director  
(Appointed on 31 May 2023)

**Fahariah binti Abdul Wahab**  
Independent Non-Executive Director  
(Appointed on 31 May 2023)

#### Audit and Risk Management Committee

Koong Wai Seng (Chairman)  
Loh Pek Mee  
Fahariah binti Abdul Wahab

#### Remuneration and Nomination Committee

Loh Pek Mee (Chairperson)  
Koong Wai Seng  
Fahariah binti Abdul Wahab

#### Company Secretaries

Tea Sor Hua (MACS 01324)  
(SSM PC No.: 201908001272)

Loo Hui Yan (MAICSA 7069314)  
(SSM PC No.: 202308000290)

#### Registered Office

Third Floor, No. 77, 79 & 81  
Jalan SS 21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 03-7725 1777  
Fax No. : 03-7722 3668  
Email : cms\_cospec@yahoo.com

#### Corporate Office

Unit 303, Block G, Pusat Dagangan  
Phileo Damansara 1  
Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 03-7932 3922  
Website: <http://www.epicon.com.my>

#### Share Registrar

Boardroom Share Registrars Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 03-7890 4700  
Fax No. : 03-7890 4753  
Email : bsr.helpdesk@boardroomlimited.com

#### Principal Bankers

Ambank (M) Berhad  
Alliance Bank Malaysia Berhad  
Malayan Banking Berhad

#### Auditors

Moore Stephens Associates PLT  
(201304000972 & LLP0000963 – LCA)  
Chartered Accountants (AF002096)

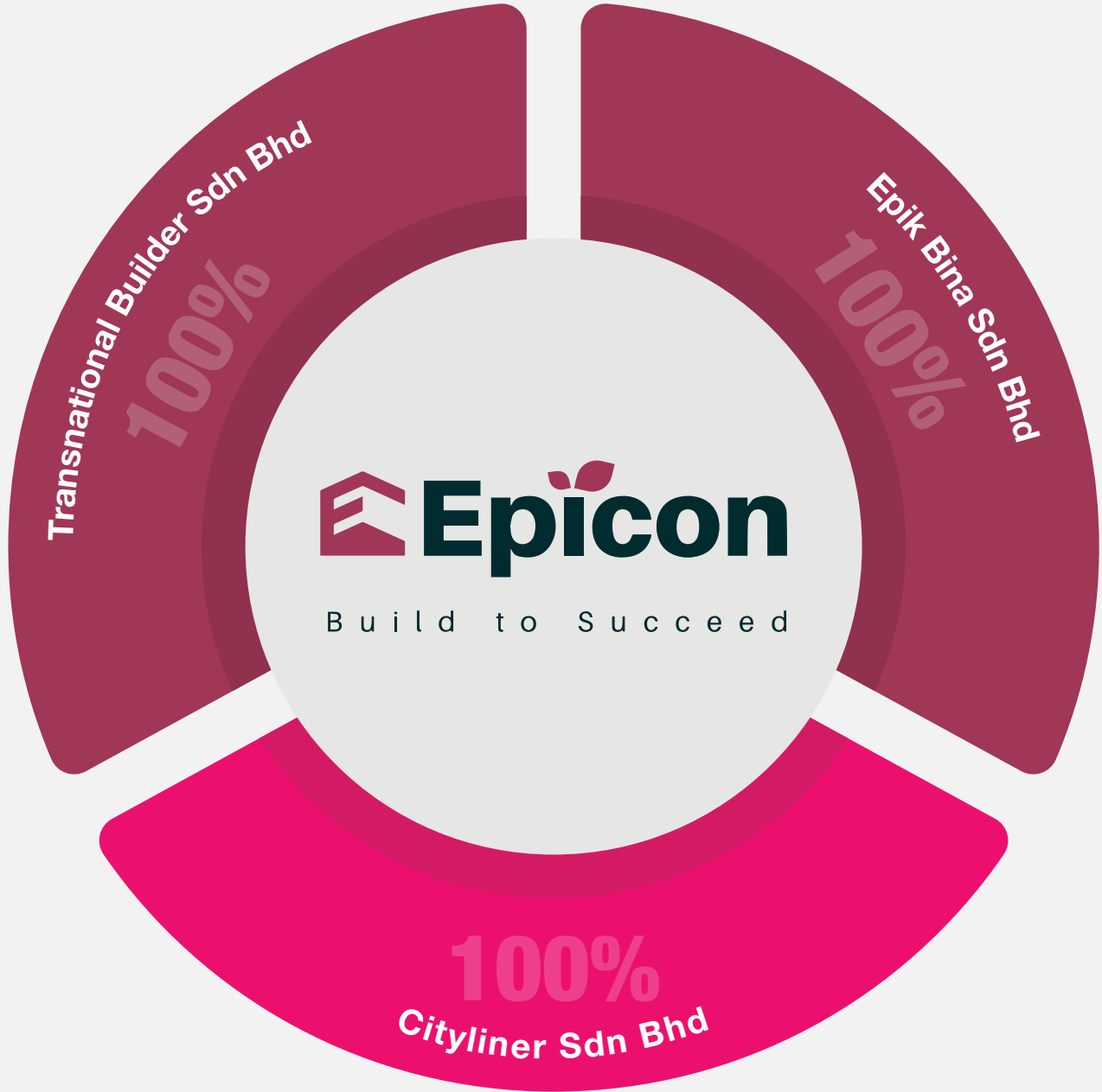
#### Solicitors

Mah-Kamariyah & Philp Koh  
3A07, Block B, Phileo Damansara II  
15, Jalan 16/11 Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan

#### Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : EPICON  
Stock Code : 4847

# CORPORATE STRUCTURE




CONSTRUCTION DIVISION



PUBLIC TRANSPORTATION DIVISION

## BOARD OF DIRECTORS' PROFILE

Nationality	
Gender	
Age	63



**Encik Ahmed Azhar bin Abdullah**  
Independent Non-Executive Chairman

**Encik Ahmed Azhar bin Abdullah** (Male, Malaysian), aged 63, was appointed to the Board on 20 December 2021 as an Independent Non-Executive Director. He has been re-designated to Independent Non-Executive Chairman on 31 May 2023.

He holds a Bachelor of Science in Accounting from California State University (Fresno) and Master of Business Administration from California State University, Dominguez Hills (Los Angeles).



After graduation, Encik Ahmed Azhar commenced his career as an Internal Auditor with Malaysian Mining Corporation Berhad (“MMC”). In 1992 to 1995, he was appointed as the General Manager for Bracken Services Ltd (London), a subsidiary of MMC Marketing Sdn Bhd based in London, responsible for operations and all financial matters. Upon his return, he served in various management capacities within the MMC Group. He joined Gas Malaysia Sdn Bhd in November 2000 and was the Head of residential and commercial sales unit for natural gas and liquefied petroleum gas until March 2005. From 2005 to 2010, Encik Ahmed Azhar was the Executive Director of MOCCIS Furniture Sdn Bhd and MCCM Marketing Sdn Bhd. Thereafter, he continued his career with Tanjak Group as Head of Finance and Corporate from 2010 to 2012.


Encik Ahmed Azhar is currently the Chief Operating Officer of Izrin & Tan Properties Sdn Bhd and he also sits on the Board of LB Aluminium Berhad as an Independent Non-Executive Director.

Encik Ahmed Azhar does not hold any shares in the Company. He does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted with any offence within the past five (5) years and has not been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Encik Ahmed Azhar attended all five (5) Board Meetings held during the financial year ended 31 December 2023.

Nationality	
Gender	
Age	49



**Dato' Doh Tee Leong**  
Executive Director

**Dato' Doh Tee Leong** (Male, Malaysian), aged 49, was appointed to the Board on 7 January 2022 as the Executive Director. He is also a major shareholder of the Company. He holds a Bachelor of Science (Hons) in Civil Engineering from The Ohio State University.

Dato' Doh Tee Leong has been in the property development and construction industry for over 20 years and has also sat on the board of various medical center companies since 2016. He was also previously the Non-Independent Non-Executive Chairman of Lagenda Properties Berhad.

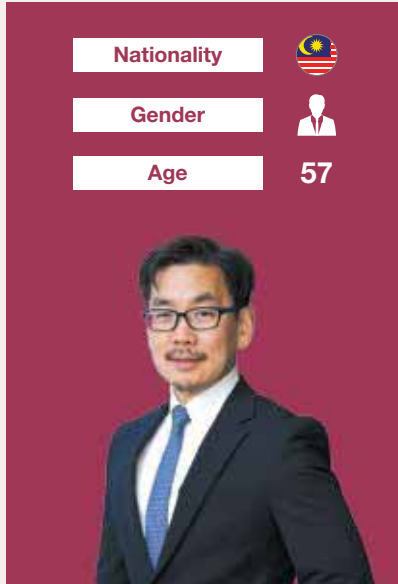
Dato' Doh Tee Leong does not hold any directorship in other public companies and listed issuers but holds directorships in several private limited companies.

Dato' Doh Tee Leong has no conflict of interest with the Company. He has not been convicted with any offence within the past five (5) years and has not been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Dato' Doh Tee Leong attended all five (5) Board Meetings held during the financial year ended 31 December 2023.

## BOARD OF DIRECTORS' PROFILE

cont'd



**Mr. Koong Wai Seng**

*Independent Non-Executive Director*

**Mr. Koong Wai Seng** (Male, Malaysian), aged 57, was appointed to the Board on 1 December 2022 as an Independent Non-Executive Director. He was re-designated as Chairman of the Audit and Risk Management Committee on 31 May 2023, Mr. Koong also a member of the Remuneration and Nomination Committee. He holds a Bachelor in Finance and Accounting from the University of Malaysia. He is a member of Malaysian Institute of Accountants (MIA) and Malaysia Institute of Certified Public Accountant (MICPA).

Mr. Koong Wai Seng has over 30 years of financial and key management experience in a variety of industries including audit, financial advisory, retail, leisure, hospitality, healthcare, automotive, as well as property development, property investment, property management and construction.

Mr. Koong began his career in Arthur Andersen & Co. as Audit Senior cum Consultant before joining Sunway Group for 14 years where initially as a Senior Accountant and eventually appointed as Chief Financial Officer and later as the Group Finance Director.

Subsequently, he joined Tropicana Corporation Berhad for 3 years which he was promoted as Executive Director in 6 months after joining the company.

Mr. Koong resigned from Tropicana Corporation Berhad and joined Sunsuria Berhad in 2013 as Deputy Chief Executive Officer and then promoted as the Chief Executive Officer during his 6 years career in the company, he was also an Executive Director of the Sunsuria Berhad.

In 2019, he resigned from Sunsuria Berhad and joined Quill Group as the Group Chief Executive Officer.

In 2021, he was the Chief Executive Officer of SkyWorld Development Group and subsequently joint another private company as Chief Executive Officer under a one year contract which expired to date.



Mr. Koong does not hold any shares in the Company. He does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. He does not hold directorship in any other public companies and listed issuers.


He has not been convicted with any offence within the past five (5) years and has not been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Mr. Koong attended all five (5) Board Meetings held during the financial year ended 31 December 2023.

# BOARD OF DIRECTORS' PROFILE

cont'd

Nationality	
Gender	
Age	61



**Ms. Loh Pek Mee**  
Independent Non-Executive Director

**Ms. Loh Pek Mee** (Female, Malaysian), aged 61, was appointed to the Board on 31 May 2023 as an Independent Non-Executive Director. She is a Chairperson of the Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee. She holds a Master in Business Administration from the University of Bath, United Kingdom.

Ms. Loh has over 30 years of professional experience in property development. She started her career with Land & General Berhad in 1989. Since then, she has worked in various property development companies covering township development and mixed development.

She spent most of her professional career in public listed and government-linked property development companies such as Sime Darby Property, Peremba Jaya Holdings Sdn Bhd, Guocoland and Tropicana Corporation Berhad.

Currently, she is a property consultant. She has also contributed her professional knowledge to FIABCI-Malaysia (International Real Estate Federation, Malaysia Chapter) and REDHA (The Real Estate and Housing Developers' Association) activities.

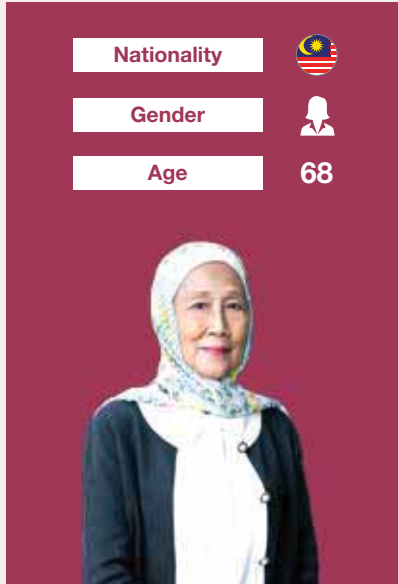
Ms. Loh does not hold any shares in the Company. She does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. She does not hold directorship in any other public companies and listed issuers.

She has not been convicted with any offence within the past five (5) years and has not been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Ms. Loh was appointed to the Board on 31 May 2023, hence she attended three (3) out of five (5) Board Meetings held during the financial year ended 31 December 2023.

## BOARD OF DIRECTORS' PROFILE

cont'd



**Puan Fahariah binti Abdul Wahab**

*Independent Non-Executive Director*

**Puan Fahariah binti Abdul Wahab** (Female, Malaysian), aged 68, was appointed to the Board on 31 May 2023 as an Independent Non-Executive Director. She is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee. She holds a Bachelor in Surveying (Property Management) from the Universiti Teknologi Malaysia.

Puan Fahariah has over 40 years of professional experience in property research and consultancy. She was appointed as an Independent Director in KWEST (a subsidiary of KWAP, a Government Pension Fund) Board in 2018 until current.

Puan Fahariah began her career as a government Valuer in the Valuation and Property Services Department, Ministry of Finance from 1981 till 1990.

She then joined the private sector to work with Jones Lang Wootton, an international property consultancy company where she was the Manager of the Research Department.

Puan Fahariah left Jones Lang Wootton after 2 years to join Henry Butcher Malaysia Sdn Bhd in 1992. She has since been with Henry Butcher and currently is the Research Director and heads Henry Butcher Malaysia Solutions which primarily conducts market studies, feasibility studies and a range of property related studies for a wide selection of clients.

She has undertaken studies covering townships, mixed commercial developments, Transit-Oriented Developments (TODs) as well as industrial, commercial, residential, medical and resort properties.

Her studies have also included property market inputs for masterplans of key growth regions on the east coast (ECER) as well as the northern states of Peninsula Malaysia (NCER), strategic studies such as the KLIA Aeropolis, Vision Valley, property inputs in blueprints studies and local plan studies.

Puan Fahariah does not hold any shares in the Company. She does not have any family relationship with any other director and/or major shareholder of the Company and has no conflict of interest with the Company. She does not hold directorship in any other public companies and listed issuers.

She has not been convicted with any offence within the past five (5) years and has not been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

Puan Fahariah was appointed to the Board on 31 May 2023, hence she attended three (3) out of five (5) Board Meetings held during the financial year ended 31 December 2023.

## KEY SENIOR MANAGEMENT'S PROFILE



### Mr. Clement Valentine Toh Shu Yen

Group Chief Executive Officer

Nationality



Gender



Age

48

**Mr. Clement Valentine Toh Shu Yen** (Male, Malaysian), aged 48, was appointed as the Group Chief Executive Officer of the Company on 1 July 2022. He holds a Bachelor in Commerce from the University of Melbourne. He also holds Master in Finance and Master in Accountancy from the Royal Melbourne Institutes of Technology, Australia.

Mr. Clement Toh brings with him over 25 years of experience in corporate finance, investment and merchant banking across various industries, including property development, food and beverages, manufacturing, fast-moving consumer goods, financial services and consultancy firms.

He is highly experienced in initial public offerings, mergers and acquisitions, restructuring, corporate strategy and planning, business development, as well as execution of fiscal and operational strategies.

Mr. Clement Toh began his career in 1999 as an Associate Consultant in Pricewaterhouse Coopers Consulting Sdn Bhd. In 2002, he joined Southern Investment Bank Berhad's ("SIBB") Corporate Finance / Investment Banking Division. He was subsequently promoted to Assistant Manager in 2004 and resigned from SIBB in 2005. He then co-founded Protégé Associates (M) Sdn Bhd, a corporate advisory and independent market researcher and business advisory firm in 2005 which he subsequently divested in 2007 to pursue his personal interest.

Since then, he has held senior management positions in several listed companies such as Power Root Berhad, Tropicana Corporation Berhad and Sunsuria Berhad. He also owned a franchised desserts chain store in Singapore and Australia which was divested in 2015. His last engagement prior to joining Epicon Berhad (formerly known as Konsortium Transnasional Berhad) was with Lagenda Properties Berhad as the General Manager which he held since 2018.



### Lim See Hui

Chief Financial Officer

Nationality



Gender



Age

40

**Mr. Lim See Hui** (Male, Malaysian), aged 40, is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a registered Chartered Accountant with the Malaysian Institute of Accountants (MIA).

He has over 17 years of working experience in the field of auditing, taxation, accounting, financial reporting, business plan and budget, treasury management and corporate strategy in various organisations before joining the Company as the Chief Financial Officer on 7 January 2022.

He started his career as an auditor having served various capacities in audit firms before leaving in 2013 to join the commercial sector. Subsequently, he held various senior positions which include Financial Controller, Vice President of Finance, Senior Group Finance Manager, Senior Treasury Manager and Group Accountant for both listed and non-listed companies. His industry experiences ranging from property developer, construction, food & beverages, manufacturing, trading, information and communication technology (ICT).

He has been actively involved in the set-up of new account team, revamp group reporting structure from various entities within the group from Malaysia and Vietnam, finance process improvement, ERP system migration, business plan for new venture and business license application.

## KEY SENIOR MANAGEMENT’S PROFILE

cont’d



**Mr. Edison Choo Li Sheng**  
*Project Director*

**Nationality** 

**Gender** 

**Age** **34**

**Mr. Edison Choo Li Sheng** (Male, Malaysian), aged 34, was appointed as the Project Director for the construction business of the Company on 1 November 2022. He was promoted as Senior Project Director on 1 September 2023. He holds a Degree in General Computing from the Asia Pacific University of Technology and Innovation, Malaysia.

Mr. Edison Choo has over 12 years of experience in the construction industry, from planning stages to the successful execution and completion of the construction.

He began his career in 2011 as an Assistant Project Manager with Mastec Engineering Sdn Bhd where he involved in implementing and monitoring the progress of the projects to ensure adherence to the predetermined schedules, as well as assisting in the drawings and revision to the designs.

Mr. Edison Choo subsequently joined Mestact Services Sdn Bhd as a Project Manager in 2016, where he involved in the planning and implementation of the master project schedule and liaising with various parties and consultants for all project matters relating to authority, planning, contracts and construction.



In 2020, he joined JMJ Mega Sdn Bhd as a Project Director, where he oversees the planning, execution and completion of multiple construction projects to ensure that the projects are completed on time and within budget. He left JMJ Mega Bina Sdn Bhd in October 2022 and subsequently joined Epicon Berhad (formerly known as Konsortium Transnasional Berhad) and its subsidiaries in November 2022 where he assumed his current position.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd



**Encik Mohd Kamal bin Muda**  
General Manager

**Nationality**   
**Gender**   
**Age** **58**

**Encik Mohd Kamal bin Muda** (Male, Malaysian), aged 58, was joined the Company in November 2022 as General Manager in public transport business. He oversees the entire operations of Cityliner Sdn Bhd's stage bus business. He holds a Bachelor in Economic (Analytical) from the University of Malaya.

He has over 33 years of working experience in management and operation of public transportation related business in various organisations.

He began his career in 1990 at the Commercial Vehicle Licensing Board, then moved to MARA Holdings Sdn Bhd in 1991, where he handled financial analysis and corporate planning.

In 1996, he became an Assistant Manager at Limora Travel Services Sdn Bhd, a subsidiary of MARA Holdings Sdn Bhd, focusing on airport limousine services. In 1997, he joined Keretapi Tanah Melayu Berhad, managing strategic plans and railway projects until 1998. He then joined Nadicorp Holdings Sdn Bhd as Assistant Manager, later becoming Head of Corporate Services.

In 2005, he joined Epicon Berhad (formerly known as Konsortium Transnasional Berhad) and its subsidiaries as General Manager for the southern region, overseeing bus operations and securing permits. He later became General Manager for the central region, introducing new bus services and improving operations. In 2007, he was appointed General Manager of Transnasional, restructuring its express bus business, and later became General Manager Business Development for Epicon Berhad, focusing on new transport ventures and government initiatives.

He left Epicon Berhad and its subsidiaries ("the Group") in May 2008 to join Radicare (M) Sdn Bhd ("Radicare") as Special Project / Business Development Manager. He was primarily in charge of conceptualising business plans, improving of workshop system, introducing international specification for emergency ambulance services, proposing expansion of fleet maintenance business to others service maintenance companies. Mr. Kamal left Radicare in November 2009 to rejoin Nadicorp Group of Companies as Assistant General Manager of its manufacturing division wherein he was responsible for its daily business operations.

He then re-joined Epicon Berhad in November as Head of Business Operations of TESB, which he was responsible for managing 200 express buses and 650 staffs. He left the company in March 2020 before re-joining Epicon Berhad in his current position in October 2022.

**Notes:-**

1. None of the Key Senior Management personnel have any directorship in public companies and listed issuers.
2. None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders of the Company.
3. None of the Key Senior Management personnel have any conflict of interests with the Company.
4. None of the Key Senior Management personnel have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023, other than traffic offenses (if any).

# Chairman's STATEMENT

“

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present Epicon Berhad's Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 ("FYE 2023"). ”



In many ways, FYE 2023 marked a new chapter of growth for the Group. Our decision to rebrand our name from Konsortium Transnasional Berhad to Epicon Berhad ("Epicon" or "the Group") reflects our transformative mindset as we shift our focus towards our core business of construction. This strategic move is aimed at enhancing Epicon's profile and positioning it as a strong brand presence and a prominent player in the construction industry.

In line with this rebranding exercise, we have embarked on a series of initiatives throughout the financial year under review to steer the Group towards greater success. Among the positive results yielded, Epicon has secured new construction projects and worked to capitalise these opportunities, thus raising our profile as a reputable and reliable turnkey contractor. August 2023 marked the completion of our regularisation plan, with efforts currently underway to have the Practice Note 17 ("PN17") status of the Group uplifted, which would then enable us to advance our operations further.

## FINANCIAL PERFORMANCE REVIEW

FYE 2023 proved to be a fruitful year for the Group with a total revenue of RM171.93 million generated (or RM150.15 million under continued operations), an increase of 78.9% from the RM96.07 million earned in the preceding year (or RM75.67 million under continued operations). Of this total, the construction sector contributed 74.5%, while the public transportation business contributed 25.5%. The Group also achieved profit before tax ("PBT") amounting to RM73.13 million, which represented a tremendous improvement of 1,046.5% compared to loss of RM7.73 million recorded in FYE 2022.

# CHAIRMAN'S STATEMENT

cont'd

## GLOBAL BACKDROP

The Malaysian economy continued to chart post-pandemic recovery progress in 2023, achieving a Gross Domestic Product ("GDP") rate of 3.7%. The national economy was challenged by a sluggish global scenario largely due to inflation, high interest rates and geopolitical factors such as the Ukraine-Russia and Israel-Palestine wars, which caused spillover impacts in the form of high raw material costs, labour shortages and supply chain disruptions.

Despite the global market turmoil, Asia's dynamic economic growth continues to drive demand for goods, labour and power in the construction and transportation industries. Technology solutions and sustainability also remain key trending themes in both sectors. Amid the ongoing impacts of climate change, the net-zero carbon movement has gained stronger momentum and importance.

## INDUSTRY OVERVIEW

In the face of various challenges, Malaysia's construction sector demonstrated a robust performance, thanks to expansionary fiscal spending by the government and consistent progress of projects in the public and private sectors. The construction sector achieved total year-on-year growth of 7.5% in FYE 2023. Meanwhile, the transportation sector was buoyed by support from government incentives including Budget 2023, as well as strong demand for public transportation services, an uptick in tourist arrivals and China's improving economy.

## FUTURE PROSPECTS

The Malaysian construction industry is poised for a stronger performance in the coming financial year, with Budget 2024 projecting a 6.8% growth rate on the back of the rollout of major infrastructure projects. Building on this momentum, Epicon will keep exploring construction work opportunities in various areas. Residential development for affordable housing such as semi-detached, terrace houses and apartments will remain a focal point for the Group, as the affordable housing market continues to dominate the residential property segment.

Looking ahead, we anticipate continued support from our outstanding order book of RM916.41 million for construction contracts as at March 2024, with a focus on consolidating our construction segment as the primary revenue driver.

I am also pleased to report that the Group's sustainability practices will take on a more prominent role in Epicon's operations as we strive to support the Malaysian government's green initiatives in line with policies such as the National Policy on Climate Change and the National Energy Transition Roadmap. With the United Nations predicting that nearly 70% of the world's population is expected to be living in towns and cities by 2030, the need for carbon emissions reduction in both public transportation and property developments is more crucial than ever. Within Epicon, we will focus on putting in place the necessary building blocks, identifying the areas and processes which require monitoring and reviews in adopting key sustainability initiatives.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I extend our gratitude to Epicon's management team and staff for their tireless dedication and efforts throughout FYE 2023. Without your commitment, the Group would not be able to achieve such significant growth and success. We also express our utmost appreciation for the continuous co-operation and support accorded by Agensi Pengangkutan Awam Darat ("APAD"), the Road Transport Department, the Ministries of Finance, Works, Transport and Health, as well as other relevant Government ministries and agencies, our business partners and all stakeholders.

Most importantly, we thank our shareholders for their steadfast support in all of our endeavours to elevate Epicon to new heights. We will continue building on our past achievements in navigating this new chapter of our history to attain excellence in all areas.

**Ahmed Azhar bin Abdullah**  
Chairman

# Management Discussion & ANALYSIS

## GROUP PROFILE

The diversification exercise in 2021 has set a new path for Epicon Berhad (“Epicon”) (formerly known as Konsortium Transnasional Berhad) to take on construction as our core business. We had initially embarked on construction of affordable residential housing and commercial properties. As the economy picked up post-COVID-19, the Group has gained traction with mixed development projects, commercial and township as well as engineering and infrastructure work. Our growth is propelled by in-house construction teams and equipment, enabling us to maintain a short project turnaround time. By emphasising the value engineering model, construction costs are kept in check while the delivery of high-quality projects is ensured. This maximises returns and minimises risks for our valued clients. We remain confident of establishing ourselves as a reputable and reliable turnkey contractor that delivers high-quality results at an affordable price while adhering to strict safety standards and timelines.

As part of the proposed regularisation plan back in FYE2022, the Group has successfully disposed the loss-making express bus business, Park May Berhad, to Nadicorp Holdings Sdn Bhd and marked the discontinued operations of express bus business on 16 August 2023. On the other hand, for the stage bus business through the Stage Bus Transformation Programme (“SBST”), the agreement with Agensi Pengangkutan Awam Darat (“APAD”) was not renewed upon its expiry in November 2023, and the services continued to run under Interim Stage Bus Support Fund (“ISBSF”) scheme up till March 2024. The stage bus business is currently running by renting buses to other bus operators since 1 April 2024.

In 2023, the Malaysian economy expanded by 3.7% driven by resilient domestic demand amid slower global growth. The construction sector registered a growth rate of 6.1% (2022: 5%) with continued expansion across most subsectors. This was supported by better labour supply conditions and easing of building material costs during the year.\* On the back of steady economic recovery, Malaysia’s property buyers are gradually regaining confidence in their property purchases, especially in the affordable housing segment. Growth in the residential subsector rebounded as housing demand improved further amid better income and employment conditions.\* As a construction player, our recurring income was mainly generated from our ongoing construction projects, which helped the Group to be in the black. We secured projects in various states such as Pahang, Perak, Melaka and Selangor, and worked to capitalise on these opportunities while closely managing the prevailing labour and raw material costs. Our significant turnaround is attributed to the successful completion of our regularisation plan, as well as the return to profitability after eight years of challenges.

## FINANCIAL OVERVIEW

We have recorded a total revenue of RM171.93 million (or RM150.15 million under continuing operations) during FYE 2023, a 78.9% improvement from the total revenue in the previous financial year ended 31 December 2022 (“FYE 2022”) of RM96.07 million (or RM75.67 million under continuing operations), mainly due to higher revenue contribution from our construction business from our total order book of RM485.4 million at the beginning of the year and new order book obtained of RM330.36 million during FYE 2023.

Construction business continued to be the Group’s dominant business segment, contributing 74.5% to the total revenue while the remaining 25.5% came from the public transportation services segment.

Business Segments	Revenue (RM'000)			
	FYE 2023	%	FYE 2022	%
<b>Continuing operations</b>				
- Construction	128,066	74.49	54,964	57.21
- Public transportation services (stage bus)	22,086	12.85	20,702	21.55
<b>Discontinued operations</b>				
- Public transportation services (express bus)	21,780	12.67	20,403	21.24
<b>TOTAL</b>	<b>171,932</b>	<b>100.00</b>	<b>96,069</b>	<b>100.00</b>

# MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Throughout FYE 2023, our focus was on executing contracts for several affordable housing categories, as well as a contract worth RM130.89 million for the installation, testing and commissioning of pipelines, cables and jointing for Tenaga Nasional Berhad's electrical and flood barrier-related infrastructure. Revenue was mainly contributed from construction work activities of Project Taman Harmonis at Bandar Seri Iskandar, Perak, Project Kerayong Indah at Meru, Klang, and Project TNB Underground Utilities.

As for the continuing stage bus business, revenue has remained consistent for FYE 2023 as compared to FYE 2022, with a marginal increase of RM1.38 million or 6.7% in FYE 2023. Epicon will review the current situation closely before we decide on our next course of action for our bus operation business, weighing the cost and benefits of all available options. Nonetheless, the discontinuation of the stage bus business will not have any material financial impact on Epicon's financial position given that it only contributed 12.8% of the Group's consolidated revenue in FYE 2023.

## Profit Before Tax (PBT)

Epicon's construction business contributed RM20.16 million in pre-tax profit in FYE 2023. This marked a jump of almost 42.0% over the previous year's results. The higher PBT from construction business was mainly due to the higher work progress of the various projects undertaken. On top of the PBT contribution from our construction business, the Group also registered a one-off gain from the debt waiver and disposal of our express bus business to Park May Group, which formed part of Epicon's regularisation plan. Overall PBT improvement was recorded at 1,046.5% from a loss of RM7.73 million achieved in the preceding corresponding financial year.

Business Segments	Profit Before Tax (RM'000)		
	FYE2023	FYE2022	Variance (%)
<b><u>Continuing operations</u></b>			
- Construction	20,158	14,200	41.96
- Public transportation services (stage bus)	(6,749)	1,460	(562.26)
- Others	(4,132)	(2,625)	(57.41)
<b><u>Discontinued operations</u></b>			
- Public transportation services (express bus)	63,882	(20,762)	407.69
- Others	(26)	-	-
<b>TOTAL</b>	<b>73,133</b>	<b>(7,727)</b>	<b>1,046.46</b>

With the positive improvement in PBT from the construction segment, we are confident of achieving bigger success in our future projects and tender participation. The improved financial performance of the Group would also be the main consideration for Bursa Malaysia in the assessment of the upliftment request of our PN17 status.

# MANAGEMENT DISCUSSION & ANALYSIS

cont'd

## OPERATIONS REVIEW

The Group successfully secured more construction projects in FYE2023, particularly for the residential development. During the financial year under review, Epicon made leaps of progress with its construction business by securing the following projects:

Projects Awarded	Commencement Date	Completion Date	Contract Sum (RM)
<b>Infrastructure</b>			
TNB Underground Utilities (Perak, Kedah, Kelantan, Terengganu, Pahang)	October 2023	October 2024*	RM130.89 million
<b>Housing</b>			
Taman Padang Ria (Pokok Mangga, Melaka)	April 2023	August 2024	RM11.88 million
PR1MA Kuantan (Kuantan, Pahang)	August 2023	August 2026	RM153.09 million
Circo @ Pantai Dalam (Pantai Dalam, Kuala Lumpur)	September 2023	August 2024	RM34.50 million
<b>TOTAL</b>			<b>RM330.36 million</b>

\* with an option to renew for a further period of 12 months

Additionally, Epicon had on 21 December 2023 entered into a consortium agreement with PNSB Construction Sdn Bhd (PCSB) to develop affordable housing in Rawang, Selangor. Epicon will become the main turnkey contractor to construct the development of Rumah Idaman MBI (RIM) of 2,252 units on the parcel of land held under Mukim Rawang, Gombak. Both parties also agreed to explore further collaboration opportunities for future RIM or affordable housing projects in Selangor.

Other recent projects awarded in FY 2024 include the construction of Project Meru Raya Apartment (Phase 2) at Kinta, Perak and the Project of Rumah Perakku at Kinta, Perak with total contract sum of RM280.22 million.

Evidently, the Group has shown improving traction and strong replenishment rate in securing new order books and discussions are still ongoing to secure more potential construction contracts focusing on providing value adding and total solutions package to our potential clients. Based on the encouraging outlook, it is envisaged that our construction business will continue to strengthen and serve as the main revenue and profit contributor to the Group moving forward.

As at March 2024, we have 10 ongoing construction projects with a total outstanding order book of approximately RM916.41 million, which is expected to provide revenue contribution to the Group up to June 2027.

In terms of corporate development, the Group submitted an application to Bursa Securities on 6 March 2024 for the upliftment of Epicon from being classified as a PN17 public listed company. Epicon's current positive financial performance fulfils the main criteria required for the upliftment. Once the PN17 status is lifted, Epicon will be able to propel its construction business further with wider access to bank financing.

## ACCELERATING OUR ESG AGENDA

Epicon has embarked on various programmes to scale up the integration of Environment, Social and Governance ("ESG") into the Group's overall business strategy and agenda.

As we grow our business further, operations will prioritise improving cost management without compromising on quality. Technology transformation is also a key driver for the Group to remain competitive and improve productivity, quality and efficiency. More importantly, the Group will continue to ensure that the project sites adequately meet the required safety measures, maintaining a safe workplace for everyone involved.

Epicon is poised to be a main industry player and will actively participate in the Government's offering of social welfare programmes such as affordable housing schemes. In driving the integration of ESG principles within the business, Epicon will continue to identify material matters which have the highest impact on the social and environmental aspects of our operations. It is our aspiration to continue demonstrating effective leadership towards adopting climate change actions within the Group and effectively managing our carbon footprint.

# MANAGEMENT DISCUSSION & ANALYSIS

cont'd

## GROWTH PROSPECTS

The Group maintains a positive outlook for the affordable housing sector on the back of strong support from the Government, including the continuation of the Rumah Mesra Rakyat Programme unveiled in Budget 2024. The Group is preparing to commence construction of several projects already in the pipeline, namely the Project Rumah Perak in Kinta, Perak which has a contract sum of RM89.10 million, as well as the Project Meru Raya Apartment (Phase 2) at Kinta, Perak. It is essential for Epicon to ensure detailed planning and execution of construction activities in delivering projects on time and within the contract value.

Besides ongoing projects, the Group will keep pursuing more construction contracts, bolstering its team and expanding the range of construction services offered to grow its order book and ensure sustainable pipeline growth.

## NOTE OF APPRECIATION

We would like to extend our heartfelt appreciation to the entire team at Epicon for their steadfast efforts in making FYE 2023 another positive year of successes and gains. We have put in place a strong and dedicated workforce that is capable of meeting challenges head on and delivering quality products and services. Our deepest thanks also go to the Board of Directors for demonstrating exemplary leadership in steering the Group through all our endeavours. We remain grateful for the continued trust and support from our shareholders, Government, regulators and business partners.

### Clement Toh

*Group Chief Executive Officer*

*\* References:*

*Bank Negara Malaysia Annual Report 2023*

*Economic, Monetary and Financial Developments in 2023*

# Sustainability STATEMENT

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# SUSTAINABILITY STATEMENT

## 1. ABOUT THIS REPORT

Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (“Epicon” or “The Company” or “The Group”) hereby presents our sustainability statement report (“SS2023”) for the financial year ended 31st December 2023 (“FYE 2023”). The SS2023 intends to provide comprehensive information on our sustainability practices, demonstrating our continued dedication to responsible business operations and fostering trust among stakeholders. Through the Group’s comprehensive Environmental, Social and Governance (“ESG”) strategies, we aim to create positive economic values for our key stakeholders while supporting environmental stewardship and social development.

Ultimately, this report showcases Epicon’s reinforced commitment to strengthening the Group’s sustainability ambitions. The narrative explores in greater detail the relationships between non-financial matters with the continued creation of financial and business performance as well as non-financial performance.

### 1.1 REPORTING FRAMEWORKS APPLIED

Epicon is committed to ensuring transparency in our reporting and communications. The SS2023 details our continued progress throughout the financial year under review, keeping our stakeholders informed of where we stand in our ESG journey. The report is guided by the following standards and frameworks, as below:

#### GUIDELINES AND FRAMEWORKS



### 1.2 REPORTING PERIOD AND CYCLE

The SS2023’s reporting period is from 1st January 2023 to 31st December 2023. This is also known as FYE 2023 unless otherwise stated. Some disclosures may show historical statistical data, where deemed appropriate, to illustrate significant trends for readers to better understand Epicon’s comparative performances. The reporting cycle for Epicon SS2023 is annually.

### 1.3 STATEMENT OF USE

The SS2023 was prepared by the Group’s Management Team and subsequently approved by the Board of Directors (“Board”). The Board is Epicon’s top decision-making body and thus acknowledges responsibility for this statement of use. The information reported by the Group for FYE 2023 was prepared in accordance with GRI Standards, UNSDGs and Bursa Securities’ Main Market Listing Requirements.

### 1.4 MEMBERSHIP IN ASSOCIATIONS

Throughout our various business ventures, Epicon maintains membership in the following associations and professional bodies:

- ❖ Construction Industry Development Board (CIDB)
- ❖ Human Resource Development Corporation (HRDC)

# SUSTAINABILITY STATEMENT

cont'd

## 1.5 REPORTING SCOPE AND BOUNDARY

This Report encompasses the operations of Epicon (“Company”) and its subsidiaries (“Group”), for the reporting period of 1st January 2023 to 31st December 2023. The report details the initiatives spearheaded by the Company throughout the year, premised on creating value in key impact areas and for respective stakeholders, across our operations and value chain. The 2023 Materiality Assessment was our benchmark to ensure that the Company’s priorities for the year focused on issues of greatest relevance to the business, community and environment.

Readers are encouraged to read the SS2023 along with the entirety of Epicon’s Annual Report 2023 (“AR2023”) for a comprehensive understanding of the Group’s business outlooks and how sustainability drives its value creation strategies.

## 1.6 LIMITATIONS

While all efforts have been made to provide the most relevant and up-to-date data, we acknowledge that there may be gaps in certain indicators. Taking into account the transition of the core business from transportation to construction, several sections of this report exclude data from Cityliner Sdn Bhd. On the other hand, our construction operations are in the initial period of setting the necessary processes and resources to effectively monitor key data on environmental disclosures. Epicon remains committed to continue refining our data collection mechanism to ensure a more comprehensive and accurate information in future reporting. As such, Epicon remains dedicated to continuously refining our data collection mechanisms to provide comprehensive and accurate information in the near future.

## 1.7 FORWARD-LOOKING STATEMENTS

The SS2023 includes forward-looking statements, especially in disclosures relating to key performance indicators (“KPIs”), targets, plans, focus areas, strategic priorities, operations, and forecasted figures. All such forward-looking statements are made based on reasonable assumptions using information available at the time of reporting. As with any other business, Epicon is always subject to risks and unforeseen events beyond its control. Thus, readers are advised to practice their due diligence when using information presented in the SS2023. Epicon does not provide any form of guarantee regarding the anticipated outcomes disclosed within this report.

## 1.8 ASSURANCE

The financial information presented in the SS2023 has been audited internally and assured by the external Group’s auditor, Moore Stephens Associates PLT. Non-financial data has been internally assured by the Management Team and the respective data owners. While Epicon has not sought external assurance for its non-financial data presented in the SS2023, it plans to garner this external assurance for non-financial data in the future.

## 1.9 REPORT AVAILABILITY

The SS2023 can be viewed and downloaded on Epicon’s website at <http://www.epicon.com.my/>.

## 1.10 FEEDBACK AND INQUIRIES

Epicon welcomes all engagement from our valued stakeholders. For any feedback or inquiries, please contact the following:

### **Epicon Berhad**

Unit 303, Block G, Pusat Dagangan Phileo Damansara 1,  
Jalan 16/11 off Jalan Damansara,  
46350 Petaling Jaya, Selangor, Malaysia  
Tel : +603-7932 3922  
Email : [enquiry@epicon.com.my](mailto:enquiry@epicon.com.my)

# SUSTAINABILITY STATEMENT

cont'd

## 2. GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

**Dear Valued Stakeholders,**

Following Epicon's diversification exercise in 2021, the year 2023 has seen a renewed dedication to reducing our carbon footprint in pursuit of a more sustainable future for all. We appreciate the immense importance of incorporating a culture of sustainability in everything we do. Thus, we strive to measure success not only in terms of financial and non-financial value and gains, but also our impact on the society and environment.

As we work towards establishing a strong credibility in Malaysia's construction industry, Epicon is focused on ensuring wide-ranging integration of ESG strategies across our operations. Our SS2023 provides a comprehensive overview of our ESG strategies and plans for the current reporting year and beyond. This report marks a significant step in pursuing meaningful sustainability reporting.

Among our ESG priorities is identifying more environmentally friendly approaches for our construction model and processes, with the larger long-term goal of contributing to the sustainability of the industry at large. We are also firmly committed to expanding our social responsibilities to maintain a healthy, safe and fair workplace. Responsible business practices and strong corporate governance remain high on our list to ensure the Group is firmly aligned with all relevant laws and guidelines.

By the financial year ended 31 December 2024 ("FYE 2024"), we aim to set key performance indicators and targets for our ESG focus areas that will enable us to further drive Epicon's sustainability performance. In guiding these efforts, we are finalising the formation of a Sustainability Policy and Framework which will be our main guidance on the key planning and implementation of sustainability within the Group. We are excited to be making new strides in our ESG journey, and I wholeheartedly believe in the strengths and capabilities of our Epicon workforce to propel us to greater heights. We strive to always lead by example and hope to inspire others to join us as we embark on a better and brighter tomorrow.

**Clement Toh**

*Group Chief Executive Officer, Epicon Berhad*

## 3. OUR BUSINESS

Epicon was previously one of the largest operators of public bus transportation comprising stage and express bus services in Malaysia predominantly covering routes in several states, servicing major cities and towns in Peninsular Malaysia.

In 2021, the Company diversified into the construction industry to reverse the revenue decline through Transnational Builder Sdn Bhd ("TBSB"), a wholly owned subsidiary of Epicon, which focuses on construction of affordable residential housing and commercial properties. The Company aims to establish itself as a reputable and reliable turnkey contractor that delivers high-quality results at affordable prices while adhering to strict safety standards and timelines.

### Core Business

#### Construction

Epicon is passionate about delivering outstanding workmanship and ensuring complete customer satisfaction. From concept to completion, the Company works closely with its clients to ensure their needs are met and their expectations exceeded.



#### Stage Bus Services

Epicon operates 92 stage buses covering 27 routes in Seremban, Nilai and Port Dickson under the Cityliner brand.



# SUSTAINABILITY STATEMENT

cont'd

## Core Values

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### Customer Satisfaction

We believe in providing our customers with quality products and excellent customer service to ensure their satisfaction

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### Shareholder Value Creation

We meet shareholders' expectations by delivering good returns for their investments

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### Suppliers Relationship

We value the importance of mutual progression and treat our suppliers as valuable business partners

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### Human Resources / Employee Welfare

We believe effective human resource management and employee welfare programs are essential in construction company to attract, retain, and develop a skilled and motivated workforce

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### Social Responsibility

We commit to being responsible corporate citizens through contributions that benefit communities

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### Environmentally Friendly

We incorporate sustainable practices in all our projects, reducing our environmental footprint and creating healthier, greener spaces for future generations

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### Good Corporate Governance









We believe in having an independent and diverse board of directors, a well-defined code of conduct, transparent reporting mechanisms, effective risk management, stakeholder engagement, and compliance with laws and regulations

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# SUSTAINABILITY STATEMENT

cont'd

## 4 FYE 2023 SUSTAINABILITY HIGHLIGHTS

 <p><b>Industry Certifications</b> CIDB Grade G7 registration 4-star grade by MIROS</p>	 <p><b>132%</b> Year-on-year revenue growth</p>	 <p>Initiated work on a <b>Sustainability Policy and Framework</b> as guidelines for Epicon's ESG targets</p>
 <p><b>RM429 million</b> Total contract sum value of construction projects commenced in 2023</p>	 <p><b>43</b> Total number of compressed natural gas stage buses deployed</p>	 <p>Utilisation of <b>IBS wall panels, fibreglass bars and aluminium formwork</b> in construction projects</p>
 <p><b>Zero</b> Cases of customer data breaches</p>	 <p><b>Zero</b> Cases of corruption/regulatory non-compliance</p>	 <p><b>CSR</b> Joined the <b>myBASKonsesi</b> programme under the Ministry of Transport providing free rides for the disabled, students and senior citizens</p>

## 5. ESG KPIS, TARGETS AND PERFORMANCE MEASUREMENT

Epicon is positioning itself well ahead on sustainability reporting and compliance with Bursa Malaysia's Sustainability Reporting Guide (Third Edition) and has continued to ensure that all disclosure requirements are in place within the timeline for Main Market listed companies.

By FYE 2024, the Company aims to set key performance indicators and targets for its ESG priorities, along with performance measurement methods. We will continue to seek opportunities to integrate sustainable practices in our operations. By aligning with and reporting on the Company's ESG initiatives and activities, Epicon will be able to achieve reasonable success on its overall targets. Successful adoption of ESG will also prepare us to mitigate future related risks in preserving and safeguarding our market value and assets, alongside prioritising financial returns.

# SUSTAINABILITY STATEMENT

cont'd

## 6. SUSTAINABILITY GOVERNANCE

Epicon's sustainability governance remains a leading priority, thus it is directly monitored by the Group's Board of Directors ("Board"). The Board will deliberate on the sustainability and ESG priorities to decide on the relevant principles to be infused into the Group's strategies, operations and key targets. The Board will also ensure that the Senior Management embraces the ESG priorities in the development of the Group's future plans, which are part of Epicon's main corporate governance structure.

The Board has been briefed about the Group's initiatives regarding its ESG progress in order to provide more directive information on Epicon's sustainability journey. The Group is also working towards the establishment of a Sustainability Committee in the near future, which would oversee the planning and implementation of ESG strategies and report to the Board.

### 6.1 SUSTAINABILITY GOVERNANCE APPROACH

The Group's sustainability governance structure is set up to promote the development of Epicon's sustainability strategies and its effectiveness. The sustainability commitments are generally aiming towards providing a clear and comprehensive management framework that guides Epicon's operational strategies.

To further strengthen its governance structure, Epicon is currently in the process of drawing up a Sustainability Policy and Framework. It aims to highlight Epicon's recognition of its duty to operate responsibly while simultaneously striving to create shared value, preserve the environment, contribute to society, and achieve its business objectives.

Crucial sustainability aspects such as climate change, health and safety, the environment, human rights, business ethics and many more will be considered in this upcoming Policy and Framework.

At this point, the Management has set out some of the key ESG commitments and priorities of Epicon as detailed below:



# SUSTAINABILITY STATEMENT

cont'd

The key ESG priorities of Epicon are detailed below:

## ECONOMIC

Epicon is accountable to its investors for the responsible management of its assets and capitals. The Group will continue to monitor and manage the financial performance of Epicon and formulate strategies to advance its business growth and manage the direct and indirect economic impacts of its business activities. The Group is committed towards effective and continuous engagement with its customers to obtain critical feedback on its delivery. Specific attention will continue to be accorded to maintaining responsible supply chain practices, as well as finding the best adoption of technological innovation and digitalisation solutions that can enhance the speed and quality of its business operations, services and products.

## ENVIRONMENTAL

Epicon is committed in ensuring that its operations do not harm the environment. The Group's approach to protecting the environment is focusing on key areas such as reducing carbon emissions, minimising wastage and energy use, preventing pollution, promoting adoption of renewable energy and full adherence to regulatory and laws on environmental protection.

## SOCIAL

Epicon takes safety and health issue seriously in its operations. The Group is also committed to ensuring the wellbeing of the society it serves. This includes minimising any potential negative societal impacts from its activities. The Management is committed towards facilitating the professional development of employees through regular training programmes, job upskilling initiatives and employment incentives.

## GOVERNANCE

Having a strong sustainability governance framework in place is essential towards fully realising Epicon's sustainability goals. The Group strives to ensure that all practices, protocols and policies are infused with the principles of good governance. The areas of governance include the establishment of key policies, strengthening and internalising the anti-corruption and anti-bribery protocols across its business and supply chain, prioritising issues as identified in its materiality topics, as well as maintaining and fostering good working relationship with regulators, agencies and industry associations in ensuring the Group is ahead of the industry development curve.

## 6.2 BOARD COMPOSITION AND DIVERSITY

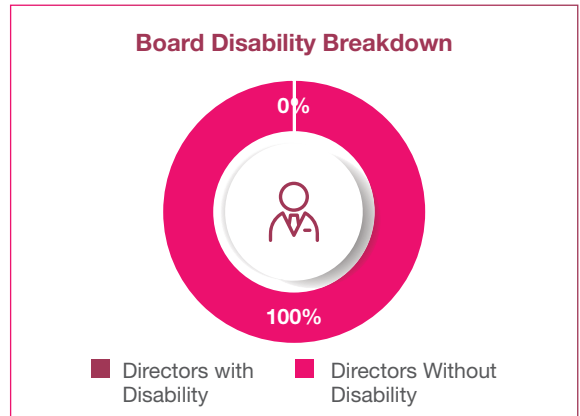
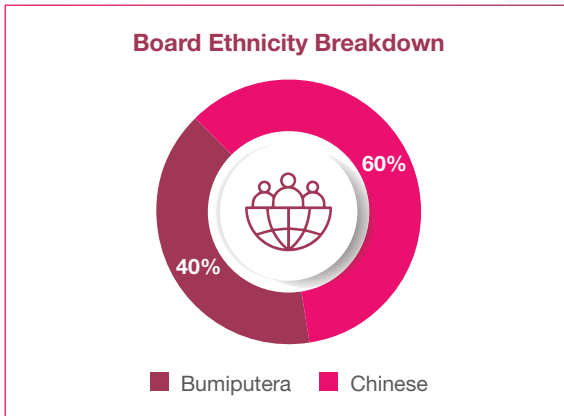
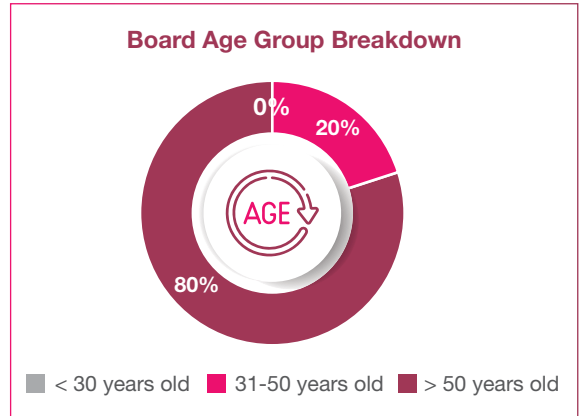
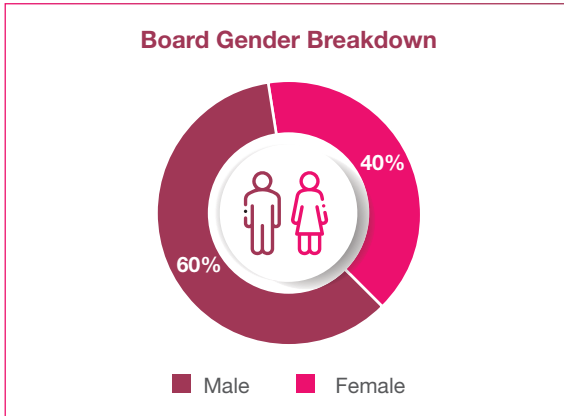
Epicon fosters a distinctive array of top leadership perspectives in its Board composition, which consists of qualified individuals with wide-ranging experience, knowledge and professional backgrounds. This healthy Board diversity allows for the emergence of various viewpoints that can lead to a stronger and more informed perception that enhances strategic decision-making and leadership prowess, as well as the overall growth of the Company.

Epicon currently has 40% of women representation on the Board with two female Board directors out of the total five directors. The Board believes the current composition has the necessary skills and competencies to effectively discharge their duties and responsibilities.

More information on the Board can be read in the AR2023's Corporate Governance Overview Statement.

# SUSTAINABILITY STATEMENT

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## Board of Directors Profile

**Ahmed Azhar bin Abdullah**  
Independent Non-Executive Chairman

**Dato' Doh Tee Leong**  
Executive Director

**Kong Wai Seng**  
Independent Non-Executive Director

**Loh Pek Mee**  
Independent Non-Executive Director

**Fahariah binti Abdul Wahab**  
Independent Non-Executive Director

# SUSTAINABILITY STATEMENT

cont'd

## Senior Management Profile

**Clement Valentine Toh Shu Yen**  
Group Chief Executive Officer

**Lim See Hui**  
Chief Financial Officer

**Edison Choo Li Shen**  
Senior Project Director

**Mohd Kamal bin Muda**  
Director of Cityliner Sdn Bhd

## 6.3 CORPORATE GOVERNANCE PRACTICES

Epicon, led by the Board of Directors and management team, remains steadfastly committed to complying with laws and regulations in which the business operates and to meet environmental, social and governance performance standards.

In addition to the sustainability governance structure, Epicon’s corporate governance and sustainability governance approach are also guided by the following policies:

Role	Responsibilities	Composition
<p><b>Board of Directors (“BOD”)</b> Retains overall responsibility for the Company’s sustainability governance</p>	<ul style="list-style-type: none"> <li>• Takes charge of the Company’s Sustainability Agenda</li> <li>• Provides oversight on all sustainability and climate-related risk and opportunities</li> <li>• Endorses the Company’s sustainability initiatives</li> <li>• Reviews and approves sustainability policies and disclosures</li> <li>• Renders the ultimate assessment and authorisation concerning sustainability affairs within the Company</li> <li>• Assumes responsibility for succession planning, reviewing risk management process and internal control systems to minimise business downside risks</li> </ul>	<p>Executive &amp; Non-Executive Directors</p>
<p><b>Management</b> Responsible for establishing the Company’s sustainability strategy and implementation of initiatives across the business</p>	<ul style="list-style-type: none"> <li>• Leads the implementation of sustainability initiatives at management level</li> <li>• Formulates and executes material sustainability policy and strategies in accordance with the Board’s directives</li> <li>• Reports to the Board on progress of sustainability initiatives</li> <li>• Supervises and monitor the Company’s advancements in sustainability programmes</li> </ul>	<p>Managing Director (“MD”), senior management and heads of departments (“HOD”) from various departments across Epicon</p>

# SUSTAINABILITY STATEMENT

cont'd

The sustainability governance framework is reinforced by a strong collection of governance frameworks and policies aimed at guiding sustainability at Epicon in the areas of finance, environment, sustainability and governance.



These policies are publicly accessible on the Corporate Governance section of our website (<https://epicon.com.my/corporate-governance/>). Each policy is regularly reviewed to ensure that they remain effective and reflect the latest industry best practices and legal requirements.

## 6.4 ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

Corruption has a detrimental impact on sustainable development, societal well-being, and economic growth. Thus, eliminating corruption is a crucial component of ESG and requires consistent implementation of good practices, governance mechanisms, and policies to promote sustainable and transparent business, community, and society. Lack of focus on anti-corruption practices will result in an organisation's employees being less aware of the consequences of committing fraud, leading to a negative impact on the organisation through the erosion of trust in its relationships with partners, suppliers, and vendors.

Given such consequences, the Group practices a zero-tolerance approach to all forms of corruption and bribery within the Group and its third-party partners. The Group established and began implementing its Anti-Bribery and Corruption Policy ("AB&C Policy") on 1 June 2020, pursuant to the Malaysian Anti-Corruption Commission (MACC) Act 2009 and the MACC (Amendment) Act 2018.

The AB&C Policy consists of anti-corruption procedures, compliance factors and anti-corruption training and communication. Additionally, it provides clear guidance on identifying and dealing with bribery and corruption issues, as well as setting out the relevant roles and responsibilities in observing and upholding the Company's position on bribery and corruption. The Policy encompasses an ethical framework that serves as a guide to the actions and behaviour of all Directors, employees and business associates including but not limited to current or prospective customers, joint venture or business partners, contractors, vendors, suppliers, distributors, outsourcing providers, consultants, agents, investors, advisers, associates, representatives or any other business partners ("Business Associate") in the ordinary course of its business activities.

The AB&C Policy covers a wide range of behaviours that constitute bribery and corruption, including gifts and hospitality, entertainment, political contributions and donations, gratifications, charitable support, and other stipulated activities. Contributions or donations made by the Group to community projects or charities need to be made in good faith and in compliance with the Code of Business Conduct and Ethics, the AB&C Policy and all relevant Group policies and procedures.

# SUSTAINABILITY STATEMENT

cont'd

The Board has oversight of this AB&C Policy, while the BOD, Management and HOD are responsible for ensuring compliance with the Policy. All managers and employees of Epicon are required to be familiar with and comply with the AB&C Policy. The Group commits to continuing its anti-bribery and anti-corruption efforts in order to maintain its reputation and standards. Audits will be conducted to monitor, review, and assess the ongoing effectiveness of these efforts, and any results will be reported to the Audit Committee and acted upon accordingly.

The Group identifies its Supply Chain Management department as the most vulnerable to corruption. In FYE 2023, there were no reported cases of corruption within the Group. The AB&C Policy will be amended and revised as necessary to ensure the ongoing efficiency of its implementation and enforcement, with any changes to be reviewed and endorsed by the Board.

## 6.5 ANTI-CORRUPTION TRAINING AND COMMUNICATIONS

The Group conducts regular internal training sessions on anti-corruption topics for employees. Group-wide communications and briefings on anti-corruption messaging are carried out via various platforms and channels on a regular basis.

All new employees were briefed on anti-corruption in FYE 2023 and they have reviewed and comprehended Epicon's stance on anti-bribery and corruption. Going forward, the Group will continue to provide specific and regular training on how to implement and comply with the AB&C Policy, as well as on anti-corruption and bribery laws, for all new and existing employees to maintain a culture of transparency and ethical conduct.

Employee Category	Attendance
Board of Directors	100%
Senior Management	100%
Management	100%
Executive	100%
Non-Executive	100%

In FYE 2023, there were no confirmed cases of corruption within Epicon.

## 6.6 CODE OF CONDUCT

The Code of Conduct and Ethics (“the Code”) developed by Epicon provides a comprehensive set of guidelines and standards for ethical corporate conduct. It sets out clear expectations for how the company’s representatives should interact with stakeholders, including vendors, suppliers, contractors, and business partners. The Code establishes rules for addressing conflicts of interest, corrupt or unethical practices, and identifies unacceptable behaviour or practices that should not be replicated by anyone in the Group.

The Code’s guiding principles include:

- i. Compliance with rules and laws
- ii. Company information, records and assets
- iii. Workplace culture, discipline and professionalism

As part of their induction process, all new employees receive a thorough briefing on corporate integrity and ethical conduct. Epicon’s Human Resources Department oversees compliance with the Code and any non-compliance with its provisions is reported directly to the Human Resources Department for disciplinary action. The Code is readily accessible to all employees via the Investor Relations webpage at <https://epicon.com.my/corporate-governance/>

In FYE 2023, there were zero cases of non-compliance or unethical conduct recorded within the Group.

# SUSTAINABILITY STATEMENT

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## 6.7 WHISTLEBLOWING MECHANISMS

The Ethics and Compliance Whistleblowing Policy and Procedure (“Whistleblowing Policy”) developed by Epicon established the Group’s commitment to conduct their business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Whistleblowing Policy provides principles, guidelines and requirements on how to deal with ethics and compliance and whistleblowing procedures that may arise in the course of daily business and operation activities within Group.

Employees are encouraged to raise any issues directly with their immediate managers, or if an employee has reason to believe that his/her manager is involved or has a conflict of interest, to the next level of management, local Human Resources (“HR”), the Group’s Control & Compliance Department, where available. Third parties can directly contact via email to [whistleblow@epicon.com.my](mailto:whistleblow@epicon.com.my).

The appointed personnel in the Control & Compliance Department in receipt of the report must document it through an open-door intake form, and lodge the intake form to the Head of the Control & Compliance Department, who will immediately review upon receipt of the reports, and maintain proper records of all actions taken as to each report. The Control & Compliance Department shall submit the tracking reports, and related review or investigation findings where applicable, to the Board on a quarterly basis.

## 6.8 ETHICAL AND RESPONSIBLE SUPPLY CHAIN

Epicon strives to ensure the removal of any aspects of corruption not only within our own organisation, but throughout the Group’s supply chain as well. Epicon’s supply chain includes various parties, namely vendors, suppliers, contractors and agents, in which key safeguards are in place to further reinforce Epicon’s AB&C policy.

Epicon also makes periodic checks on supply chain partners and any entity within the chain which are not in compliance with our AB&C Policy. Parties who are found to be in transgression will be blacklisted and restricted in terms of access to Epicon. In serious cases, contract termination and legal action may be taken.

Acknowledgement of adherence to the AB&C Policy is mandatory to ensure that our business partners are fully against corrupt practices and Epicon can continue to maintain good corporate governance.

The Group holds a firm stance on our AB&C policy, and any non-compliance will not be accepted given that all parties have been provided with pertinent knowledge of the Group’s policies.

## 6.9 DATA PRIVACY AND SECURITY

Epicon is committed to protecting the personal data of employees, customers, suppliers and others who entrust their data to the Group, as well as the technology resources that are being provided to its employees and others. As such, Epicon has in place appropriate data privacy policies and procedures to respect individual privacy rights and promote data protection and information security.

In accordance with the Personal Data Protection Act of 2010 (PDPA), the Group treats all data as confidential and private, and will not disclose it to third parties unless it has the consent of the stakeholder or is mandated by law or enforcement agencies. All data has been collected with the consent of our stakeholders and with their full understanding and awareness that such data being collected by the Group may be used for internal purposes or such purposes as agreed.

In FY2023, there were zero cases of data breaches throughout the Group’s operations.

# SUSTAINABILITY STATEMENT

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## 6.10 RISK MANAGEMENT

At Epicon, we thrive operationally by building a culture of innovation and high performance. Exploring new projects, adapting to new technologies and entering strategic partnerships has opened up new growth opportunities. At the same time, Epicon recognises that it will be exposed to potential risks and uncertainties at any time.

The Board and leadership team work to mitigate possible risks that bring along potential disruption of business operations. The Board maintains strategic oversight of risks via the Audit and Risk Management Committee (ARMC). Under Epicon’s new risk management framework, a Risk Management Executive Committee (RMEC) has been established consisting of the Group Chief Executive Officer, Chief Financial Officer and Senior Project Director. They are tasked with the responsibility to provide resources for effective implementation of risk management, review the risk register prepared by risk owners and report to the Board of Directors via the ARMC.

The structure in place will identify crucial risks across the Group and map out action plans for mitigation for the ARMC to review. These reviews include discussions on the management submissions on strategic risks, identifying crucial risks and approving relevant action plans to mitigate such risks on priority.

Epicon continues to review its strategic, business and operational risks in tandem with changes in the external operating environment as well as any changes to its business model, business strategies and processes. This includes potential global logistics disruption, new and additional land use regulations, human rights issues and climate change risks. In future, we aspire to fully instil risk management in the mindset and behaviour of our employees, strengthen risk management capabilities and methods, and continuously improve risk mitigation.

## 7. STAKEHOLDER ENGAGEMENT

Epicon recognises that regular engagement with our stakeholders is a key enabler in driving informed actions and strategies to further strengthen the business. By seeking the views and perspectives of a diverse set of experts and advocates, we obtain meaningful insights into material issues that help us review prospects for our business as we continue to sustain all other elements in the business ecosystem, the community and the planet.

Leveraging stakeholder meetings, workshops and other engagements, we proactively build trust and mutual respect in our relationships with our stakeholders. This has helped us to keep abreast of pertinent societal issues, thus enabling us to ensure that our business strategy and activities are attuned to our stakeholders’ concerns and expectations.

The feedback of our stakeholders also guides our approach to reporting and disclosure and acts as a foundation for our materiality assessment process. Our network of stakeholders is wide-ranging, extending beyond our employees to encompass the lives impacted by our operations and those who influence our activities.

Epicon has identified the following groups as fundamental to continuing the Group’s business success:

Stakeholder Group	Key Topics	Platforms and Channels	Frequency of Engagement
Investors/ Shareholders	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Business prospects</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with shareholders during the Company’s annual general meeting</li> <li>Quarterly reporting</li> <li>Dissemination of information through the Company’s website</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>Ongoing</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Service quality</li> <li>Reliable services</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback</li> <li>After-sales services</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>

# SUSTAINABILITY STATEMENT

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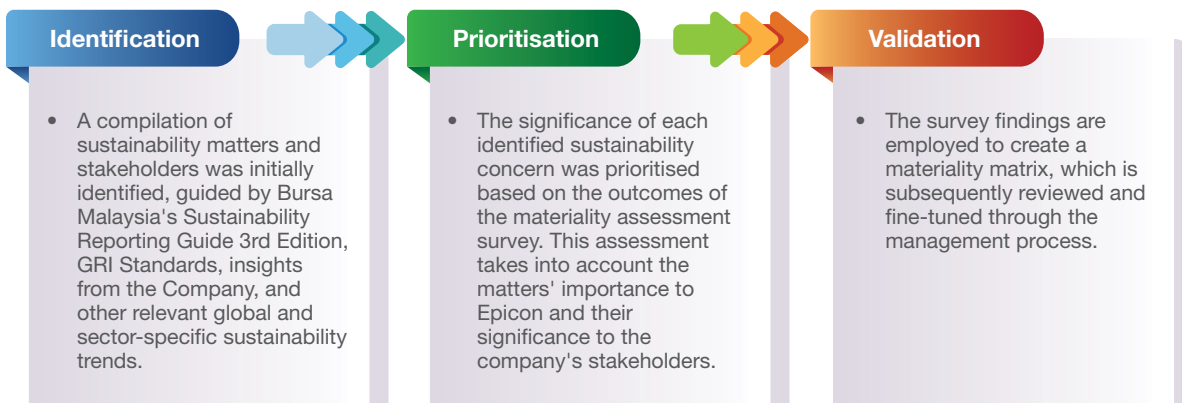
Stakeholder Group	Key Topics	Platforms and Channels	Frequency of Engagement
Employees	<ul style="list-style-type: none"> <li>Competitive salary and benefits package</li> <li>Clear line of reporting and proper communications channel</li> <li>Work-life balance</li> <li>Career path and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Employee handbook</li> <li>Internal training</li> <li>Engagement with employees</li> <li>Occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ad hoc</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
Vendors	<ul style="list-style-type: none"> <li>Procurement policy and procedures</li> <li>Prompt payments within credit period</li> <li>Business prospects and financial stability</li> </ul>	<ul style="list-style-type: none"> <li>Implementing procurement policy and procedures</li> <li>Assessment of suitability of vendors</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ad hoc</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Impact of operations on surrounding environment</li> <li>Corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Provide job opportunities</li> <li>Monitor polluting emissions and effluents</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>Compliance with existing laws</li> <li>Standards and certification</li> </ul>	<ul style="list-style-type: none"> <li>Meetings at government departments and working levels</li> <li>Discussions on services requirements, rules and regulations</li> <li>Consultation with regulatory authorities</li> <li>Participation in government and regulatory events</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ad hoc</li> <li>Ongoing</li> </ul>

## 8. MATERIALITY MATTERS

In striving towards a more robust and strategic sustainability agenda within the organisation and across its business value chain, Epicon has pursued a thorough materiality assessment of its ESG material topics to stay aligned with its stakeholders' current concerns and global sustainability trends.

To effectively identify the significant material topics, the Group conducted a comprehensive materiality assessment exercise (MAE) in FYE 2023. The MAE involved determining what ESG topics are material (important/significant) to the Group in adherence to the requirements set by Bursa Malaysia, as well as meeting the other standards and frameworks such as GRI, FTSE4Good Index and IFRS.

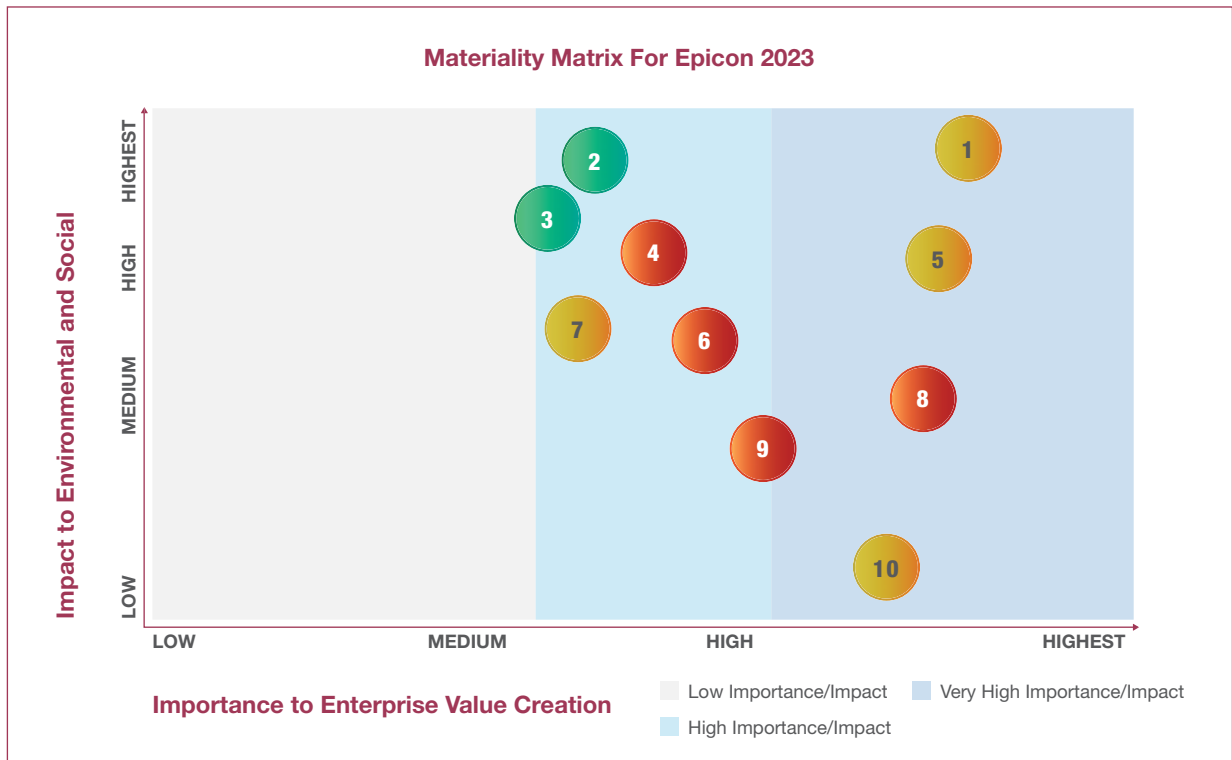
The materiality assessment process undertaken by Epicon is detailed as follows:



# SUSTAINABILITY STATEMENT

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Epicon sought critical perspectives and insights from its valued stakeholders, including the Group’s employees of all categories, shareholders, customers, suppliers, and governmental bodies. The Materiality Matrix for FYE 2023 reflects Epicon’s sustainability agenda and is consistent with the construction industry’s standard focus areas:



From the Materiality Matrix, the following top 10 material topics were identified:

**ENVIRONMENT**

- 2 Environmental and Social Compliance
- 3 Resource and Material Use

**SOSIAL**

- 1 Health & Safety
- 5 Site Management
- 7 Training and Career Development
- 10 Digitalisation and Technology

**GOVERNANCE**

- 4 Risk Management
- 6 Corporate Governance and Anti-Corruption
- 8 Quality Control and Customer Satisfaction
- 9 Procurement and Supply Chain

# SUSTAINABILITY STATEMENT

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## Analysis of Materiality Topics and ESG Integration

ENVIRONMENTAL	
<b>Environmental and Social Compliance</b>	In addition to proactive compliance measures and policy reviews and updates, Epicon will set relevant KPIs and targets to ensure ongoing performance improvement on environmental and social compliance matters.
<b>Resource and Material Use</b>	<p>While environmentally beneficial, opting for green materials may incur additional costs, necessitating a cost-benefit analysis to assess economic feasibility, in consideration of both short-term costs and long-term sustainability benefits.</p> <p>Future strategies to address these challenges will include:</p> <ul style="list-style-type: none"> <li>➤ Diversifying the supplier base to reduce dependency on a single source;</li> <li>➤ Developing a Supplier’s Code of Conduct to ensure responsible sourcing; and</li> <li>➤ Integration of green technologies or construction policies into project planning and executive phases, such as the utilisation of Building Information Modelling (BIM) and Industrialized Building System (IBS) to reduce environmental impacts and resource usage.</li> </ul>
SOCIAL	
<b>Health and Safety</b>	<p>Health and safety is a paramount aspect as it is a license for the Company to operate, and has significant potential impact on financial value creation (loss of operating days due to site shutdown caused by LTIs, fines, negative media publicity, etc.)</p> <p>Epicon will utilise more leading indicators together with lagging indicators to reduce or eliminate minor and major incidents. We will also ensure the establishment and implementation of robust internal OSH policies that are aligned with industry standards.</p>
<b>Site Management</b>	<p>Site management is intricately linked to other high-material topics, such as health and safety, regulatory compliance and waste management.</p> <p>Proactive measures to enhance site management practices include developing, regularly updating or enhancing emergency response plans, coupled with drills and training exercises. Site assessments are also crucial to ensure effective risk management and compliance with ISO45001 standards.</p> <p>Epicon will strive to address climate change impacts that may affect site conditions and employee health and safety such as rising temperature, flash floods and landslides.</p>
<b>Training and Career Development</b>	Skills and knowledge upgrading have taken on increased significance by stakeholders, especially when it is typically linked to providing OSH training, courses and certifications for site management personnel. This is to reduce on-site incidents, enhance safety protocols, and ensure that all staff are well-informed and educated on the latest safety regulations.
<b>Digitalisation and Technology</b>	<p>The emergence of digitalisation and technology suggests the significance of providing better monitoring systems to enhance market competitiveness.</p> <p>The scope includes leveraging digitalisation and technology in improving construction processes to enhance operational efficiency, and in other aspects of the business including branding, marketing, data collection and vendor/supplier management.</p>

# SUSTAINABILITY STATEMENT

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GOVERNANCE	
<b>Risk Management</b>	<p>Considerations such as cost, project schedules and management strategies can impact project outcomes. Embedding ESG factors into the framework includes identifying and assessing related risks and expanding its scope to align with sustainable and responsible business practices.</p> <p>By integrating these considerations, Epicon can better manage risks, enhance operational efficiency and safeguard against censures and fines.</p>
<b>Corporate Governance &amp; Anti-Corruption</b>	<p>Corruption and integrity have been ranked high by authorities in recent years, consistent with the MAE findings. If left unchecked, corruption may affect an organisation's overall productivity, competence, quality and ultimately enterprise value.</p> <p>Stakeholders increasingly want companies to operate in a responsible manner, which includes having a zero-tolerance and non-compromise approach to corruption, also extending it to the supply chain by developing Supplier's Code of Conduct and Anti-Corruption policies.</p>
<b>Quality Control and Customer Satisfaction</b>	<p>These topics are related to customer retention, building quality and measurements, company market positioning, share growth and overall value creation.</p> <p>Epicon will continue incorporating CIDB's QLASSIC standards as quality measurements to establish a performance benchmark in evaluating and enhancing construction practices. We will also improve feedback and response mechanisms, i.e. additional surveys and reviewing the present management approach, in which all feedback from property clients is acknowledged and rectified to drive continuous improvement.</p>
<b>Procurement and Supply Chain</b>	<p>Stakeholders increasingly demand transparency and responsible practices throughout the supply chain. Procurement and supply chain are central to operating costs, environmental footprint and social impacts i.e. generating economic value to local businesses.</p> <p>Epicon will focus more on prioritising local procurement and ensuring suppliers' compliance with environmental regulations for responsible sourcing and ethical practices.</p>

## 9. ECONOMIC DISCLOSURES

A robust and dynamic business model is essential in maintaining short, medium and long-term value creation for our stakeholders. By improving the efficiencies of processes across our operations, investing in sustainable technologies and working on innovative ways to achieve 100% sales in our housing projects, Epicon is able to pursue business growth without compromising on the environment or the well-being of our employees, communities and environment. We endeavour to make a positive contribution to the nation's economy through our property development and infrastructure projects.

We have implemented a range of strategies such as participating in new tenders, monitoring supply and demand, pricing, and technological advancements, to anticipate changes and to adapt to the changing policies or requirements impacting our operations. We have built in strong principles to ensure we maintain a healthy balance sheet and cash flow to achieve financial resilience over the long term, at the same time preserving the right balance of enhancing growth and ensuring shareholder returns.

For more information on our economic performance and developments, refer to the Management Discussion & Analysis of Epicon's Annual Report 2023.

# SUSTAINABILITY STATEMENT

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## 9.1 DIRECT ECONOMIC VALUES DISTRIBUTED

Our business strategy has taken into account how we allocate capital resources throughout our businesses and meet the goals set. Based on close planning and monitoring, the outcome would entail the creation of growth as well as value for our business and stakeholders. To ensure that we remain on a positive growth trajectory, the needs of our stakeholders, our material matters and the industry outlook will be the beneficiary of any positive outcome from the economics generated within Epicon.

The chart below provides the value creation chain from the direct and indirect values distributed by the Group.



Economic Value	RM'000		
	FY2021	FY2022	FY2023
Revenue from sales of goods	27,105	96,069	171,932
Revenue from financial investments	-	-	-
Other operating income	61	312	460
<b>Direct economic value generated</b>	<b>27,166</b>	<b>96,381</b>	<b>172,392</b>
<b>Economic Value Distributed</b>			
Operating expenses	4,519	5,496	5,942
Wages and other payments to employees	7,991	16,337	16,041
Payments to providers of capital	-	-	-
Payment to financial institutions	-	323	385
Payment to shareholders	-	-	-
Payment to creditors	13,149	6,116	34,514
Payment to Government including income tax expenses	-	3,331	4,317
Community investment	-	-	-
<b>Economic value distributed</b>	<b>25,659</b>	<b>31,603</b>	<b>61,199</b>
<b>Economic value retained</b>	<b>1,507</b>	<b>64,778</b>	<b>111,193</b>

## 9.2 INDIRECT ECONOMIC VALUES DISTRIBUTED

In addition to measurable economic outcomes, Epicon's construction of infrastructure and housing development has also generated ripple effects that promote various advantages for the general public.

# SUSTAINABILITY STATEMENT

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In FYE 2023, some noteworthy indirect economic consequences which carried various economic impacts included the following:

Project	Details
Taman Harmonis Bandar Seri Iskandar, Perak	Earthworks, piling and related works as well as infrastructure and building works of 413 units of houses
Bidor Shoplots Bidor, Perak	Piling, building works, internal infrastructure and external infrastructure works of 59 units of shops
Kerayong Indah Klang, Selangor	Supply all plant, materials, tools, equipment, temporary works, labour and supervision for the construction of 1,227 units houses and 40 units shops with local infrastructure
Meru Raya Apartment Kinta, Perak (Award 1)	Piling work, earthworks and building work of 2 block of 23 storey apartment and 1 block of 6 level parking building
PR1MA Kuala Lipis Kuala Lipis, Pahang	Earthwork, building, internal and major infrastructure works of a PR1MA Pahang project comprising 265 units houses and 11 units shops
Taman Padang Ria Pokok Mangga, Melaka	Construction and completion of drainage work, construction inclusive of all electrical and plumbing/sanitary works within the compound of the unit, exclusive of piling works, earthworks and all external infrastructure works beyond the compound of 114 units of houses
PR1MA Kuantan Kuantan, Pahang	Provide labour and materials for the earthwork, piling, building, internal and major infrastructure works for a Perumahan Rakyat 1 Malaysia (PR1MA) Pahang project comprising of 348 units of houses and a mixed development comprising of 652 units of houses and 19 units of shops
Circo @ Pantai Dalam Pantai Dalam, Kuala Lumpur	Structural works of an apartment block (level 8 to level 51) under a development of 1-block of residential apartment
TNB Underground Utilities	Installation, testing and commissioning of 11KV & 33KV XLPE underground cables and accessories for TNB asset development all zones, distribution network division
Meru Raya Apartment Kinta, Perak (Award 2)	Main building works for 2 apartment blocks, 1 carpark building and ancillary building, mechanical & electrical services, infrastructure and landscape works
Rumah Perakku in Sungai Terap, Kinta, Perak	Main building, mechanical & electrical services and infrastructure works of 601 units houses and 4 units of electrical substations under a Rumah Perakku development

### 9.3 PRODUCT QUALITY AND SAFETY

Delivering quality is important in maintaining brand credibility and customer trust, which are vital in a highly competitive industry. Epicon's approach to quality is assessment based on industry benchmarks. The Group uses CIDB's QLASSIC quality assessment system to assess the quality of completed construction projects. Epicon has set a QLASSIC benchmark score of at least 70% to be attained for all relevant building projects.

For our construction activities, we have also obtained the CIDB Grade G7 registration from the Construction Industry Development Board (CIDB), which allows the Company to bid for and secure new construction contracts, and enables it to undertake construction projects without any limit in contract value.

# SUSTAINABILITY STATEMENT

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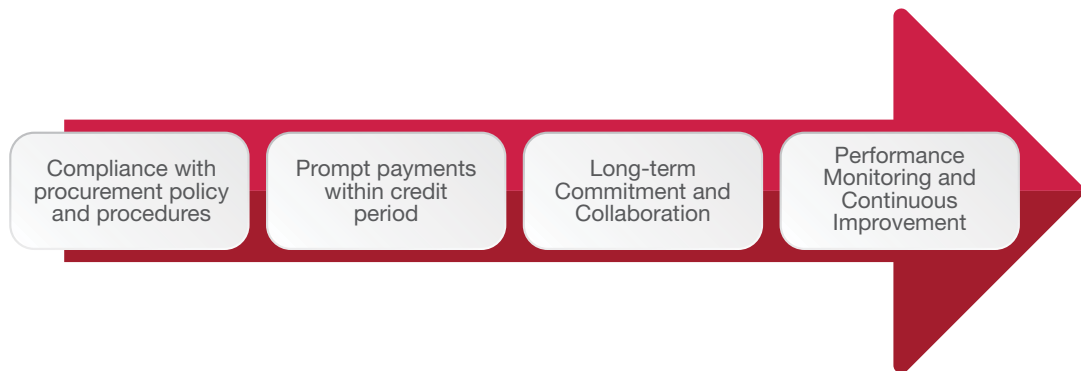
## 9.4 LOCAL PROCUREMENT AND SUPPLY CHAINS

We are continuously improving our general purchasing and procurement policy to outline a better tender process for vetting external providers. This requires all parties at every level of the process to be transparent from pre-qualification until the award and post-project evaluations.

The Procurement Department conducts reviews on new suppliers to ascertain their competence based on checks of their finances, track record, background, taxing compliance and compliance with legal requirements. At the same time, Epicon actively seeks out options and alternatives from a diversified list of vendors to ensure that its tender process remains robust, transparent and cost effective.

External suppliers are evaluated on their performance as well as their ability to deliver at competitive prices. Responsible local contractors with good performance track records in contributing positively to the nation's economy are given due consideration, subject to compliance with the Occupational Safety and Health Act 1994 (OSHA), the Environmental Quality Act 1974 (EQA), as well as other relevant OSH and environmental laws and regulations.

### Process Applied in Supporting Local Procurement



Epicon is currently working towards incorporating more ESG considerations as an assessment criterion into its supplier audit process for a more sustainable procurement process. This will come under the Company's Procurement Department and will be implemented progressively. The table below shows procurement data of office supplies for all business units of the Company.

### *Epicon Procurement Data*

Procurement Category	FYE 2023
Number of total suppliers	176
Number of local suppliers	176
Total foreign suppliers	-
Percentage of local suppliers	100%

We are determined to do more to empower good ESG practices among the local suppliers by obtaining a transparent track record of regulatory, environmental and socioeconomic non-compliances while striving for environmental friendliness in our procurement assessment. Epicon plans to continue supporting local contractors and suppliers as strategic partners and improve its procurement disclosures with more comprehensive data collection.

# SUSTAINABILITY STATEMENT

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## 10. ENVIRONMENTAL DISCLOSURES

Epicon acknowledges the critical need for rigorous environmental stewardship as a central part of our business model. We recognise that our dependence on natural resources, such as clean air and water, intricately links not just Epicon, but also the larger community with the wellbeing of the environment. Thus, any negative impact on the environment resonates directly with everyone who depends on these precious natural resources.

In light of the current stigma surrounding the construction and transportation sectors, particularly on the issue of contributing to negative environmental impacts, it is essential that construction industry players turn to a more sustainable form of operations with greater focus on reducing carbon footprint and progressing towards the adoption of circular economy.

In line with upholding the UNSDGs, Epicon is committed to adopting a different approach to our construction model and processes while helping to reshape the industry into a more sustainable entity. This approach has already begun to be applied throughout Malaysia's construction industry with encouraging outcomes to date.

Epicon is actively undertaking rigorous measures, guided by comprehensive regulations to ensure that all value creation activities across our business units cause minimal environmental harm. Our approach to environmental management requires all activities to ensure full compliance with the stringent standards of various bodies and adoption of industry best practices.

### **Construction**

The Group is working on adapting relevant measures to:

- i) Reduce carbon emission intensity
- ii) Reduce water use intensity at construction sites
- iii) Divert more waste from landfills

### **Transportation**

The Group's focus is on the two most prevalent issues in the transport sector:

- i) Reducing carbon emissions from vehicles
- ii) Maintaining road safety and preventing accidents

### **10.1 CLIMATE CHANGE**

Given the increasing impacts of climate change worldwide, Epicon is firmly committed to doing our part to ensure a responsible ecological footprint. As an energy-intensive sector, we are keenly aware that our construction activities are a major source of emissions. As such, we are looking towards emissions control as well as reduced fossil fuel consumption in our daily operations. We also aim to increase our IBS utilisation by 30% to further reduce carbon emissions resulting from our construction activities.

### **10.2 ENERGY CONSUMPTION**

For the construction activities, we embrace initiatives that help reduce diesel and petrol, heavy machinery and power vehicle usage, along with training programmes to promote awareness among our employees about smart energy management. Our fleet of buses are equipped with a 24-hour continuous fleet monitoring system. This allows us to track the movement of the buses as per their trip schedule and monitor the performance of our drivers regarding their departure and arrival times and speed limits, as well as minimise the number of speeding incidences and idling engine to optimise fuel consumption.

We are committed to transparent reporting and are actively enhancing the accuracy of our GHG and energy consumption data. Through engagements, we are refining our data measurement, accounting, and validation processes to ensure reliability. Our aim is to share reliable and accurate GHG and energy consumption data, offering a clear and trustworthy view of our environmental impact. These refinements are part of our commitment to provide stakeholders with a comprehensive and reliable overview of our GHG emissions. This aligns with our broader environmental goals, demonstrating our dedication to accountability and responsible business practices.

# SUSTAINABILITY STATEMENT

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## 10.3 WATER CONSUMPTION

Water is one of the world's most precious and finite resources. Given pressing global issues involving water scarcity and pollution, the Group strives to always ensure that our water supply is not sourced from water-stressed areas. We also ensure that our employees have access to safe, clean water at all of our project sites at all times.

## 10.4 WASTE MANAGEMENT

Waste generation has always been an inevitable issue when it comes to industrial activities, especially for the construction sector, which consumes various raw materials for the building activities.

The Group has implemented responsible waste management procedures, and we take precautions to ensure our operations do not contribute to pollution to nearby water catchments and streams. In 2023, there were no reports of pollution resulting from our operations.

## 10.5 MATERIAL CONSUMPTION

The demand for raw materials, especially in the construction sector, has seen a significant increase owing to factors such as urbanisation, real estate trends and a growing population. This has given rise to the risk of potential negative environmental impacts as well as higher costs.

To circumvent these risks, we structure our raw material consumption as responsibly as possible to minimise our carbon footprint and reduce our environmental impact. Moving forward, we aim to utilise more sustainable raw materials that are low carbon, recyclable and renewable.

To achieve this, we emphasise sourcing more environmentally friendly construction materials including:

### **Construction**



### **Industrialised building system (IBS) wall panels**

Aligned with our goal to increase positive environmental impact, we have utilised IBS wall panels for non-load bearing walls. These panels are fully recyclable and pre-cut to the required sizes, reducing construction time and labour costs. Additionally, it is more energy efficient than clay bricks and uses less cement, which is carbon intensive.

### **Aluminium formwork**

Apart from its strength and endurance, aluminium formwork maximises return on investment (ROI) from its multiple reuses for construction projects. It is 100% recyclable and produces high scrap value at the end-of-life stage and eliminates the need to use timber or plywood.

### **Fibreglass bars**

With the construction industry under scrutiny over emissions and waste generation, we strive to minimise such issues by using fibreglass bars instead of steel. The spiral ribbed profile of fibreglass bars aids concrete reinforcement, requiring less use of concrete. It supports 70% reduction of CO2 emission, lowers the use of concrete and water, and is both reusable and recyclable.

# SUSTAINABILITY STATEMENT

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## Transportation



Our subsidiary, CLSB, operates a fleet of stage buses that all are compressed natural gas (CNG) buses. Also known as “green fuel”, CNG is a natural gas that is often used as a fossil fuel substitute for petrol, diesel or liquefied petroleum gas (LPG). Since it does not contain lead or sulphur, CNG helps to reduce harmful emissions with an average carbon footprint that is nearly 30% less than that of petrol or diesel-powered vehicles. In addition, its usage gives our stage buses smoother operation efficiency and a longer service lifespan.

## 10.6 ENVIRONMENTAL PERFORMANCE MONITORING AND COMPLIANCE

As guided by Department of Environment (DOE) regulations, Epicon consistently monitors its environmental performance across its business operations to ensure full compliance with the relevant standards. This may include environmental pollution monitoring, which is carried out when it is deemed necessary. The Group also plans to implement supplier screening in the future to ensure its suppliers and vendors also comply with the environmental standards of the Group and relevant regulatory laws.

Our site environment officers carefully monitor noise levels at all our construction project sites to ensure effective noise reduction and management. We strictly adhere to the permissible high noise hours set by the relevant authorities during our project operating hours. The Group also ensures that our operations do not cause excessive noise pollution after 6pm or during other specific hours as directed by the local authorities.

## 11. SOCIAL DISCLOSURES

As an organisation that greatly values the human element of its operations, Epicon takes its social responsibilities seriously. We recognise that our workforce is our greatest asset and the backbone of the Company’s success. As such, we believe in fostering a healthy, safe and fair work environment that provides professional and personal development opportunities for all our employees. Our key social performance areas include human rights and labour standards, talent management, diversity and equal opportunity, and occupational health and safety. By ensuring a stable and productive workforce, we can advance our sustainability efforts more effectively.

On a broader scale, we believe that a noteworthy part of what it means to be sustainable is giving back to society. Epicon is actively invested in searching for opportunities to engage with local communities and underprivileged groups through outreach initiatives that aim to boost their quality of life.

# SUSTAINABILITY STATEMENT

cont'd

## 11.1 ADVOCATING HUMAN AND LABOUR RIGHTS

Epicon stays vigilant on key social considerations, including human and labour rights which are guided by the United Nations Global Compact (“UNGC”) on Business and Human Rights and the Children and Young Person Act (Employment) 1966, Malaysia.

<b>Human Right</b>	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights
	Principle 2 - Make sure that they are no complicit in human rights abuses
<b>Labour Rights</b>	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
	Principle 4 - The elimination of all forms of forced and compulsory labour
	Principle 5 - The effective abolition of child labour
	Principle 6 - The elimination of discrimination in respect of employment and occupation

(Note: This list of principles was extracted from UNGC)

To ensure that human and labour rights matters are well managed, the Group plans to initiate a formal policy to set human rights guidelines for all subsidiaries to adhere to. Although the policy is still in the development phase, the Group maintains a close watch for any violation of human rights in its business operations.

All forms of modern slavery, including child labour, forced labour, and human trafficking, are violations of human rights and are strictly prohibited within the Group and on the part of its suppliers. The Group will continue to perform its due diligence on its suppliers to ensure that they have strictly complied with the relevant laws on matters pertaining to human trafficking.

## 11.2 TALENT MANAGEMENT AND DEVELOPMENT

In managing our workforce, we have in place our Employee Handbook which outlines our HR policies and practices, and complies with the Employment Act 1955. We offer competitive remuneration packages as well as a healthy and conducive workplace. In addition, our Employee Code of Conduct governs the ethics and behaviour of our employees in the discharge of their duties in the workplace as well as in our business dealings with customers, vendors and service providers.

### HIRING AND RETENTION

We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talents to join our organisation and contribute to the growth of our business.

To retain our talents, we provide opportunities for high-potential employees to develop and progress to senior positions in the Group. Priority is given to existing employees for promotions rather than getting fresh candidates from outside.

# SUSTAINABILITY STATEMENT

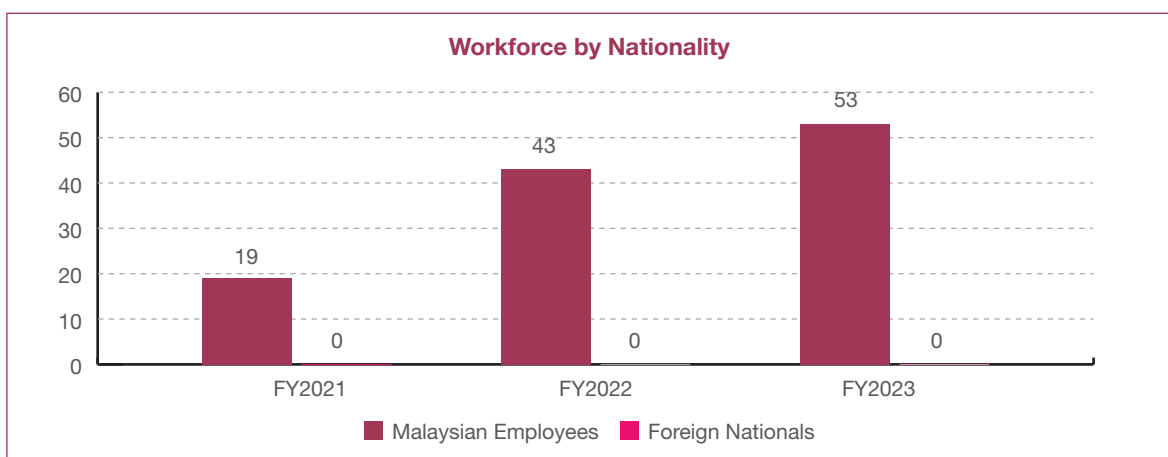
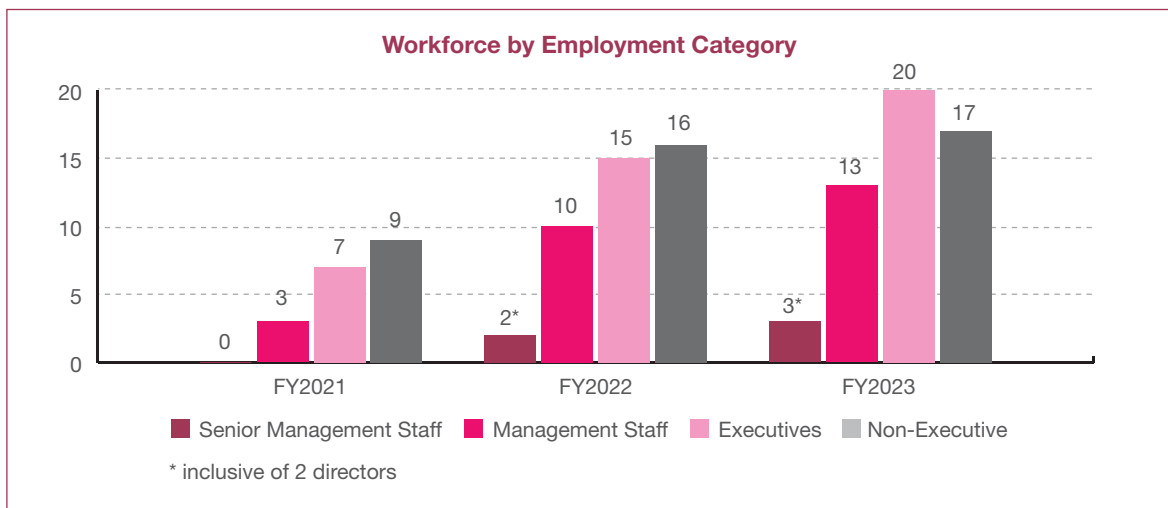
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In FYE 2023, Epicon had a total of 53 employees. The general composition of the Group's workforce is outlined below:

### Epicon Workforce Data

Workforce Data#	FY2021	FY2022	FY2023
Total Workforce	19	43	53
Total Permanent Employees	10 (53%)	23 (53%)	20 (38%)
Total Temporary Staff/Contractors	9 (47%)	20 (47%)	33 (62%)
Percentage of global staff with a disability (%)	0%	0%	0%

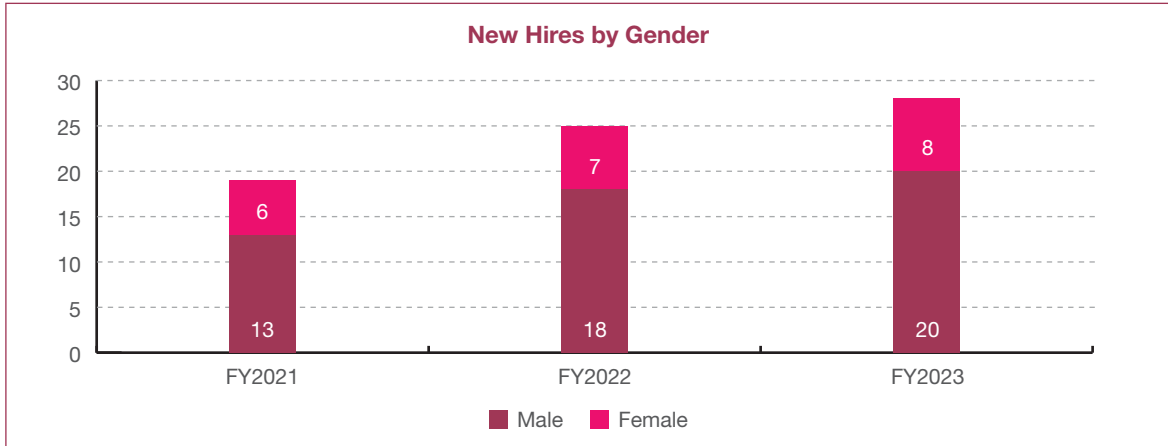
# Data from Cityliner Sdn Bhd is excluded



# SUSTAINABILITY STATEMENT

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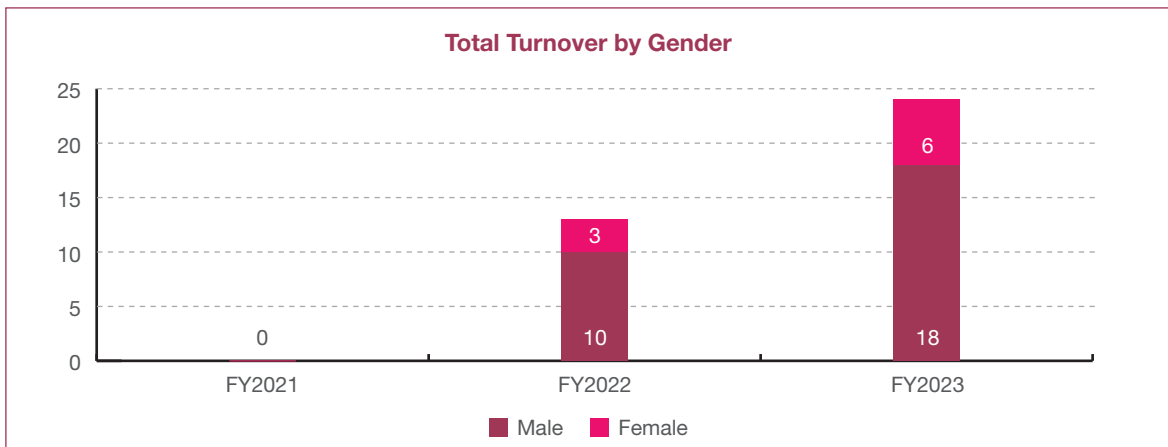
## New Hires Data



New Hires Category#	FY2021	FY2022	FY2023
New Hires Aged 30 And Below	11	5	10
New Hires Aged 31-50	5	19	17
New Hires Aged 51-65	3	1	1
New Hires Aged 65 and Above	0	0	0
New Hires with Disabilities or From Underprivileged Groups	0	0	0

# Data from Cityliner Sdn Bhd is excluded

## Turnover Data



Turnover Category#	FY2022	FY2023
Total Turnover	13	24
Turnover Aged 30 and Below	4	9
Turnover Aged 31-50	7	12
Turnover Aged 51-65	2	3
Turnover Aged 65 and Above	0	0
Turnover with Disabilities / Underprivileged Groups	0	0

# Data from Cityliner Sdn Bhd is excluded

# SUSTAINABILITY STATEMENT

cont'd

## EMPLOYEE TRAINING

We believe in empowering our employees by having in place a standard operating procedure on training and personnel development. Providing appropriate training to our employees will result in better customer service, productivity improvements, better efficiency and better workplace safety practices.

The Human Resources (HR) Department is responsible for managing talent training and development programmes and protocols. Employees are required to obtain approval from their Head of Department prior to attending a training programme. HR is then notified for registration and Human Resource Development Corporation grant application or payment. Post-session, an evaluation is carried out to assess the effectiveness of the training programme on the employees who attended.

In FYE 2023, the Group conducted a total of 164 hours of training to enhance the efficiency, competence and productivity of our employees. The following training programmes were conducted with a cumulative total of 30 employees in attendance::

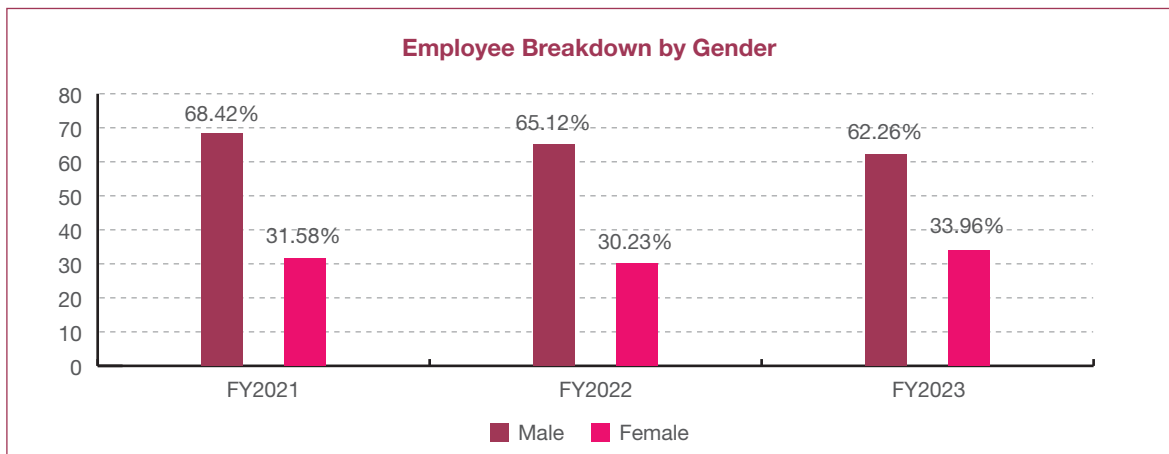
No.	Training Programme
1.	2024 KRA and KPI Training
2.	Occupational Safety and Health Basic Course (Defensive Drive)
3.	Emergency Response Plan for Drivers
4.	iCOP's Security Training
5.	Firefighting Training (Fire Drill)

The Group also provides internship programmes which give undergraduate students the opportunity to gain real-world work exposure. These students are attached to our operations for a fixed period to allow them to gain valuable working experience that will contribute towards their academic progression and professional pursuits.

## DIVERSITY AND EQUAL OPPORTUNITY

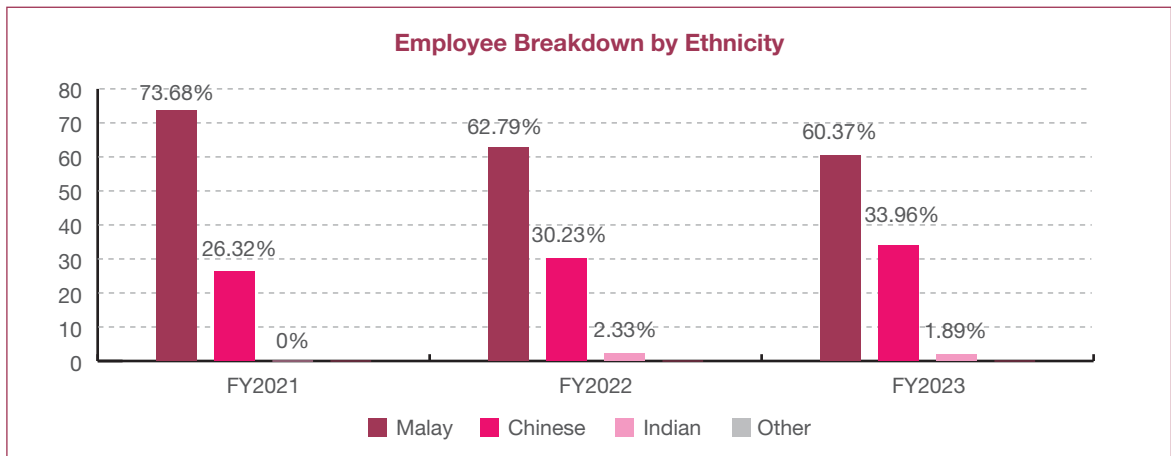
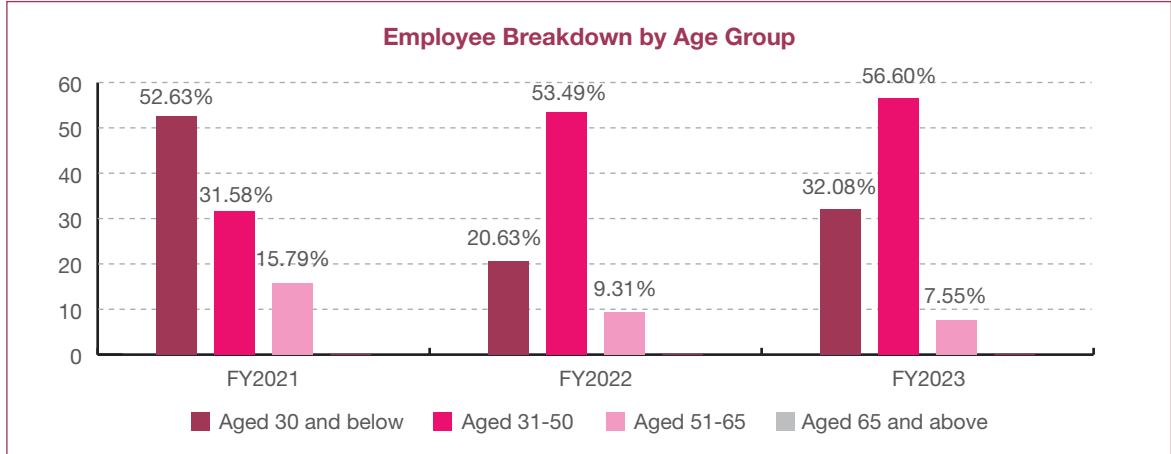
In reflecting the multicultural and multi-ethnic fabric of the society we operate in, Epicon strives to emphasise diversity and equality in our talent management approach. We adopt a zero-discrimination stance when it comes to our workforce, where employees are judged solely based on their professional qualifications, work experience and competence. We do not condone discrimination of any kind towards any employee's gender, age, race, religion, background, sexual orientation or disability.

A vital part of the ongoing growth and success of our organisation rests largely on having a workforce that is diverse and unique. We strive to ensure a fair and balanced selection of talents representing various ethnicities and demographics and look to provide more employment opportunities to underprivileged groups in the future to ensure a more inclusive work environment.



# SUSTAINABILITY STATEMENT

cont'd



## Employee Benefits and Well-Being

Epicon views employees’ welfare and promoting a work-life balance as important to drive sustainable growth of the Group. Recognising the contributions of its employees, the Group’s appreciation is reflected through the provision of employee benefits as below:

Employee Benefits	FY2021	FY2022	FY2023
Total payments made to employees in terms of salaries, bonuses and benefits (RM)	112,783.34	2,118,233.70	3,754,575.88
Total statutory payments made for employees’ retirement benefits (EPF) (RM)	23,763	483,036	857,994
Total payments in medical insurance (SOCSSO) for employees (RM)	1,794.70	25,885.70	46,396.20
Employees Entitled for Maternity and Paternity Leave	-	-	2
Employees Who Took Paternity Leave	-	-	2
Employees Who Took Maternity Leave	-	-	0

# SUSTAINABILITY STATEMENT

cont'd

## 11.3 OCCUPATIONAL HEALTH AND SAFETY

Epicon is committed to protecting its people and the environment. The Group's health, safety and environment (HSE) programmes are managed by a team of trained professionals with extensive knowledge and collective experience in occupational health, engineering, safety, materials management and energy efficiency.

By integrating HSE considerations into all aspects of our business, we:

- ❖ Protect our people and the environment
- ❖ Achieve sustainable growth and accelerated productivity
- ❖ Drive compliance with all applicable regulations
- ❖ Develop technologies that expand the sustainable capacity of our operations

Our Safety and Health Policy guides us in reinforcing the significance of occupational health and safety to our Group and outlines our management approach in maintaining high HSE standards and complying with regulations.

The following are some key points that demonstrate its commitment to this responsibility:

- Prevent injury to all employees and promote work life balance to keep the staff healthy;
- Ensure compliance to laws and regulations in relation to occupational safety and health;
- Require contractors to meet the Group's occupational safety and health standards across all its operations; and
- Instil a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

Epicon's operating locations rely on comprehensive processes for assessments of hazards that could pose a risk to workers, including employees, contractors and visitors. Based on these assessments, risk mitigation controls are identified, implemented and monitored to help ensure effective worker protections remain in place.

For our construction division, we have relevant safety and health officers and site safety supervisors to advise the Company or any person-in-charge of the sites regarding measures to be taken in the interest of safety and health of employees working at sites, and to conduct safety and health monitoring checklists / reports on safety and health compliance and non-compliance activities at sites.

On the transportation side, our vehicles are inspected on a regular basis and drivers are sent for training on driving skills and road safety awareness. We have also complied, to the best of our ability, with the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act, 1994 ("OSHA 1994"), Environmental Quality Act, 1974 ("EQA 1974") and Fire Services Act, 1988 ("FSA 1988").

Epicon has obtained the CIDB Grade G7 registration from the Construction Industry Development Board, which allows the Company to bid for and secure new construction contracts as well as enables it to undertake construction projects without any limit in contract value.

For our transportation segment, Epicon has obtained a 4-star grade by the Malaysian Institute of Road Safety Research (MIROS) for our operations in Kelantan and Terengganu, and we are also targeting to obtain the same certification for the other areas.

### SAFETY TRAINING

The following safety training programmes were held in FYE 2023:

- Occupational Safety and Health Basic Course (Defensive Drive)
- Emergency Response Plan for Drivers
- iCOP's Security Training
- Firefighting Training (Fire Drill)

# SUSTAINABILITY STATEMENT

cont'd

## 11.4 COMMUNITY ENGAGEMENT AND DEVELOPMENT

Epicon's operations are built on the premise of providing value to people, including the communities in the areas where it operates. The Group is actively involved in community engagement and outreach initiatives in its pursuit of giving back to society.

The Group regards the use of its environmentally friendly CNG buses as part of its corporate social responsibility to promote healthier living and reduce pollution. Furthermore, the Group often provides low-price charters to non-profit/charity organisations to facilitate their good causes anywhere in Peninsular Malaysia.

We participated in the myBASKonsesi programme initiated by the Ministry of Transport (MOT) in August 2023, providing free rides for individuals with special needs, children and students aged 7-17, and senior citizens. The programme benefitted passengers in three states (Perak, Negeri Sembilan and Johor) who travelled for free on 58 routes of the myBAS stage bus service. From August 2023 to March 2024, Epicon's stage bus services in Seremban, Port Dickson and Nilai issued 3,964 myBASKonsesi passes to the target passengers. This initiative by the MOT under the SBST programme was to help reduce the living cost of the people, as well as to encourage more people to use public transport services.

## 12. APPENDIX

### 12.1 BURSA SUSTAINABILITY DISCLOSURE INDEX

#### Common Indicators

No.	Common Sustainability Matters	Code	Indicators	Page Number / Explanation
1.	Anti-corruption	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	29
		C1 (b)	Percentage of operations assessed for corruption-related risks	
		C1 (c)	Confirmed incidents of corruption and action taken	
2.	Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Data unavailable
		C2 (b)	Total number of beneficiaries of the investment in communities	
3.	Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category	43-44
		C3 (b)	Percentage of directors by gender and age group	26
4.	Energy management	C4 (a)	Total energy consumption	39
5.	Health and safety	C5 (a)	Number of work-related fatalities	47
		C5 (b)	Lost time incident rate	47
		C5 (c)	Number of employees trained on health and safety standards	45

# SUSTAINABILITY STATEMENT

cont'd

No.	Common Sustainability Matters	Code	Indicators	Page Number / Explanation
6.	Labour practices and standards	C6(a)	Total hours of training by employee category	45
		C6 (b)	Percentage of employees that are contractors or temporary staff	43
		C6 (c)	Total number of employee turnover by employee category	44
		C6 (d)	Number of substantiated complaints concerning human rights violations	42
7.	Supply chain management	C7 (a)	Proportion of spending on local suppliers	Data unavailable
8.	Data privacy and security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	30
9.	Water	C9 (a)	Total volume of water used	40
10.	Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	40
11.	Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	Data unavailable
		C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	
		C11 (c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	

## 12.2 BURSA ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	30
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	0
<b>Bursa (Data privacy and security)</b>		

# SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2023
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	6
Executive	Hours	56
Non-executive/Technical Staff	Hours	102
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	62
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Executive	Number	9
Non-executive/Technical Staff	Number	12
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100
Executive	Percentage	100
Non-executive/Technical Staff	Percentage	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.89
Management Between 30-50	Percentage	18.87
Management Above 50	Percentage	1.89
Executive Under 30	Percentage	7.55
Executive Between 30-50	Percentage	16.98
Executive Above 50	Percentage	3.77
Non-executive/Technical Staff Under 30	Percentage	22.64

# SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2023
Non-executive/Technical Staff Between 30-50	Percentage	20.75
Non-executive/Technical Staff Above 50	Percentage	1.89
Gender Group by Employee Category		
Management Male	Percentage	18.87
Management Female	Percentage	3.77
Executive Male	Percentage	15.09
Executive Female	Percentage	13.21
Non-executive/Technical Staff Male	Percentage	28.3
Non-executive/Technical Staff Female	Percentage	16.98
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60
Female	Percentage	40
Under 30	Percentage	0
Between 30-50	Percentage	20
Above 50	Percentage	80
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100

# SUSTAINABILITY STATEMENT

cont'd

## 12.3 GLOBAL REPORTING INITIATIVES (GRI) INDEX

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION	
<b>GRI 204: Procurement Practices 2016</b>	2-1	Organisational details	Our Business, Page 21	
	2-2	Entities included in the organisation's sustainability reporting	About This Report, Page 19	
	2-3	Reporting period, frequency and contact point	About This Report, Page 19	
	2-4	Restatements of information	About This Report, Page 19	
	2-5	External assurance	About This Report, Page 20	
	2-6	Activities, value chain and other business relationships	Our Business, Page 21	
	2-7	Employees	Talent Management & Development, Page 42-46	
	2-9	Governance structure and composition	Sustainability Governance, Page 24 Corporate Governance Overview Statement, Page 60	
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts		
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest		
	2-16	Communication of critical concerns		Materiality Matters, Page 32-33
	2-17	Collective knowledge of the highest governance body		Sustainability Governance, Page 24
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, Page 67	
	2-19	Remuneration policies		
	2-20	Process to determine remuneration		
	2-21	Annual total compensation ratio	Group Chief Executive Officer's Message, Page 21	
	2-22	Statement on sustainable development strategy		
	2-23	Policy commitments	Corporate Governance Practices, Page 27-28	
	2-24	Embedding policy commitments	Provided across the respective discussions on management approaches for material topics	
	2-25	Processes to remediate negative impacts		
	2-26	Mechanisms for seeking advice and raising concerns		
	2-27	Compliance with laws and regulations	Environmental Performance Monitoring & Compliance, Page 41	
	2-28	Membership in associations	About This Report, Page 19	
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, Page 31-32	

# SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	Materiality Matters, Page 32-35
	3-2	List of material topics	
	3-3	Management of material topics	
<b>ECONOMIC</b>			
<b>GRI 201: Economic Performance 2016</b>	3-3	Management of material topics	Economic Disclosures, Page 35
	201-1	Direct economic value generated and distributed	Direct Economic Values Distributed, Page 36
<b>GRI 203: Indirect Economic Impacts 2016</b>	3-3	Management of material topics	Indirect Economic Values Distributed, Page 36-37
	203-1	Infrastructure investments and services supported	
	203-2	Significant indirect economic impacts	
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	Data unavailable
<b>GOVERNANCE</b>			
<b>GRI 205: Anti-corruption 2016</b>	3-3	Management of material topics	Anti-Corruption & Anti-Bribery Policy, Page 28
	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption Training & Communications, Page 29
	205-3	Confirmed incidents of corruption and actions taken	
<b>GRI 418: Customer Privacy 2016</b>	3-3	Management of material topics	Data Privacy & Security, Page 30
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
<b>ENVIRONMENTAL</b>			
<b>GRI 301: Materials 2016</b>	3-3	Management of material topics	Environmental Disclosures, Page 39
<b>GRI 302: Energy 2016</b>	3-3	Management of material topics	Energy Consumption, Page 39
	302-1	Energy consumption within the organisation	
	302-4	Reduction of energy consumption	
<b>GRI 303: Water and Effluents 2018</b>	3-3	Management of material topics	Water Consumption, Page 40
	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	

# SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
<b>GRI 304: Biodiversity 2016</b>	3-3	Management of material topics	Data unavailable
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
<b>GRI 305: Emissions 2016</b>	3-3	Management of material topics	Material Consumption, Page 40
	305-1	Direct (Scope 1) GHG emissions	Data unavailable
	305-2	Energy indirect (Scope 2) GHG emissions	
<b>GRI 306: Waste 2020</b>	3-3	Management of material topics	Waste Management, Page 40
	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	Data unavailable
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	3-3	Management of material topics	Ethical & Responsible Supply Chain, Page 30
<b>SOCIAL</b>			
<b>GRI 401: Employment 2016</b>	3-3	Management of material topics	Talent Management & Development, Page 42-44
	401-1	New employee hires and employee turnover	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
<b>GRI 403: Occupational Health and Safety 2018</b>	3-3	Management of material topics	Occupational Health & Safety, Page 47
	403-1	Occupational health and safety management system	
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-5	Worker training on occupational health and safety	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
<b>GRI 404: Training and Education 2016</b>	3-3	Management of material topics	Employee Training, Page 45
	404-1	Average hours of training per year per employee	
	404-2	Programs for upgrading employee skills and transition assistance programs	

# SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3	Management of material topics	Diversity & Equal Opportunity, Page 45-46
	405-1	Diversity of governance bodies and employees	
<b>GRI 406: Non-discrimination 2016</b>	3-3	Management of material topics	Diversity & Equal Opportunity, Page 45-46
	406-1	Incidents of discrimination and corrective actions taken	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	3-3	Management of material topics	Ethical & Responsible Supply Chain, Page 30 Advocating Human & Labour Rights, Page 42
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>GRI 408: Child Labor 2016</b>	3-3	Management of material topics	Advocating Human & Labour Rights, Page 42
	408-1	Operations and suppliers at significant risk for incidents of child labour	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	3-3	Management of material topics	Advocating Human & Labour Rights, Page 42
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
<b>GRI 413: Local Communities 2016</b>	3-3	Management of material topics	Community Engagement & Development, Page 48
	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
<b>GRI 414: Supplier Social Assessment 2016</b>	3-3	Management of material topics	Ethical & Responsible Supply Chain, Page 30

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS FROM THE CORPORATE PROPOSAL

#### PRIVATE PLACEMENT

Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (“Epicon” or “the Company”) had undertaken a private placement exercise and had placed out 125,000,000 new ordinary shares in the Company (“Placement Shares”) (“Private Placement”) which raised total proceeds of RM20 million.

As at 31 December 2023, the details of utilisation of proceeds raised from the Private Placement were as follows:-

Detail of utilisation		Proposed utilisation	Actual utilisation	Balance	Time frame for utilisation
		RM'000	RM'000	RM'000	
1	Working capital for Epicon and its subsidiaries' (“Epicon Group”) Construction Business	17,200	17,200	-	18 months
2	Estimated expenses	2,800	2,800	-	3 months
<b>Total</b>		<b>20,000</b>	<b>20,000</b>	<b>-</b>	

### 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2023 (“FYE 2023”) are as follows: -

	The Group RM	The Company RM
Audit fee	147,000	62,000
Non-Audit fee	88,000*	88,000*
	235,000	150,000

\* The non-audit fees mainly include the professional fees paid/payable to the External Auditors for their review of the Group's opening balance and review of 3 unaudited quarterly results.

### 3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Group involving the interest of the Company's Directors and/or major shareholders, either still subsisting at the end of the FYE 2023, or which were entered into since the end of the previous financial.

### 4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”)

At the 19<sup>th</sup> Annual General Meeting (“AGM”) of the Company held on 30 May 2023, the Company had obtained shareholders' mandate to allow the Group to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature which are necessary for the day-to-day operations of the Group and in the ordinary course of business with the related parties (“Mandate”). The aforesaid mandate will lapse at the conclusion of the forthcoming 20<sup>th</sup> AGM of the Company.

## ADDITIONAL COMPLIANCE INFORMATION

cont'd

#### 4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”) *cont'd*

Details of the RRPTs entered into by the Group during the FYE 2023 under the Mandate are as follows:

Transacting company	Related party	Nature of transaction	Interested related party	Actual value transacted for the FYE 2023 (RM)
Epicon Group	Setia Awan Holdings Sdn Bhd [Registration No. 201001004065 (888655-T)]	Provision of management services to Epicon Group	<b>Interested Director</b> DTL  <b>Interested Major Shareholder</b> DPSB  <b>Interested Persons Connected</b> DNC LHK DJC DJM	40,280
Epicon Group	Maju Teluk Batik Sdn. Bhd. [Registration No. 198401018886 (131443-A)]	Provision of construction services by Transnational Builder Sdn Bhd	<b>Interested Director</b> DTL  <b>Interested Major Shareholder</b> DPSB  <b>Interested Persons Connected</b> DJC DJM	13,765,145
Epicon Group	YWTSB <sup>(i)</sup> , SBNSB <sup>(ii)</sup> and other potential Related Parties to be identified later that trades in construction materials or fittings or leasing of construction equipment	Purchase of construction materials or fittings or renting of construction equipment by Epicon Group from Related Parties	<b>Interested Director</b> DTL  <b>Interested Major Shareholder</b> DPSB  <b>Interested Persons Connected</b> Persons connected with DTL and DPSB	7,506,783
Epicon Group	YWDSB <sup>(iii)</sup> and other potential Related Parties to be identified later that engaged in property development	Provision of construction, project management and construction related services by Epicon Group to Related Parties	<b>Interested Director</b> DTL  <b>Interested Major Shareholder</b> DPSB  <b>Interested Persons Connected</b> Persons connected with DTL and DPSB	-

## ADDITIONAL COMPLIANCE INFORMATION

cont'd

### 4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”) *cont'd*

Details of the RRPTs entered into by the Group during the financial year ended 31 December 2023 (“FYE 2023”) under the Mandate are as follows: *cont'd*

Legends:

DJC	: Dato’ Doh Jee Chai, brother of DTL
DJM	: Dato’ Doh Jee Ming, brother of DTL
DPSB	: Doh Properties Sdn Bhd [Registration No. 201401001661 (1077734-A)]
DTL	: Dato’ Doh Tee Leong
LHK	: Datin Lee Hong Kin, mother of DTL
LPB	: Lagenda Properties Berhad [Registration No. 200101000008 (535763-A)]
SBNHSB	: Sitiawan Bolts and Nuts Hardware Sdn Bhd [Registration No. 201601029967 (1200908-X)]
YWDSB	: Yik Wang Development Sdn Bhd [Registration No. 199601034866 (407218-M)]
YWTSB	: Yik Wang Trading Sdn Bhd [Registration No. 200401010109 (648612-V)]

Notes:

- (i) *YWTSB is a wholly-owned subsidiary of LPB.*
- (ii) *SBNHSB is a wholly-owned subsidiary of YWTSB.*
- (iii) *DTL, the Executive Director and Major Shareholder of Epicon, is also a director and major shareholder of YWDSB.*

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (“EPICON” or the “Company”) recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“Group”) to enhance shareholders’ value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance (“MCCG”).

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report (“CG Report”), based on a prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial year ended 31 December 2023 (“FYE 2023”). The CG Report is available on the Company’s website at [www.epicon.com.my](http://www.epicon.com.my), as well as via an announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement makes reference to the following three (3) principles of the MCCG: -

- (a) Board Leadership and Effectiveness;
- (b) Effective Audit and Risk Management; and
- (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1. Board and Board Committees

- 1.1 The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership, which includes practising a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the Board’s duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference which can be accessed via the Company’s website at [www.epicon.com.my](http://www.epicon.com.my):-

- a. Audit and Risk Management Committee (“ARMC”); and
- b. Remuneration and Nomination Committee (“RNC”).

Each Committee operates in accordance with clearly defined Terms of Reference. These Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their respective terms of reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval.

Apart from the responsibility of the Board Committees, the Senior Management is also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

- 1.2 The positions of the Chairman and Executive Director are held by two different individuals and each has a clearly accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers. The Chairman also does not sit in any of the Board Committees.

The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, whereas the Executive Director has overall responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. The Executive Director is also accountable to the Board for the overall organisation, management and staffing of the Company and/or the Group as well as the procedures in financial and other matters, including conduct and discipline.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART I – BOARD RESPONSIBILITIES *cont'd*

#### 1. Board and Board Committees *cont'd*

- 1.3 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn Bhd.

The Board is supported by two (2) Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. The new joint Secretary was appointed on 10 May 2023 for better management of the Company's secretarial and administrative duties. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by the relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2023, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of her duties and functions.

- 1.4 To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules. The notice of meetings and meeting materials of the Board and Board Committees are sent to the Directors via emails at least five (5) business days prior to the date of the meetings to ensure they have been given sufficient time to prepare for the meetings.

The deliberation and decision of matters discussed in the Board and Board Committees' meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The minutes of meetings are circulated to the respective Board and Board Committees for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

#### 2. Board Charter

- 2.1 The Board Charter sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regard to the respective roles and responsibilities of the Board, Board Committees, Chairman and Executive Director, as well as issues and decisions reserved for the Board, the Board's governance structure and Board's authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives current law and practices. The Board Charter is available on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART I – BOARD RESPONSIBILITIES *cont'd*

#### 3. Policies and Sustainability Governance

- 3.1 The Board has adopted a Code of Conduct which sets out the principles and standards of business conduct of the Group. The Code of Conduct is published on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

The Board will review the Code of Conduct regularly to ensure that it continues to remain relevant and appropriate.

- 3.2 The Board has adopted a Whistle Blowing Policy to provide an avenue for all employees of the Group and members of the public to disclose any improper conduct within the Group. The Whistle Blowing Policy is available on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

The Whistle Blowing Policy provides an avenue for its employees to raise genuine concerns or report any misconduct, alleged or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, safely and confidentially.

- 3.3 In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place an Anti-Bribery and Corruption Policy ("ABC Policy") to encourage a culture of integrity and transparency in all of the Group's activities. This policy adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to the MACC Act 2018. The ABC Policy generally sets out the responsibilities of the Company and all individuals who work for the Group in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption-related risks.

The ABC Policy will be reviewed at least once in every three (3) years to ensure that it continues to remain relevant and appropriate. The ABC Policy is published on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

- 3.4 In line with Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had adopted a Directors' Fit and Proper Policy which serves as a guide to the RNC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting ("AGM").

The Directors' Fit and Proper Policy shall be reviewed by the Board from time to time to ensure they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

The Board has also adopted a Nomination and Appointment of New Directors Process and Procedures to provide guidelines on the process for the nomination and appointment of new Directors to be undertaken by the RNC and the Board.

- 3.5 The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board recognises the importance of sustainable practices in creating long-term value for our stakeholders. We are committed to upholding high standards of ethics, integrity, and corporate responsibility, and we believe that sustainability is a core business strategy that is integral to our success. We actively address potential challenges and engage with stakeholders to understand their concerns. Our Sustainability Statement in this Annual Report details our strategies, targets, and performance, reflecting our exemplary corporate governance practices.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART II – BOARD COMPOSITION

#### 4. Board Composition

- 4.1 The composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is higher, are Independent Directors. The current composition of the Board is as follows:-

	Name	Designation
1.	Ahmed Azhar bin Abdullah ( <i>Re-designated on 31 May 2023</i> )	Independent Non-Executive Chairman
2.	Dato' Doh Tee Leong	Executive Director
3.	Koong Wai Seng	Independent Non-Executive Director
4.	Loh Pek Mee ( <i>Appointed on 31 May 2023</i> )	Independent Non-Executive Director
5.	Fahariah binti Abdul Wahab ( <i>Appointed on 31 May 2023</i> )	Independent Non-Executive Director

- 4.2 According to the Listing Requirements of Bursa Securities, the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years effective on or after 1 June 2023. Furthermore, if the Board intends to retain an Independent Non-Executive Director who has served the Board a cumulative term of more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting as recommended by the MCGG.

During the financial year under review, none of the Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by each Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

- 4.3 The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years as recommended by the MCGG. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company. Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.
- 4.4 The Board appoints its members via a formal and transparent selection process. The RNC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. In this respect, the role of the RNC is detailed in its Terms of Reference, which is accessible on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

The Board, through the RNC, reviews the correct mix of skills, business and professional experience that should be added to the Board annually or as and when required.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART II – BOARD COMPOSITION *cont'd*

#### 4. Board Composition *cont'd*

- 4.5 The Board has established and adopted a Gender Diversity Policy to provide a framework for the Company to improve its gender diversity at Board and senior management level.

The Board practises non-gender discrimination, endeavours to promote workplace diversity and supports the representation of women in the composition of Board and senior management positions of the Company.

The appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

- 4.6 The policies and procedures for the recruitment and appointment of Directors are guided by the Terms of Reference of the RNC.

The RNC leverages on various sources to gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the RNC also identifies potential candidates from external sources available, such as industry and professional associations, as well as independent search firms.

- 4.7 The RNC is chaired by Ms. Loh Pek Mee, an Independent Non-Executive Director of the Company. The RNC Chairperson has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The RNC comprises the following members, all being Independent Non-Executive Directors:-

Name	Designation
Loh Pek Mee, Chairperson (Appointed on 31 May 2023)	Independent Non-Executive Director
Koong Wai Seng, Member	Independent Non-Executive Director
Fahariah binti Abdul Wahab, Member (Appointed on 31 May 2023)	Independent Non-Executive Director

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART II – BOARD COMPOSITION *cont'd*

#### 4. Board Composition *cont'd*

##### 4.7 *cont'd*

The activities undertaken by the RNC during the FYE 2023 were as follows:-

- Carried out the assessment and rating of the performance of Independent Non-Executive Chairman against the criteria as set out in the annual assessment form, amongst others, attendance at Board or Committee meetings, key responsibilities of the Chairman, regular contribution to Board/Committee meetings, personal input to the role and other contributions to the Board or Committees as a whole.
- Carried out the assessment and rating of the performance of each Independent Non-Executive Director against the criteria as set out in the annual assessment form, amongst others, attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board/Committee meetings, personal input to the role and other contributions to the Board or Committees as a whole.
- Carried out the assessment and rating of the performance of the Executive Director against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen/ increasing shareholders' wealth, succession planning and personal input to the role.
- Assessed and evaluated the independence of the Independent Directors.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and assessed the proposed appointment of Ms. Loh Pek Mee and Pn. Fahariah binti Abdul Wahab as an Independent Non-Executive Director of the Company.
- Reviewed and assessed the proposed re-designation of En. Ahmed Azhar bin Abdullah from an Independent Non-Executive Director to the Independent Non-Executive Chairman.
- Reviewed and recommended to the Board for consideration, the remuneration package of all the Directors of the Company.

#### 5. Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the RNC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2023:-

- i. Performance of Executive Director;
- ii. Performance of Non-Executive Directors;
- iii. Independence of the Independent Directors;
- iv. Performance of the ARMC; and
- v. Effectiveness of the Board and Board Committee as a whole.

Based on the evaluations conducted in the FYE 2023, the RNC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART II – BOARD COMPOSITION *cont'd*

#### 5. Overall Effectiveness of the Board and Individual Directors *cont'd*

- 5.1 The Board has, through the RNC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2023:- *cont'd*

##### Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During FYE 2023, the Board met five (5) times where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's strategic, operational and financial performance.

The number of meetings held and attended by each member of the Board and the Board Committees during the FYE 2023 are as follows:-

Name of Directors (Designations)	Attendance		
	Board	ARMC	RNC
Ahmed Azhar bin Abdullah (Independent Non-Executive Chairman)	5/5	2/2 <sup>(1)</sup>	1/1 <sup>(1)</sup>
Dato' Doh Tee Leong (Executive Director)	5/5	N/A	N/A
Koong Wai Seng (Independent Non-Executive Director)	5/5	5/5	1/1
Loh Pek Mee (Independent Non-Executive Director) (Appointed on 31 May 2023)	3/3 <sup>(2)</sup>	3/3 <sup>(2)</sup>	N/A <sup>(4)</sup>
Fahariah binti Abdul Wahab (Independent Non-Executive Director) (Appointed on 31 May 2023)	3/3 <sup>(3)</sup>	3/3 <sup>(3)</sup>	N/A <sup>(4)</sup>

##### Notes:

- (1) En. Ahmed Azhar bin Abdullah resigned as the chairman from the ARMC and the member from the RNC on 31 May 2023.
- (2) Ms. Loh Pek Mee appointed as the Independent Non-Executive Director, member of the ARMC and chairperson of the RNC on 31 May 2023.
- (3) Pn. Fahariah binti Abdul Wahab appointed as the Independent Non-Executive Director and member of the ARMC and RNC on 31 May 2023.
- (4) No meeting was held after 23 February 2023.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART II – BOARD COMPOSITION *cont'd*

#### 5. Overall Effectiveness of the Board and Individual Directors *cont'd*

- 5.1 The Board has, through the RNC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2023:- *cont'd*

##### Directors' Training

During the FY2023, all Directors had attended the following training programmes, seminars and/or conferences in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:-

Name of Directors	Training attended
Ahmed Azhar bin Abdullah	<ul style="list-style-type: none"> <li>2023 Malaysia Budget Webinar</li> <li>MIA webinar "Fraud Risk Management: Tools &amp; Technique"</li> <li>Key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest, and other amendments</li> <li>Epicon Berhad's ESG Briefing to Board of Directors and Senior Managers</li> <li>Board Oversight of Climate Risks and Opportunities</li> <li>The Securities Commission Malaysia's (SC) Audit Oversight Board (AOB)</li> </ul>
Dato' Doh Tee Leong	<ul style="list-style-type: none"> <li>Key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest, and other amendments</li> </ul>
Koong Wai Seng	<ul style="list-style-type: none"> <li>Key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest, and other amendments</li> </ul>
Loh Pek Mee	<ul style="list-style-type: none"> <li>Key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest, and other amendments</li> <li>Mandatory Accreditation Programme (MAP)</li> <li>Management Cyber Risk by Ernst &amp; Young</li> </ul>
Fahariah binti Abdul Wahab	<ul style="list-style-type: none"> <li>Key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest, and other amendments</li> <li>Mandatory Accreditation Programme (MAP)</li> </ul>

The Board will regularly assess and address the training needs of each Director, ensuring they stay informed about the state of the economy, technological advancements, regulatory updates, management strategies, and other aspects of the business environment. This will enhance the skills and knowledge of the Board, enabling them to better fulfill their responsibilities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART III – REMUNERATION

#### 6. Remuneration Policy

- 6.1 The Board had adopted a formal and transparent Remuneration Policy that sets out the principles and guidelines for the Board and the RNC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is available for reference on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

- 6.2 The Board, assisted by the RNC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RNC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The RNC has a detailed Terms of Reference in writing which is accessible on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

#### 7. Remuneration of Directors and Senior Management

- 7.1 The remuneration of each Director of the Company and the Group for the FYE 2023 is as follows:-

##### The Company

Name of Directors	Fees RM	Meeting Allowance RM	Salary RM	Bonus RM	Benefits-in- Kind RM	Other emoluments* RM	Total RM
Ahmed Azhar bin Abdullah (Re-designated on 31 May 2023)	67,000	6,000	-	-	-	-	73,000
Dato' Doh Tee Leong	-	-	180,000	-	-	33,559	213,559
Koong Wai Seng	67,000	7,500	-	-	-	-	74,500
Loh Pek Mee (Appointed on 31 May 2023)	35,000	4,500	-	-	-	-	39,500
Fahariah binti Abdul Wahab (Appointed on 31 May 2023)	35,000	4,500	-	-	-	-	39,500
Datuk Sulaiman bin Daud (Retired on 30 May 2023)	40,000	2,000	-	-	-	5,000	47,000
Muhammad Adib bin Ariffin (Resigned on 31 May 2023)	25,000	3,000	-	-	-	5,000	33,000
<b>TOTAL</b>	<b>269,000</b>	<b>27,500</b>	<b>180,000</b>	<b>-</b>	<b>-</b>	<b>43,559</b>	<b>520,059</b>

\* Other emoluments include the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS) and token of appreciation for retired and resigned director.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

cont'd

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS** cont'd**PART III – REMUNERATION** cont'd**7. Remuneration of Directors and Senior Management** cont'd

7.1 The remuneration of each Director of the Company and the Group for the FYE 2023 is as follows:- cont'd

**The Group**

<b>Name of Directors</b>	<b>Fees RM</b>	<b>Meeting Allowance RM</b>	<b>Salary RM</b>	<b>Bonus RM</b>	<b>Benefits-in- Kind RM</b>	<b>Other emoluments* RM</b>	<b>Total RM</b>
Ahmed Azhar bin Abdullah (Re-designated on 31 May 2023)	67,000	6,000	-	-	-	-	73,000
Dato' Doh Tee Leong	-	-	180,000	-	-	33,559	213,559
Koong Wai Seng	67,000	7,500	-	-	-	-	74,500
Loh Pek Mee (Appointed on 31 May 2023)	35,000	4,500	-	-	-	-	39,500
Fahariah binti Abdul Wahab (Appointed on 31 May 2023)	35,000	4,500	-	-	-	-	39,500
Datuk Sulaiman bin Daud (Retired on 30 May 2023)	40,000	2,000	-	-	-	5,000	47,000
Muhammad Adib bin Ariffin (Resigned on 31 May 2023)	25,000	3,000	-	-	-	5,000	33,000
<b>TOTAL</b>	<b>269,000</b>	<b>27,500</b>	<b>180,000</b>	<b>-</b>	<b>-</b>	<b>43,559</b>	<b>520,059</b>

The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### PART III – REMUNERATION *cont'd*

#### 7. Remuneration of Directors and Senior Management *cont'd*

- 7.2 The Board is of the view that the disclosure of the Key Senior Management’s remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company’s human resource management due to the competitive nature of talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Key Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM100,000.00 for the Key Senior Management.

Alternatively, the Board is of the view that the disclosure of Key Senior Management’s aggregated remuneration on an unnamed basis in the bands of RM100,000.00 in this Annual Report is adequate.

The aggregate remuneration of the Senior Management of the Group for the FYE 2023 is as follows:-

Range of Remuneration	Group No. of Senior Management
RM100,001 to RM200,000	1
RM200,001 to RM300,000	2
RM300,001 to RM400,000	-
RM400,001 to RM500,000	-
RM500,001 to RM600,000	1

## PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART I – ARMC

#### 8. Effective and Independent ARMC

- 8.1 The positions of Chairman of the Board and Chairman of the ARMC are held by two (2) different persons. The Chairman of the Board is En. Ahmed Azhar bin Abdullah, an Independent Non-Executive Chairman, while the Chairman of the ARMC is Mr. Koong Wai Seng, is also an Independent Non-Executive Director. This separation is to ensure that the Board’s review of the ARMC’s findings and recommendations are not impaired.

The separation had been set out clearly in the Terms of Reference of the ARMC which is accessible on the Company’s website at [www.epicon.com.my](http://www.epicon.com.my).

- 8.2 Currently, none of the members of the ARMC and Board was a former key audit partner of the present auditors of the Group.

The ARMC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The policy had been codified in the Terms of Reference of ARMC of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

### PART I – ARMC *cont'd*

#### 8. Effective and Independent ARMC *cont'd*

- 8.3 The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the suitability, objectivity and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC carried out an annual performance assessment of the External Auditors and requested the Executive Director and Chief Financial Officer to join the assessment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

- 8.4 The ARMC comprises solely of the following Independent Non-Executive Directors:-

- (a) Koong Wai Seng (Chairman);
- (b) Loh Pek Mee (Member) (*Appointed on 31 May 2023*); and
- (c) Fahariah binti Abdul Wahab (Member) (*Appointed on 31 May 2023*).

- 8.5 The Chairman and the ARMC members are financially literate and can understand the Group's business and matters under the purview of the ARMC including the financial reporting process.

The RNC would also review the terms of office and performance of the ARMC members to determine whether they have carried out their duties in accordance with their Terms of Reference.

The ARMC members will continuously keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.

## PART II - RISK MANAGEMENT AND INTERNAL CONTROL

### 9. Risk Management and Internal Control Framework

- 9.1 The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and the need to review its effectiveness regularly. Risk management and internal control are embedded in various work processes and procedures of the respective operational functions and Management team.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

### PART II - RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

#### 9. Risk Management and Internal Control Framework *cont'd*

9.2 The ARMC is assisted by the Management as well as the outsourced Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatments were in place to mitigate the risks that could be affecting the achievement of the Group's business objectives. The Internal Auditors report directly to the ARMC and the internal audit plan was tabled to the ARMC for review to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

The scope and function of the ARMC are set out in the Terms of Reference which is available on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

9.3 The internal audit function is outsourced to an independent professional service firm that assists the ARMC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the ARMC.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

The internal audit functions and activities carried out during the FYE 2023 are as disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

9.4 The internal audit function of the Group is outsourced to Talent League Sdn Bhd ("Talent League"). The engagement team from Talent League is free from any relationship or conflict of interest, which could impair their objectivity and independence.

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

### PART I – ENGAGEMENT WITH STAKEHOLDERS

#### 10. Continuous Communication between the Company and Stakeholders

10.1 The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy had been adopted. A copy of the policy is published on the Company's website at [www.epicon.com.my](http://www.epicon.com.my).

The quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website at [www.epicon.com.my](http://www.epicon.com.my) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

### PART II – CONDUCT OF GENERAL MEETINGS

#### 11. Shareholders' Participation at General Meetings

##### 11.1 Conduct of General Meetings

The Board ensures that the Notice of the AGM is sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of the MCCG, the notice convening the Nineteenth AGM ("19<sup>th</sup> AGM") of the Company held on 30 May 2023 was issued to shareholders on 28 April 2023 which is more than 28 days before the date of the 19<sup>th</sup> AGM, which gave the shareholders sufficient time to prepare themselves to attend the 19<sup>th</sup> AGM or to appoint a proxy to attend and vote on their behalf.

All resolutions set out in the Notice of 19<sup>th</sup> AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

##### 11.2 Effective Communication and Proactive Engagement

All Directors had attended the 19<sup>th</sup> AGM and the Extraordinary General Meetings held on 13 July 2023 respectively ("EGMs") to be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group at the 19<sup>th</sup> AGM and the EGMs. The External Auditors also attended the 19<sup>th</sup> AGM and assisted the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to properly and systematically.

The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the 19<sup>th</sup> AGM and EGMs for each resolution. The summary of the key matters discussed at the 19<sup>th</sup> AGM and the Minutes of the 19<sup>th</sup> AGM were also published on the Company's website for the shareholders' information.

### STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

in the Preparation of Financial Statements

The Board of Directors of the Company is required by the Companies Act 2016 ("CA 2016") to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") at the end of the financial year and of the financial performance of the Group for the financial year then ended.

In preparing the financial Statements for the financial year ended 31 December 2023, the Directors have:-

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensure applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Group maintain accounting records that disclose with reasonable accuracy, the financial position of the Group, and which enable them to ensure that the financial statements comply with the CA 2016.

The Directors have general responsibilities for taking such steps that the appropriate systems are reasonably available to safeguard the assets of the Group, to prevent and detect fraud and other irregularities and material misstatements.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### A. OBJECTIVES

The primary objective of the Audit and Risk Management Committee (“ARMC”) is to assist the Board of Directors (“the Board”) of Epicon Berhad (formerly known as Konsortium Transnasional Berhad) (“EPICON” or “the Company”) in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

### B. COMPOSITION OF THE ARMC

The ARMC comprises the following members, all being Independent Non-Executive Directors:

ARMC Members	Designation	Directorship
Mr. Koong Wai Seng	Chairman	Independent Non-Executive Director
Ms. Loh Pek Mee (Appointed on 31 May 2023)	Member	Independent Non-Executive Director
Pn. Fahariah binti Abdul Wahab (Appointed on 31 May 2023)	Member	Independent Non-Executive Director

The above composition complies with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The authorities and duties of the ARMC are clearly governed by its Terms of Reference which is available on the Company’s website at [www.epicon.com.my](http://www.epicon.com.my).

### C. ATTENDANCE AT MEETINGS

During the financial year under review, the ARMC convened five (5) meetings and the details of attendance of each of the ARMC members to the meetings are as follows:-

ARMC Members	Attendance
Mr. Koong Wai Seng, Chairman	5/5
Ms. Loh Pek Mee, Member (Appointed on 31 May 2023)	3/3
Pn. Fahariah binti Abdul Wahab, Member (Appointed on 31 May 2023)	3/3
En. Ahmed Azhar bin Abdullah, Chairman (Resigned on 31 May 2023)	2/2
En. Muhammad Adib bin Ariffin, Member (Resigned on 31 May 2023)	2/2

The Committee may request the presence of external auditors and/or internal auditors at its meetings if deemed necessary. Additionally, other members of the Board and officers of the Group may attend specific meetings upon invitation from the Committee, based on the relevance of the matters being discussed.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

## D. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FYE 2023”)

The summary of the activities undertaken by the ARMC during FYE 2023, amongst others, included the following:-

- a) Reviewed the unaudited quarterly financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group’s results to Bursa Securities.
- b) Reviewed with the external auditors, the audit plan and scope of the statutory audit of the Group’s financial statements before the audit commenced to ensure that the scope of the external audit is comprehensive.
- c) Reviewed with the external auditors on the results and issues arising from their audit of the financial year end statements and their resolutions of such issues highlighted in their report to the ARMC.
- d) Met with the external auditors once during the ARMC Meeting held on 23 February 2023 without the presence of the Executive Directors and management to discuss any issues arising from the annual audit or any other matters the external auditors may wish to discuss.
- e) Considered and recommended the re-appointment of Moore Stephens Associates PLT as the external auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by them during their audit for the financial year ended.
- f) Reviewed and discussed with the internal auditors, the internal audit plan and internal audit report and considered the findings of internal audit and management responses thereon and ensured that appropriate actions were taken on the recommendations raised by the internal auditors.
- g) Reviewed the related party transactions and/or recurrent related party transactions that transpired during the financial year under review to ensure that the transactions entered were at arm’s length.
- h) Reviewed the Corporate Governance Overview Statement, Sustainability Statement, ARMC Report, Additional Compliance Information and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Annual Report.
- i) Reviewed the Corporate Governance Report before recommending it to the Board for approval.
- j) Reviewed the draft circular on the proposed new and renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature before recommending it to the Board for approval.
- k) Reviewed and recommended the Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2022 to the Board for approval.
- l) Reviewed and considered the Circular to Shareholders of the Company in relation to the following proposals:-
  - i. Proposed disposal by EPICON of the entire equity interest in its wholly owned subsidiary, Park May Berhad to Nadicorp Holdings Sdn Bhd for a cash consideration of RM1.00;
  - ii. Proposed reduction of the issued share capital of EPICON pursuant to Section 116 of the Companies Act 2016; and
  - iii. Proposed private placement of 125,000,000 new ordinary shares in EPICON, representing approximately 26.61% of the existing number of issued shares of EPICON at an issue price of RM0.16 per placement share.
- m) Reviewed and recommended to the Board for adoption of updated Conflict of Interest Policy and Terms of Reference of ARMC.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

### D. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FYE 2023") *cont'd*

- n) Self-appraised the performance of the ARMC for FYE 2023 and submitted the evaluation form to the Remuneration and Nomination Committee for assessment.
- o) Evaluated the performance of the external and internal auditors for FYE 2023.

### E. INTERNAL AUDIT FUNCTION

The Company has engaged a professional internal audit service provider as the Company's internal auditors to support the ARMC in discharging its duties and responsibilities. The internal auditors' role is to undertake independent, regular and systematic reviews of the systems of internal controls, to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures.

During the FYE 2023, the internal auditors conducted various audits on the operations, management and financial systems of the Group. The results of the internal audit reviews and the recommendations for improvement are presented to the ARMC for deliberation. The reports on the audits, weaknesses identified together with suggested recommendations for improvements to management's implementation, were presented to the ARMC at the ARMC meetings.

The summary of the works of the internal audit function is disclosed in the Statement on Risk Management and Internal Control.

The total cost incurred for the internal audit function of the Group for FYE 2023 was RM24,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) acknowledges that the Company and its subsidiaries (“the Group”) cannot achieve its objectives and sustain its success without effective governance, risk management and internal control processes. Effective governance, risk management and internal control processes will guide the Group to achieve a proper balance between the risks incurred and potential returns to shareholders in accordance with the Group’s acceptable risk appetite.

The Board is pleased to provide the following Statement on Risk Management and Internal Control (“Statement”) of the Group for the financial year ended 31 December 2023 (“FYE 2023”). This has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code on Corporate Governance (“MCCG”) and “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”.

## BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders’ interest and the Group’s assets are safeguarded.

The system of risk management and internal controls not only covers the financial aspect of the Group, but also the operational and compliance aspect of the Group. Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Board is designed to manage rather than eliminate risks that may impede the achievement of the Group’s corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

## RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial period under review enable the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group objective.

Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective head of department and they have delegated the responsibilities to identify and manage these risks within defined parameters and standards.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. As part of our Risk Management process, a Risk Management Policy and Risk Register were adopted. The Risk Register is maintained to identify principal business risks and key risk areas, their impact, the likelihood of occurrence, risk owner and risk control actions. The Risk Management Policy summarises risk management methodology, approach, processes, roles and responsibilities. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## INTERNAL AUDIT FUNCTION

During the FYE 2023, the internal audit function was outsourced to Talent League Sdn Bhd (“the Internal Auditors”), a third-party professional internal audit service firm which is independent of the operations and activities of the Group. The Internal Auditors are also independent of the Board and management, and report directly to the ARMC. In discharging its obligations and duties pursuant to its appointment, the Internal Auditors undertake rigorous, objective, independent and systematic reviews of the systems of internal control. Following the assessment, the Internal Auditors provide a reasonable and continuous assurance on the satisfactory operations and effectiveness of the Group’s system of internal controls. The purpose of the comprehensive process is to identify existing shortcomings and potential pitfalls which would eventually be brought to the attention of the Board and rectification measures would be proposed and recommended.

The Internal Auditors submit their reports and findings to the ARMC at least once a year at the ARMC Meeting. Issues arising thereto and shortfalls in internal controls are reviewed, deliberated at length by the ARMC for remedial action. Where necessary, affirmative steps and measures will be introduced and initiated to address, mitigate, manage and arrest identified risks. Current internal control measures will also be further strengthened with compensating controls and appropriate check and balance mechanism, if required. Internal audit schedule and timetable for subsequent periods are tabled at the ARMC Meeting, outlining the entities which will be subjected to the next internal audit exercise and the framework of the internal audit plan. Core internal audit scope and critical areas are also emphasised while internal audit issues highlighted in the preceding internal audit reports together with the progress and updates of the corresponding follow up works are also considered at length.

During the FYE 2023, the Internal Auditors had carried out two (2) internal audit review:-

Audit Period	Reporting Month	Name of Entity Audited	Audited Area
November 2022 to April 2023	August 2023	• Transnational Builder Sdn Bhd	Financial Reporting and Claim Management
January 2023 to November 2023	February 2024	• Transnational Builder Sdn Bhd	Project Management

## INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Group’s Key Senior Management team receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board’s attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group’s policies.

The internal control matters are reviewed and the Board is updated on the significant control gaps, if any, for the Board’s attention and action. Issues relating to the business operations are also highlighted to the Board’s attention during the Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

The key elements of the internal control system established by the Board to provide effective governance and oversight of internal control include:

### (a) Organisation Structure

The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board and Board Committees are all governed by clearly defined terms of reference.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## INTERNAL CONTROL *cont'd*

### (b) Limits of Authority

The Group has defined limits of authority which outlines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with changes in the organisation.

### (c) Standard Operating Policies and Procedures (“SOPs”)

Elements of internal control have been embedded and documented in the SOPs which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in the SOPs.

### (d) Talent Management

The professionalism and competency of staff are enhanced through training and development programmes. On-the-job training programmes are made available to the employees to ensure that they are constantly kept up-to-date with the constantly technological changing environment and competent in carrying out their duties and responsibilities.

### (e) Board Committees

The Board has established various board committees to assist in discharging its duties. These include the ARMC and Remuneration and Nomination Committee, these Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

### (f) Anti-Bribery and Corruption Policy & Procedures

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an Anti-Bribery and Corruption Policy which prohibit all forms of bribery and corruption practices. All employees are to read and understand the said policy and to take an assessment test. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's Anti-Bribery and Corruption Policy. The said policy is also made available on the Company's website.

### (g) Whistle Blowing Policy

The Group has put in place a Whistle Blowing Policy which provides an avenue for its employees and members of the public to report and disclose any improper or illegal activities within the Group. The Whistle Blowing Policy is made available on the Company's website.

### (h) Safety and Health Management

The Group has been emphasising the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in all factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants (MIA).

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

## CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

# Financial **STATEMENTS**

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## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### CHANGE OF NAME

On 13 July 2023, the Company changed its name from Konsortium Transnasional Berhad to Epicon Berhad.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 12 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'000	Company RM'000
Continuing operations	4,357	31,576
Discontinued operations	63,856	-
Net profit for the financial year	68,213	31,576

### 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.

### RESERVES AND PROVISIONS

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

### ISSUANCE OF SHARES OR DEBENTURES

#### Ordinary shares

During the financial year, the Company has reduced its issued ordinary shares from RM54,491,000 to RM25,341,000 by way of the following: -

- Cancellation of the issued ordinary share capital of RM49,042,000 through court confirmation procedure pursuant to Section 116 of Companies Act 2016 and that the credit arising from such share capital reduction is to be utilised to set off the accumulated losses of the Company; and
- 125,000,000 new ordinary shares through private placement at an issue price of RM0.16 per share for working capital purpose and net off with incurred placement fee of RM108,300.

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

# DIRECTORS' REPORT

cont'd

## ISSUANCE OF SHARES OR DEBENTURES *cont'd*

### Redeemable convertible preference shares ("RCPS")

As at 31 December 2023, the total number of RCPS remain unconverted amounted to 233,000,000.

The Company has not issued any debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS OF THE COMPANY

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

Dato' Doh Tee Leong *	
Ahmed Azhar bin Abdullah	
Koong Wai Seng	
Fahariah binti Abdul Wahab	Appointed on 31 May 2023
Loh Pek Mee	Appointed on 31 May 2023
Datuk Sulaiman bin Daud	Retired on 30 May 2023
Muhammad Adib bin Ariffin	Resigned on 31 May 2023

\* *This Director is also Director of subsidiaries included in the financial statements of the Group for the financial year.*

## DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

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

Lim See Hui	
Choo Li Sheng	
Abdul Rashid bin Ahmad *	
Goh Siak Ngak *	
Mohd Azlan Tambi Husen *	
Muhammad Imran bin Mohd Nadzmi *	
Noor Aliza binti Ghazali *	
Ramlan bin Tarmon *	
Rosli bin Md Dali *	
Mohd Kamal bin Muda	Appointed on 6 November 2023
Ibrahim Aiman bin Mohd Nadzmi *	Resigned on 6 November 2023
Omar Fakhruddin bin Mohd Nadzmi *	Resigned on 6 November 2023

\* *Ceased on 24 August 2023 upon completion of disposal of Park May Berhad and its subsidiaries.*

# DIRECTORS' REPORT

cont'd

## DIRECTORS' INTERESTS

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

	← Number of Ordinary Shares →			
	At 01.01.2023 Unit	Bought Unit	Sold Unit	At 31.12.2023 Unit
<b>Name of Directors</b>				
<i>The Company</i>				
Direct interest:				
- Dato' Doh Tee Leong	10,212,700	-	-	10,212,700
Indirect interest:				
- Dato' Doh Tee Leong *	67,000,000	-	-	67,000,000

	Number of Redeemable Convertible Preference Shares			
	At 01.01.2023 Unit	Allotment Unit	Conversion Unit	At 31.12.2023 Unit
<b>Name of Directors</b>				
<i>The Company</i>				
Indirect interest:				
- Dato' Doh Tee Leong *	233,000,000	-	-	233,000,000

\* Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Doh Properties Sdn. Bhd.

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' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money 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'000
Fees	269
Salaries and other emoluments	218
Contribution to defined contribution plan	32
Others	1
<b>Total fees and other benefits</b>	<b>520</b>

# DIRECTORS' REPORT

cont'd

## DIRECTORS' REMUNERATION AND BENEFITS *cont'd*

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 5(i) 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, other than as disclosed in Note 26 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 provision need not be 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 inadequate to any substantial extent or necessitate the making of provision for doubtful debts;
  - (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 the report or financial statements which would render any amount stated in the financial statements misleading.
- (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 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.

## DIRECTORS' REPORT

cont'd

### OTHER STATUTORY INFORMATION *cont'd*

- (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 5 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 Group and of the Company.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 31 to the financial statements.

### EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of events subsequent to the end of 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 19 April 2024.

**DATO' DOH TEE LEONG**

**AHMED AZHAR BIN ABDULLAH**

## 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 81 to 153 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 19 April 2024.

**DATO' DOH TEE LEONG**

**AHMED AZHAR BIN ABDULLAH**

## STATUTORY DECLARATION

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

I, LIM SEE HUI (MIA No: 43983), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 81 to 153 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 19 April 2024

**LIM SEE HUI**

Before me,

**Mohamad Zuliswandi bin Mohamed (W1006)**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

to the Members of Epicon Berhad  
(Formerly known as Konsortium Transnasional Berhad)  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Epicon Berhad (formerly known as Konsortium Transnasional Berhad), which comprise the statements of financial position as at 31 December 2023 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 81 to 153.

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

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Construction revenue recognition**

The consolidated financial statements as at 31 December 2023 include revenue from construction activity recognised of RM128,066,000 as disclosed in Note 3 to the financial statements.

Construction contract revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e.: by reference to the construction costs incurred to date as a percentage of the estimated total costs of construction of the project).

Judgement is required in determining the progress of construction towards the complete satisfaction of the performance obligation, which includes relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-to-cost input method computations and the amount of revenue and corresponding profit recognised during the financial year.

We focused on this area because of the magnitude of the construction revenue recognised by the Group from these activities, which are based on significant estimates and judgements.

# INDEPENDENT AUDITORS' REPORT

to the Members of Epicon Berhad  
(Formerly known as Konsortium Transnasional Berhad)  
(Incorporated in Malaysia)  
cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### Key Audit Matters *cont'd*

#### Construction revenue recognition *cont'd*

##### ***Our audit performed and responses thereon***

In addressing the matters above, we have performed the following audit procedures to assess the construction contract revenue recognition: -

- Tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to date;
- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;
- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total construction costs with the verified and certified customers' project progress report;
- Performed reasonableness test on accrued contractor costs to be incurred by the Group of which invoice/progress claim has yet to be received;
- Assessed the accuracy of the calculation of percentage of completion and the consequent recognition of construction revenue; and
- Checked to variation order obtained from respective customers to substantial the revised construction contract sum; and
- Performed site-visits for individually significant on-going projects to arrive at an overall assessment towards stage of completion.

#### Disposal of discontinued operations

As disclosed in Note 7 and 31(i) to the financial statements, the Group has completed its disposal of discontinued operations (i.e., Park May Berhad and its subsidiaries, collectively known as "PMB Group") as part of the regularisation plan and resulted in a net gain of RM18,627,000. As part of the terms of the disposal, the Group has been granted by PMB Group to waive the net amount due to PMB Group amounting to an aggregate of RM51,456,000.

We focused on this area because these transactions have a significant impact on the consolidated financial statements where significant time and effort was spent during our review of the deconsolidation procedures impacting the Group. The determination of the result from the disposal of discontinued operations has to take into consideration previous transactions in equity and permanent consolidated adjustments.

##### ***Our audit performed and responses thereon***

In addressing the matters above, we have performed the following audit procedures to assess the effect of disposal of discontinued operations: -

- Reviewed and inspected the share sale agreement between the Company and the acquiring party of the discontinued operations;
- Reviewed and assessed the deconsolidation entries and comparing them to applicable accounting standards;
- Verified that the result from the disposal of discontinued operations has been appropriately calculated, taking into consideration the previous transactions in equity and permanent consolidated adjustments;

# INDEPENDENT AUDITORS' REPORT

to the Members of Epicon Berhad  
(Formerly known as Konsortium Transnasional Berhad)  
(Incorporated in Malaysia)  
cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### Disposal of discontinued operations *cont'd*

#### ***Our audit performed and responses thereon*** *cont'd*

- Reviewed the effects of the disposals on the elements of the financial statements and assessing the appropriateness of the notes on the discontinued operations; and
- Reviewed the limited review report of PMB Group as at 31 August 2023 (being the disposal cut-off date) performed by the auditors of PMB Group.

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

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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 that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

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

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

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

# INDEPENDENT AUDITORS' REPORT

to the Members of Epicon Berhad  
(Formerly known as Konsortium Transnasional Berhad)  
(Incorporated in Malaysia)  
cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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 and 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 and 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

## INDEPENDENT AUDITORS' REPORT

to the Members of Epicon Berhad  
(Formerly known as Konsortium Transnasional Berhad)  
(Incorporated in Malaysia)  
cont'd

### OTHER MATTERS

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The comparative figures were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements on 14 April 2023.

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

Petaling Jaya, Selangor  
Date: 19 April 2024

**STEPHEN WAN YENG LEONG**  
02963/07/2025 J  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>					
Revenue	3	150,152	75,666	-	-
Cost of sales	4	(124,646)	(57,215)	-	-
<b>Gross profit</b>		<b>25,506</b>	18,451	-	-
Other income		828	351	85,684	236
Administrative expenses		(8,707)	(5,696)	(4,355)	(2,830)
Other expenses		(8,227)	(28)	(49,742)	(26)
<b>Profit/(Loss) from operations</b>		<b>9,400</b>	13,078	<b>31,587</b>	(2,620)
Finance costs	5	(123)	(43)	(11)	(6)
<b>Profit/(Loss) before tax</b>	5	<b>9,277</b>	13,035	<b>31,576</b>	(2,626)
Income tax expense	6	(4,920)	(3,433)	-	-
<b>Profit/(Loss) for the financial year from continuing operations</b>		<b>4,357</b>	9,602	<b>31,576</b>	(2,626)
<b>Discontinued operations</b>					
Profit/(Loss) for the financial year from discontinued operations, net of tax	7	63,856	(20,817)	-	-
<b>Profit/(Loss) for the financial year</b>		<b>68,213</b>	(11,215)	<b>31,576</b>	(2,626)
<b>Other comprehensive income, net of tax</b>					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Net changes in fair value of other investments		-	(4)	-	-
<b>Total comprehensive income for the financial year</b>		<b>68,213</b>	(11,219)	<b>31,576</b>	(2,626)
<b>Earnings/(Loss) per ordinary share attributable to Owners of the Company (Sen):</b>					
Basic	8				
- from continuing operations		0.84	2.04		
- from discontinued operations		12.39	(4.43)		
		13.23	(2.39)		
Diluted	8				
- from continuing operations		0.58	1.37		
- from discontinued operations		8.53	(2.96)		
		9.11	(1.59)		

\* The comparative statements of comprehensive income have been re-presented to show the discontinued operation separately from continuing operations.

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

	Note	Group		Company	
		2023	Restated 2022	2023	Restated 2022
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	2,311	25,074	526	553
Investment properties	10	-	-	-	-
Other investments	11	-	69	-	-
Investments in subsidiaries	12	-	-	1,085	750
		<b>2,311</b>	<b>25,143</b>	<b>1,611</b>	<b>1,303</b>
<b>Current assets</b>					
Trade receivables	13	68,916	28,506	-	-
Other receivables	14	8,403	885	31,102	3,373
Contract assets	15	936	705	-	-
Tax recoverable		-	93	-	-
Cash and cash equivalents	16	57,554	22,569	5,497	10,900
		<b>135,809</b>	<b>52,758</b>	<b>36,599</b>	<b>14,273</b>
<b>TOTAL ASSETS</b>		<b>138,120</b>	<b>77,901</b>	<b>38,210</b>	<b>15,576</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Ordinary shares	17	25,341	54,491	25,341	54,491
Redeemable convertible preference shares ("RCPS")	18	23,300	23,300	23,300	23,300
Reserves	19	-	(29,523)	-	-
Retained earnings/(Accumulated losses)		17,444	(99,811)	(11,281)	(91,899)
Equity attributable to Owners of the Company		66,085	(51,543)	37,360	(14,108)
Non-controlling interests		-	2,196	-	-
<b>Total equity</b>		<b>66,085</b>	<b>(49,347)</b>	<b>37,360</b>	<b>(14,108)</b>

**STATEMENTS OF FINANCIAL POSITION**as at 31 December 2023  
cont'd

	Note	Group		Company	
		Restated		Restated	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	20	43	4,461	-	-
Other payables	21	-	14,115	-	-
Provision of retirement benefit	22	-	1,328	-	-
Lease liabilities	23	827	233	162	204
		870	20,137	162	204
<b>Current liabilities</b>					
Trade payables	24	36,192	20,520	-	-
Other payables	21	15,149	78,194	647	29,441
Provision of retirement benefit	22	-	351	-	-
Contract liabilities	15	4,539	-	-	-
Borrowings	25	13,610	7,000	-	-
Lease liabilities	23	242	48	41	39
Tax payable		1,433	998	-	-
		71,165	107,111	688	29,480
<b>Total liabilities</b>		<b>72,035</b>	<b>127,248</b>	<b>850</b>	<b>29,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>138,120</b>	<b>77,901</b>	<b>38,210</b>	<b>15,576</b>

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

# STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2023

	Attributable to Owners of the Company		Non-distributable		Attributable to Owners of the Company		Total equity
	Share capital	Redeemable convertible preference share ("RCPS")	Capital reserve	Merger deficit	Currency exchange reserve	Distributable retained earnings/ (Accumulated losses)	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group 2023</b>							
<b>At 1 January 2023</b>	54,491	23,300	23,563	(52,991)	(95)	(99,811)	2,196
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	-	-	68,213	-
<b>Transactions with Owners of the Company</b>							
Issuance of shares pursuant to private placement	17	19,892	-	-	-	-	-
Share capital reduction	17	(49,042)	-	-	-	49,042	-
Disposal of discontinued operations	7	-	(23,563)	52,991	95	-	(2,196)
<b>At 31 December 2023</b>	25,341	23,300	-	-	-	17,444	-
<b>Group 2022</b>							
<b>At 1 January 2022</b>	54,491	23,300	23,563	(52,991)	(95)	(88,592)	2,196
Loss for the financial year	-	-	-	-	-	(11,215)	-
<b>Other comprehensive income, net of tax</b>							
Net changes in fair value of other investments	-	-	-	-	-	(4)	-
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	(11,219)	-
<b>At 31 December 2022</b>	54,491	23,300	23,563	(52,991)	(95)	(99,811)	2,196

## STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2023  
cont'd

	Note	Share capital RM'000	Redeemable convertible preference share ("RCPS") RM'000	Accumulated Losses RM'000	Total equity RM'000
<b>Company</b>					
<b>2023</b>					
<b>At 1 January 2023</b>		<b>54,491</b>	<b>23,300</b>	<b>(91,899)</b>	<b>(14,108)</b>
Profit net of tax, representing total comprehensive income for the financial year		-	-	31,576	31,576
<b>Transactions with Owners of the Company</b>					
Issuance of shares pursuant to private placement	17	19,892	-	-	19,892
Share capital reduction	17	(49,042)	-	49,042	-
<b>At 31 December 2023</b>		<b>25,341</b>	<b>23,300</b>	<b>(11,281)</b>	<b>37,360</b>
<b>2022</b>					
<b>At 1 January 2022</b>		<b>54,491</b>	<b>23,300</b>	<b>(89,273)</b>	<b>(11,482)</b>
Loss net of tax, representing total comprehensive income for the financial year		-	-	(2,626)	(2,626)
<b>At 31 December 2022</b>		<b>54,491</b>	<b>23,300</b>	<b>(91,899)</b>	<b>(14,108)</b>

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

## STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax from:					
- continuing operations		9,277	13,035	31,576	(2,626)
- discontinued operations	7	63,856	(20,762)	-	-
		<b>73,133</b>	<b>(7,727)</b>	<b>31,576</b>	<b>(2,626)</b>
<i>Adjustments for: -</i>					
Depreciation of property, plant and equipment		5,656	9,466	76	25
Impairment losses on: -					
- Property, plant and equipment		7,811	2,726	-	-
- amounts due from related parties		-	362	-	-
- Investments in subsidiaries		-	-	49,665	-
(Gain)/Loss on disposal of: -					
- investment properties		(400)	-	-	-
- property, plant and equipment		(484)	10,809	-	-
- discontinued operations	7	(18,627)	-	-	-
Reversal of impairment loss from: -					
- other receivables		-	(107)	-	-
- amounts due from related parties		-	-	(85,375)	-
Reversal of provision for retirement benefits		-	(71)	-	-
Interest expenses		384	366	11	6
Interest income		(460)	(312)	(309)	(158)
Written off on property, plant and equipment		193	1	-	1
Waiver of debts		(45,506)	-	-	-
<b>Operating profit/(loss) before working capital changes</b>		<b>21,700</b>	<b>15,513</b>	<b>(4,356)</b>	<b>(2,752)</b>
<b>Changes in working capital:</b>					
Receivables		(53,601)	(17,214)	27,180	4,712
Payables		34,514	6,116	(28,792)	(1,274)
Contract assets		(231)	3,061	-	-
Contract liabilities		4,539	-	-	-
<b>Cash generated from/(used in) operations</b>		<b>6,921</b>	<b>7,476</b>	<b>(5,968)</b>	<b>686</b>
Interest paid		(331)	(329)	(11)	(6)
Income tax paid		(4,317)	(3,331)	-	-
Retirement benefits paid		(240)	(284)	-	-
<b>Net cash from/(used in) operating activities</b>		<b>2,033</b>	<b>3,532</b>	<b>(5,979)</b>	<b>680</b>

## STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023  
cont'd

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	9(i)	(330)	(495)	(49)	(321)
Proceeds from disposal of property, plant and equipment		641	2,191	-	-
Proceeds from disposal of investment properties		400	-	-	-
Disposal of discontinued operations, net of cash and cash equivalents	7	(727)	-	-	-
Interest received		437	312	309	158
Net advances to subsidiaries		-	-	(19,536)	-
<b>Net cash from/(used in) investing activities</b>		<b>421</b>	<b>2,008</b>	<b>(19,276)</b>	<b>(163)</b>
<b>Cash flows from financing activities</b>					
Repayment of principal portion of lease liabilities	(ii)(iii)	(123)	(12)	(40)	(10)
Proceeds from private placement	17	19,892	-	19,892	-
Drawdown of borrowings	(iii)	13,610	-	-	-
Increase in fixed deposits pledged	(i)	(6,555)	(122)	-	-
<b>Net cash from/(used in) financing activities</b>		<b>26,824</b>	<b>(134)</b>	<b>19,852</b>	<b>(10)</b>
<b>Net increase in cash and cash equivalents</b>		<b>29,278</b>	<b>5,406</b>	<b>(5,403)</b>	<b>507</b>
Cash and cash equivalents at beginning of the financial year		18,543	13,137	10,900	10,393
<b>Cash and cash equivalents at end of the financial year</b>	(i)	<b>47,821</b>	<b>18,543</b>	<b>5,497</b>	<b>10,900</b>

**Note:**

(i) Cash and cash equivalents comprise of the following: -

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	16	47,821	18,543	5,497	10,900
Fixed deposits with licensed banks	16	9,733	4,026	-	-
Cash and cash equivalents in statements of financial position		57,554	22,569	5,497	10,900
Less:					
Fixed deposits pledged	16(i)	(9,733)	(4,026)	-	-
Cash and cash equivalents in statements of cash flows		47,821	18,543	5,497	10,900

## STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023

cont'd

**Note:** cont'd

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Included in net cash used in operating activities</b>				
Payment relating to short-term lease rental	(3,708)	(3,559)	(3)	-
Interest paid in relation to lease liabilities	(31)	(6)	(11)	(6)
<b>Included in net cash used in financing activities</b>				
Repayment of principal portion of lease liabilities	(123)	(12)	(40)	(10)
<b>Total cash outflows for lease</b>	<b>(3,862)</b>	<b>(3,577)</b>	<b>(54)</b>	<b>(16)</b>

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities: -

	Note	Borrowings RM'000	Lease liabilities RM'000
<b>Group</b>			
<b>2023</b>			
At beginning of the financial year		7,000	281
Drawdown		13,610	-
Payment for the principal portion of lease liabilities		-	(123)
Net changes in cash flows from financing activities		13,610	(123)
Addition of new leases	9(i)	-	911
Disposal of discontinued operations	7	(7,000)	-
At end of the financial year		13,610	1,069
<b>2022</b>			
At beginning of the financial year		7,000	-
Payment for the principal portion of lease liabilities, representing net changes in cash flows from financing activities		-	(12)
Addition of new leases	9(i)	-	293
At end of the financial year		7,000	281

**STATEMENTS OF CASH FLOWS**for the Financial Year Ended 31 December 2023  
cont'd**Note:** *cont'd*(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities: - *cont'd*

	Note	Lease liabilities RM'000
<b>Company</b>		
<b>2023</b>		
At beginning of the financial year		243
Payment for the principal portion of lease liabilities, representing net changes in cash flows from financing activities		(40)
At end of the financial year		203
<b>2022</b>		
At beginning of the financial year		-
Payment for the principal portion of lease liabilities, representing net changes in cash flows from financing activities		(10)
Addition of new leases	9(i)	253
At end of the financial year		243

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 of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at Unit 303, Block G, Pusat Dagangan Phileo Damansara 1, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 12. 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 19 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 and the requirements of the Companies Act 2016 in Malaysia.

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

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

The Group and the Company have adopted the following new accounting pronouncements that are mandatory for the current financial year: -

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 2. BASIS OF PREPARATION *cont'd*

### (a) Statement of compliance *cont'd*

#### (i) Accounting pronouncements that are effective and adopted during the financial year *cont'd*

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.

#### (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 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 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 application.

### (b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

### (c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 2. BASIS OF PREPARATION *cont'd*

#### (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 amount of assets and liabilities within the next financial year are set out below.

#### Construction revenue

The Group measured the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total costs to complete. In making estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

### 3. REVENUE

	Continuing operations	Discontinued operations	Total
	RM'000	[Note 7] RM'000	RM'000
<b>Group</b>			
<b>2023</b>			
<b>Revenue from contracts with customers</b>			
- Construction contracts [Note (i)]	128,066	-	128,066
- Public transportation services	22,086	21,780	43,866
	<b>150,152</b>	<b>21,780</b>	<b>171,932</b>
<b>2022</b>			
<b>Revenue from contracts with customers</b>			
- Construction contracts [Note (i)]	54,964	-	54,964
- Public transportation services	20,702	20,403	41,105
	75,666	20,403	96,069

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 3. REVENUE *cont'd*

#### Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from construction revenue.

(i) Construction contract revenue

	Group	
	2023	2022
	RM'000	RM'000
<b>Continuing operations</b>		
<u>Construction contracts</u>		
Total contracted revenue, net	820,292	235,953
Less: Construction revenue recognised, net	(140,674)	(63,215)
Less: Completed during the financial year	(50,607)	(19,837)
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 31 December, net	<b>629,011</b>	152,901

The remaining unsatisfied performance obligations are expected to be recognised as below:

(i) Construction contract revenue

	Group	
	2023	2022
	RM'000	RM'000
<b>Continuing operations</b>		
<u>Construction contracts</u>		
Within 1 year	183,286	89,476
Between 1 and 3 years	305,843	63,425
More than 3 years	139,882	-
	<b>629,011</b>	152,901

The Group has identified its Performance Obligation ("PO") toward its customers as follows:

#### Construction contracts revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 3. REVENUE *cont'd*

#### Construction contracts revenue *cont'd*

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle. Payment is generally due 150 days from date when PO is satisfied.

#### Public transportation services

The provision of public transportation for stage buses by the Group is regulated by agreements entered into between the Company and third parties.

The PO is satisfied upon completing the necessary bus routes and fulfilling the necessary requirements imposed, followed by the submission of the monthly report for approval.

Revenue recognition is based on an accrual basis. The Group has enforceable right to payment upon fulfilment of the PO. Any price differences will be adjusted against revenue in the period of approval. Payment is generally due ranging from 14 to 21 days upon issuance of invoices.

### 4. COST OF SALES

	Continuing operations	Discontinued operations [Note 7]	Total
	RM'000	RM'000	RM'000
<b>Group</b>			
<b>2023</b>			
<b>Cost of sales</b>			
- Construction contracts	104,547	-	104,547
- Public transportation services	20,099	19,562	39,661
	<b>124,646</b>	<b>19,562</b>	<b>144,208</b>
<b>2022</b>			
<b>Cost of sales</b>			
- Construction contracts	39,196	-	39,196
- Public transportation services	18,019	24,065	42,084
	57,215	24,065	81,280

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 5. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

Profit/(Loss) before tax from continuing operations is arrived after charging/(crediting): -

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration: -					
- statutory audit		147	200	62	30
- other services		88	-	88	-
Service rendered by Auditors' affiliate					
- Tax agent fee		23	14	5	-
Depreciation of property, plant and equipment		4,045	4,440	76	25
Directors' remuneration	(i)	795	685	520	495
Employee benefit expense	(ii)	9,812	7,308	1,693	686
Impairment losses on: -					
- Property, plant and equipment		7,811	-	-	-
- Investments in subsidiaries		-	-	49,665	-
Reversal of impairment loss from: -					
- amounts due from related parties		-	-	(85,375)	-
Interest expenses on: -					
- lease liabilities		31	6	11	6
- revolving credit		39	-	-	-
- accretion of interest on other payable		53	37	-	-
Interest income		(459)	(272)	(309)	(158)
Rental income		(4)	-	-	-
Written off of property, plant and equipment		193	1	-	1
Short-term lease expenses		1,264	244	3	-

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 5. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS *cont'd*

**Note:**

- (i) Directors' remuneration

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Directors' remuneration</b>				
Fees	281	291	269	286
Salaries and other emoluments	450	394	218	209
Contribution to defined contribution plan	62	-	32	-
Others	2	-	1	-
	795	685	520	495
Estimated money value of benefits-in-kind ("BIK")	5	-	-	-
<b>Total including estimated money value of BIK</b>	<b>800</b>	<b>685</b>	<b>520</b>	<b>495</b>

- (ii) Employee benefit expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Staff costs</b>				
Salaries and other emoluments	8,890	6,807	1,462	601
Contribution to defined contribution plan	601	501	175	85
Others	321	-	56	-
	9,812	7,308	1,693	686
Estimated money value of benefits-in-kind ("BIK")	6	-	6	-
<b>Total including estimated money value of BIK</b>	<b>9,818</b>	<b>7,308</b>	<b>1,699</b>	<b>686</b>

### 6. INCOME TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Income tax:</b>				
Current financial year	4,867	3,357	-	-
Underprovision in prior financial year	10	76	-	-
	4,877	3,433	-	-

## NOTES TO THE FINANCIAL STATEMENTS

 31 December 2023  
 cont'd

### 6. INCOME TAX EXPENSE *cont'd*

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Deferred tax: [Note 20]</b>				
Origination of temporary differences	34	-	-	-
Underprovision in prior financial year	9	-	-	-
	43	-	-	-
<b>Total income tax expense for the financial year</b>	<b>4,920</b>	<b>3,433</b>	<b>-</b>	<b>-</b>

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

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit/(Loss) before tax</b>				
- continuing operations	9,277	13,035	31,576	(2,626)
- discontinued operations [Note 7]	63,856	(20,762)	-	-
	73,133	(7,727)	31,576	(2,626)
Tax at Malaysian statutory income tax rate of 24%	17,552	(1,855)	7,578	(630)
Income not subject to tax	(1,572)	(6)	-	-
Expenses not deductible for tax purpose	71	5,425	-	-
Deferred tax assets not recognised	-	630	-	630
Utilisation of previously unrecognised deferred tax assets	(11,150)	(837)	(7,578)	-
Underprovision in prior financial year				
- income tax	10	76	-	-
- deferred tax	9	-	-	-
<b>Income tax expense for the financial year</b>	<b>4,920</b>	<b>3,433</b>	<b>-</b>	<b>-</b>

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:

	Group	
	2023 RM'000	Restated 2022 RM'000
Unutilised tax losses	21,244	21,625
Unabsorbed capital allowances	-	47,595
	21,244	69,220

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 6. INCOME TAX EXPENSE *cont'd*

The comparative figures have been restated to reflect the actual carried forward unutilised tax losses and unabsorbed capital allowances.

With effect from Year of Assessment (“YA”) 2019, the unutilised tax losses in a year of assessment of the Company can only be carried forward for a maximum period of 10 consecutive YAs to be utilised against income from any business income.

### 7. DISCONTINUED OPERATIONS

On 27 September 2022, the Company has entered into a Share Sale Agreement (“SSA”) with a purchaser to dispose entire equity interest of Park May Berhad (“PMB”) and its subsidiaries (collectively known as “PMB Group”), for a cash consideration of RM1. Pursuant to the SSA, the Group has been granted by PMB Group to waive the net amount due to PMB Group amounting to an aggregate of RM51,456,000.

On 16 August 2023, the Company has completed all the condition precedents as stipulated in the SSA. Consequently thereupon, PMB Group ceased to be the subsidiaries of the Company and deemed as discontinued operations as PMB Group represents the public transportation segment in the Group, with eight-month results from PMB Group has been consolidated into the Group’s financial statements with effect of the disposal.

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

#### Results of discontinued operations

	Note	PMB Group	
		01.01.2023 to 31.08.2023	01.01.2022 to 31.12.2022
		RM'000	RM'000
Revenue	3	21,780	20,403
Cost of sales	4	(19,562)	(24,065)
Gross profit/(loss)		2,218	(3,662)
Other income		992	2,693
Administrative expenses		(3,217)	(5,563)
Other expenses		(5,959)	(13,907)
<b>Loss from operations</b>		<b>(5,966)</b>	<b>(20,439)</b>
Finance costs		(261)	(323)
<b>Loss before tax</b>		<b>(6,227)</b>	<b>(20,762)</b>
Income tax expense	6	-	(55)
<b>Results from operating activities</b>		<b>(6,227)</b>	<b>(20,817)</b>
Gain on disposal of discontinued operations		18,627	-
Gain from waiver of debts		51,456	-
<b>Profit/(Loss) for the financial period/year</b>		<b>63,856</b>	<b>(20,817)</b>

The profit/(loss) from discontinued operations of RM63,856,000 (2022: RM20,817,000) is attributable entirely to the Owners of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 7. DISCONTINUED OPERATIONS *cont'd*

#### Profit/(Loss) attributable to discontinued operations

Profit/(Loss) before tax from discontinued operations is arrived after charging/(crediting): -

	PMB Group	
	01.01.2023 to 31.08.2023 RM'000	01.01.2022 to 31.12.2022 RM'000
Auditors' remuneration		
- current year	-	170
Directors' remuneration	-	143
Staff costs	6,229	9,029
Depreciation of property, plant and equipment	1,611	5,026
(Gain)/Loss on disposal of property, plant and equipment	(484)	10,809
Impairment losses on property, plant and equipment	-	2,726
Impairment losses on amounts due from related parties	-	362
Gain on disposal of investment properties	(400)	-
Interest income	(1)	(40)
Rental income	(90)	(22)
Wages subsidy	-	(2,452)
Reversal of provision for retirement benefit	-	(71)
Reversal of impairment losses from other receivables	-	(107)
Fair value loss through other comprehensive income on other investments	-	4
Loss from waiver of debts	5,950	-
Gain from waiver of debt	(51,456)	-
Gain on disposal of discontinued operation	(18,627)	-
Short-term lease expenses	2,444	3,315
Interest expense on:		
- borrowings	261	-
- lease liabilities	-	323

#### Cash flows from/(used in) discontinued operations

	PMB Group	
	01.01.2023 to 31.08.2023 RM'000	01.01.2022 to 31.12.2022 RM'000
Net cash used in operating activities	(1,738)	(1,755)
Net cash from investing activities	1,022	2,194
Effect on cash flows	(716)	439

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 7. DISCONTINUED OPERATIONS *cont'd*

Summary of the effect of disposal on the financial position of the Group

	PMB Group 31.08.2023 RM'000
Property, plant and equipment	10,187
Other investments	69
Trade receivables	714
Other receivables	4,982
Fixed deposits with licensed banks	848
Cash and bank balances	727
Deferred tax liabilities	(4,461)
Provision for retirement benefits	(1,439)
Trade payables	(5,937)
Other payables	(44,612)
Borrowings	(7,000)
Tax payable	(32)
Merger deficit	52,991
Currency exchange reserve	95
Capital reserve	(23,563)
Non-controlling Interest	(2,196)
<b>Net liabilities attributable to the Group</b>	<b>(18,627)</b>
Gain on sale of discontinued operations	18,627
Consideration received, satisfied in cash *	-
Less: Cash and bank balances disposed off	(727)
<b>Net cash outflow</b>	<b>(727)</b>

\* Consideration received from disposal of RM1 is not shown in the above table due to below RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 8. EARNINGS/(LOSS) PER ORDINARY SHARE

### Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per ordinary share for the financial year are calculated by dividing the profit/(loss) after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Continuing operations RM'000	Discontinued operations [Note 7] RM'000	Total RM'000
<b>Group</b>			
<b>2023</b>			
Profit after tax attributable to Owners of the Company	4,357	63,856	68,213
<b>2022</b>			
Profit/(Loss) after tax attributable to Owners of the Company	9,602	(20,817)	(11,215)
		<b>2023</b>	<b>2022</b>
		<b>Unit'000</b>	<b>Unit'000</b>
<b>Weighted average number of ordinary shares:</b>			
Number of ordinary shares in issue at beginning of the financial year		469,798	469,798
Effect of weighted average number of ordinary shares issued during the financial year		45,548	-
		<b>515,346</b>	469,798
		<b>2023</b>	<b>2022</b>
		<b>Sen</b>	<b>Sen</b>
From continuing operations		0.84	2.04
From discontinued operations		12.39	(4.43)
Basic earnings/(loss) per ordinary share		<b>13.23</b>	<b>(2.39)</b>

### Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per ordinary share is calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial year that have been adjusted for the dilutive effects of all potential ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 8. EARNINGS/(LOSS) PER ORDINARY SHARE *cont'd*

Diluted earnings/(loss) per ordinary share *cont'd*

	Continuing operations RM'000	Discontinued operations [Note 7] RM'000	Total RM'000
<b>Group</b>			
<b>2023</b>			
Profit after tax attributable to Owners of the Company	4,357	63,856	68,213
<b>2022</b>			
Profit/(Loss) after tax attributable to Owners of the Company	9,602	(20,817)	(11,215)
		<b>2023</b>	<b>2022</b>
		<b>Unit'000</b>	<b>Unit'000</b>
<b>Weighted average number of ordinary shares:</b>			
Issued ordinary shares at end of the financial year		515,346	469,798
Effect of dilutive potential ordinary shares ("RCPS")		233,000	233,000
		<b>748,346</b>	<b>702,798</b>
		<b>2023</b>	<b>2022</b>
		<b>Sen</b>	<b>Sen</b>
From continuing operations		0.58	1.37
From discontinued operations		8.53	(2.96)
Diluted earnings/(loss) per ordinary share		<b>9.11</b>	<b>(1.59)</b>

# NOTES TO THE FINANCIAL STATEMENTS

 31 December 2023  
 cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT

Group 2023 Cost	Freehold	Leasehold	Office	Machineries	Buses	Leased	Total
	land and buildings RM'000	land and buildings RM'000	equipment, furniture and fittings and renovation RM'000	RM'000	and motor vehicles RM'000	properties RM'000	RM'000
At beginning of the financial year	98	6	6,812	22,529	151,553	293	181,291
Additions	-	101	112	-	955	73	1,241
Disposal	-	-	-	-	(13,868)	-	(13,868)
Disposal of discontinued operations [Note 7]	(98)	(107)	(6,501)	(20,564)	(99,600)	-	(126,870)
Written off	-	-	-	-	(986)	-	(986)
At end of the financial year	-	-	423	1,965	38,054	366	40,808
<b>Accumulated depreciation</b>							
At beginning of the financial year	36	-	6,442	19,868	123,053	22	149,421
Charge for the financial year	-	-	46	-	5,549	61	5,656
Disposal	-	-	-	-	(13,300)	-	(13,300)
Disposal of discontinued operations [Note 7]	(36)	-	(6,442)	(18,524)	(85,916)	-	(110,918)
Written off	-	-	-	-	(793)	-	(793)
At end of the financial year	-	-	46	1,344	28,593	83	30,066
<b>Accumulated impairment loss</b>							
At beginning of the financial year	60	-	-	622	6,114	-	6,796
Impairment loss for the financial year	-	-	-	-	7,811	-	7,811
Disposal	-	-	-	-	(411)	-	(411)
Disposal of discontinued operations [Note 7]	(60)	-	-	(2)	(5,703)	-	(5,765)
At end of the financial year	-	-	-	620	7,811	-	8,431
<b>Net carrying amount</b>							
At end of the financial year	-	-	377	1	1,650	283	2,311

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group <i>cont'd</i> 2022	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Office equipment, furniture and fittings and renovation RM'000	Machineryes RM'000	Buses and motor vehicles RM'000	Leased properties RM'000	Total RM'000
At beginning of the financial year	98	6	6,974	22,594	186,005	-	215,677
Additions	-	-	348	-	147	293	788
Disposal	-	-	-	-	(34,599)	-	(34,599)
Written off	-	-	(510)	(65)	-	-	(575)
At end of the financial year	98	6	6,812	22,529	151,553	293	181,291
At beginning of the financial year	36	-	6,936	19,829	133,827	-	160,628
Charge for the financial year	-	-	15	104	9,325	22	9,466
Disposal	-	-	-	-	(20,099)	-	(20,099)
Written off	-	-	(509)	(65)	-	-	(574)
At end of the financial year	36	-	6,442	19,868	123,053	22	149,421
At beginning of the financial year	60	-	-	620	4,890	-	5,570
Impairment loss for the financial year	-	-	-	2	2,724	-	2,726
Disposal	-	-	-	-	(1,500)	-	(1,500)
At end of the financial year	60	-	-	622	6,114	-	6,796
At end of the financial year	2	6	370	2,039	22,386	271	25,074

**NOTES TO THE FINANCIAL STATEMENTS**31 December 2023  
cont'd**9. PROPERTY, PLANT AND EQUIPMENT** *cont'd*

	Office equipment, furniture and fittings and renovation RM'000	Machineries RM'000	Leased property RM'000	Total RM'000
<b>Company</b>				
<b>2023</b>				
<b>Cost</b>				
At beginning of the financial year	321	-	253	574
Additions	49	-	-	49
At end of the financial year	370	-	253	623
<b>Accumulated depreciation</b>				
At beginning of the financial year	-	-	21	21
Charge for the financial year	34	-	42	76
At end of the financial year	34	-	63	97
<b>Net carrying amount</b>				
At end of the financial year	336	-	190	526
<b>2022</b>				
<b>Cost</b>				
At beginning of the financial year	509	65	-	574
Additions	321	-	253	574
Written off	(509)	(65)	-	(574)
At end of the financial year	321	-	253	574
<b>Accumulated depreciation</b>				
At beginning of the financial year	505	65	-	570
Charge for the financial year	4	-	21	25
Written off	(509)	(65)	-	(574)
At end of the financial year	-	-	21	21
<b>Net carrying amount</b>				
At end of the financial year	321	-	232	553

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(i) Acquisition of property, plant and equipment satisfied by the following arrangements:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash purchase	330	495	49	321
Financed by lease arrangement	911	293	-	253
<b>Total acquisition of property, plant and equipment</b>	<b>1,241</b>	<b>788</b>	<b>49</b>	<b>574</b>

(ii) Assets classified as right-of-use assets

	Leasehold land and buildings RM'000	Motor vehicles RM'000	Leased properties RM'000	Total RM'000
<b>Group</b>				
<b>2023</b>				
<b>Cost</b>				
At beginning of the financial year	6	-	293	299
Additions	101	954	73	1,128
Disposal of discontinued operations [Note 7]	(107)	-	-	(107)
At end of the financial year	-	954	366	1,320
<b>Accumulated depreciation</b>				
At beginning of the financial year	-	-	22	22
Charge for the financial year	-	99	61	160
At end of the financial year	-	99	83	182
<b>Net carrying amount</b>				
At end of the financial year	-	855	283	1,138

## NOTES TO THE FINANCIAL STATEMENTS

 31 December 2023  
 cont'd

### 9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

 (ii) Assets classified as right-of-use assets *cont'd*

	Leasehold land and buildings RM'000	Motor vehicles RM'000	Leased properties RM'000	Total RM'000
<b>Group <i>cont'd</i></b>				
<b>2022</b>				
<b>Cost</b>				
At beginning of the financial year	6	-	-	6
Additions	-	-	293	293
At end of the financial year	6	-	293	299
<b>Accumulated depreciation</b>				
At beginning of the financial year	-	-	-	-
Charge for the financial year	-	-	22	22
At end of the financial year	-	-	22	22
<b>Net carrying amount</b>				
At end of the financial year	6	-	271	277
			<b>Leased property RM'000</b>	
<b>Company</b>				
<b>2023</b>				
<b>Cost</b>				
At beginning of the financial year				253
Additions				-
At end of the financial year				253
<b>Accumulated depreciation</b>				
At beginning of the financial year				21
Charge for the financial year				42
At end of the financial year				63
<b>Net carrying amount</b>				
At end of the financial year				190

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

- (ii) Assets classified as right-of-use assets
- cont'd*

	Leased property RM'000
<b>Company <i>cont'd</i></b>	
<b>2022</b>	
<b>Cost</b>	
At beginning of the financial year	-
Additions	253
At end of the financial year	253
<b>Accumulated depreciation</b>	
At beginning of the financial year	-
Charge for the financial year	21
At end of the financial year	21
<b>Net carrying amount</b>	
At end of the financial year	232

The expenses charged to profit or loss during the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	160	22	42	21
Interest expense of lease liabilities	31	6	11	6
Short-term leases	3,708	3,559	3	-
	<b>3,899</b>	<b>3,587</b>	<b>56</b>	<b>27</b>

- (iii) Impairment losses

As at the reporting date, the Group carried out a review of the recoverable amount of its buses based on fair value less cost of disposal (i.e., scrap value) due to the uncertainty of business operation and stand down buses. An impairment loss of RM7,811,000 (2022: RM2,726,000) was recognised as "other expenses" line item of the statements of comprehensive income.

#### Material accounting policy information

- (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 9. PROPERTY, PLANT AND EQUIPMENT *cont'd*

#### *Material accounting policy information cont'd*

#### (ii) Depreciation

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

Leasehold land and buildings	50 years
Buses and motor vehicles	4 to 10 years
Office equipment, furniture and fittings and renovation	3 to 10 years
Machineries	5 to 10 years
Leased properties	2 to 4 years

Freehold land has an indefinite useful life and therefore is not depreciated.

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.

#### (iii) Recognition exemption – Right-of-use assets

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

### 10. INVESTMENT PROPERTIES

	Group	
	2023	2022
	RM'000	RM'000
<b>Cost</b>		
At beginning of the financial year	306	306
Disposal of discontinued operations [Note 7]	(306)	-
At end of the financial year	-	306
<b>Accumulated depreciation</b>		
At beginning of the financial year	217	217
Disposal of discontinued operations [Note 7]	(217)	-
At end of the financial year	-	217
<b>Accumulated impairment losses</b>		
At beginning of the financial year	89	89
Disposal of discontinued operations [Note 7]	(89)	-
At end of the financial year	-	89
<b>Net carrying amount</b>		
At end of the financial year	-	-

#### *Material accounting policy information*

Investment properties are measured at cost less accumulated depreciation and accumulated losses.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 11. OTHER INVESTMENTS

	Group	
	2023 RM'000	2022 RM'000
<b>Quoted shares</b>		
<b>At fair value</b>		
At beginning of the financial year	69	73
Changes in fair value	-	(4)
Disposal of discontinued operations [Note 7]	(69)	-
At end of the financial year	-	69

The Group designated the other investments as fair value through other comprehensive income as the Group intends to hold for long-term strategic purposes.

#### *Material accounting policy information*

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of the investments in other comprehensive income. This election is made in an investment-by-investment basis.

### 12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
<b>Unquoted shares</b>		
<b>At cost</b>		
At beginning of the financial year	25,749	25,749
Addition*	-	-
Disposal	(24,999)	-
At end of the financial year	750	25,749
<b>Capital contribution to subsidiaries</b>		
At beginning of the financial year	-	-
Addition	50,000	-
At end of the financial year	50,000	-
<b>Less: Accumulated impairment losses</b>		
At beginning of the financial year	24,999	24,999
Addition	49,665	-
Disposal	(24,999)	-
At end of the financial year	49,665	24,999
<b>Net carrying amount</b>	<b>1,085</b>	<b>750</b>

\* Incorporation of EBSB of RM2 is not shown in the above due to below RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 12. INVESTMENTS IN SUBSIDIARIES *cont'd*

Capital contribution to a subsidiary represents amount due from the subsidiary which is non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, representing additional investment in a subsidiary, it is stated at cost less accumulated impairment losses.

The details of the subsidiaries, all of which are incorporated in Malaysia are as follows: -

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2023	2022
Cityliner Sdn. Bhd. ("CLSB")	Operation of public transportation	100%	100%
Transnational Builder Sdn. Bhd.	Construction works	100%	100%
Epik Bina Sdn. Bhd. ("EBSB") *	Construction works	100%	-
Park May Berhad ("PMB") ^#	Investment holdings	-	100%
<b><u>Held through PMB</u></b>			
Syarikat Kenderaan Melayu Kelantan Berhad ^#	Public transportation services	-	100%
Tanjong Keramat Temerloh Utara Omnibus Berhad ^#	Public transportation services	-	100%
Kenderaan Langkasuka Sdn. Bhd. ^#	Public transportation services	-	100%
SKMK Berhad ^#	Ceased operation	-	100%
Kenderaan Labu Sendayan Sdn. Bhd. ^#	Rental of buses	-	100%
Starise Sdn. Bhd. ^#	Rental of buses	-	100%
Syarikat Rembau Tampin Sdn. Bhd. ^#	Ceased operation	-	100%
Transnasional Express Sdn. Bhd. ^#	Public transportation services	-	100%
Park May Travel & Tours Sdn. Bhd. ^#	Advertisement activities	-	100%
Trans-Express Courier Sdn. Bhd. ^#	Courier services	-	100%
The Kuala Lumpur, Klang and Port Swettenham Omnibus Co Bhd. ("KLK") ^#	Investment holdings	-	100%
Jurubas Sdn. Bhd. ^#	Ceased operation	-	100%
Siana Corporation Sdn. Bhd. ^#	Ceased operation	-	100%
Tulus Hebat Sdn. Bhd. ("THSB") ^#	Investment holdings	-	100%
Plusliner Travel & Tours Sdn. Bhd. ^#	Domestic travel and tour	-	100%
Nikra Sdn. Bhd. ("NSB") ^#	Investment holdings	-	95%

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 12. INVESTMENTS IN SUBSIDIARIES *cont'd*

The details of the subsidiaries, all of which are incorporated in Malaysia are as follows: - *cont'd*

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2023	2022
<b>Held through PMB <i>cont'd</i></b>			
Min Sen Holdings Sdn. Bhd. ("MSHSB") ^#	Investment holdings	-	59%
Ulung Perkasa Sdn. Bhd. ("UPSB") ^#	Investment holdings	-	100%
Plusliner Sdn. Bhd. ("PLSB") ^#	Public transportation services and investment holdings	-	100%
Jelevu Holdings Sdn. Bhd. ("JHSB") ^#	Investment holdings	-	83%
City Profile Sdn. Bhd. ^#	In the process of winding up	-	100%
Landvest Sdn. Bhd. ^#	In the process of winding up	-	100%
<b>Held through KLK</b>			
The Kuala Selangor Omnibus Co. Bhd. ^#	Ceased operation	-	90%
Tg. Karang Transportation Sdn. Bhd. ^#	Ceased operation	-	70%
<b>Held through THSB</b>			
Len Chee Omnibus Company Sdn. Bhd. ^#	In the process of winding up	-	85%
<b>Held through NSB</b>			
Central Province Wellesley Transport Co Sdn. Bhd. ^#	Ceased operation	-	100%
<b>Held through MSHSB</b>			
The Min Sen Omnibus Company Sdn. Bhd. ^#	Ceased operation	-	100%
Sam Lian Enterprise Sdn. Bhd. ^#	Property holding	-	100%
Sam Lian Omnibus Company Sdn. Bhd. ^#	Ceased operation	-	62%
<b>Held through UPSB</b>			
Leng Huat Omnibus Company Sdn. Bhd. ^#	Ceased operation	-	97%
Syarikat Ekspres Kuala Trengganu - Kuala Lumpur Sdn. Bhd. ^#	Ceased operation	-	100%

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 12. INVESTMENTS IN SUBSIDIARIES *cont'd*

The details of the subsidiaries, all of which are incorporated in Malaysia are as follows: - *cont'd*

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2023	2022
<b><u>Held through UPSB</u></b> <i>cont'd</i>			
The Kuantan Kuala Lumpur Express Omnibus Company Sdn. Bhd. <sup>^#</sup>	Ceased operation	-	95%
Kuala Trengganu Kuantan Express Company Sdn. Bhd. <sup>^#</sup>	In the process of winding up	-	81%
<b><u>Held through PLSB</u></b>			
Skypark Coaches Sdn. Bhd. <sup>^#</sup>	Public transportation services	-	100%
Pengangkutan Sri (Perak) Berhad <sup>^#</sup>	Ceased operation	-	91%
Syarikat Ebban Sdn. Bhd. <sup>^#</sup>	Ceased operation	-	62%
<b><u>Held through JHSB</u></b>			
Kenderaan Bas Jelebu Sdn. Bhd. <sup>^#</sup>	Ceased operation	-	100%
Kenderaan Bas Seremban Sdn. Bhd. <sup>^#</sup>	Ceased operation	-	69%
Kenderaan Bas Linggi Sdn. Bhd. <sup>^#</sup>	In the process of winding up	-	88%
Kenderaan Bas Port Dickson Sdn. Bhd. <sup>^#</sup>	In the process of winding up	-	93%

\* *The management accounts of the subsidiary which was incorporated on 6 December 2023 is reviewed by Moore Stephens Associates PLT for consolidation purpose and may appoint its first auditor at any time within 18 months from the date of incorporation.*

<sup>^</sup> *The financial statements of these subsidiaries were audited by auditors other than Moore Stephens Associates PLT.*

<sup>#</sup> *As disclosed in Note 7, the Company had on 16 August 2023 completed the disposal of entire equity interest of PMB Group.*

#### **2023**

##### Acquisition of a subsidiary

On 6 December 2023, the Company subscribed for 2 ordinary shares representing an equity interest of 100% in EBSB for a cash consideration of RM2.

##### Disposal of subsidiaries

The Company had on 16 August 2023 completed the disposal of entire equity interest of PMB Group for a cash consideration of RM1. Consequently thereupon, PMB Group ceased to be the subsidiaries of the Company. The effect of disposal on the financial position of the Group is disclosed in Note 7.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 12. INVESTMENTS IN SUBSIDIARIES *cont'd*

#### **2023** *cont'd*

##### Impairment losses

As at the reporting date, the Company carried out an impairment assessment on its investments in CLSB due to the uncertainty of business operation and stand down buses. The recoverable amount was determined based on value-in-use calculation using cash flow projections covering a one-year period.

The discount rate applied to the cash flow projections is 6.20%. An impairment loss of RM49,665,000 was recognised as "other expenses" line item of the statements of comprehensive income.

#### **2022**

##### Impairment losses

The Company carried out an impairment assessment on its investments in subsidiaries on annual basis. The recoverable amount of the subsidiaries was determined based on value-in-use calculation using cash flow projects covering a five-year period.

The discount rate applied to the cash flow projections is 5%. Based on the impairment assessment performed, no impairment loss has been recognised in the statements of comprehensive income.

##### Non-controlling interests in subsidiaries

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

	MSHSB	JHSB
<b>2022</b>		
NCI percentage of ownership and voting interest (%)	41%	17%
Carrying amount of NCI (RM'000)	1,558	638

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: -

	MSHSB	JHSB
	RM'000	RM'000
<b>At 31 December 2022</b>		
Total assets	3,370	4,404
Total liabilities	(803)	(3,815)
Net assets	2,567	589
For the financial year ended 31 December 2022		
Loss for the financial year	(24)	(22)
Total comprehensive income	(24)	(22)

##### Material accounting policy information

In the Company's separate financial statements, investments in subsidiaries are measured at cost less any impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

No share profit or loss result of the NCI due immaterial for both financial year ended 31 December 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 13. TRADE RECEIVABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Trade receivables			
- third parties		53,760	33,358
- Director's related company		7,154	-
		<b>60,914</b>	<b>33,358</b>
Retention sum held by contract customers	(i)		
- third parties		7,430	3,125
- Director's related company		572	-
		<b>8,002</b>	<b>3,125</b>
Less: Accumulated impairment losses			
- third parties		-	(7,977)
		<b>68,916</b>	<b>28,506</b>

The normal credit terms extended to customers range from 14 to 150 days (2022: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements in the allowance for impairment losses on trade receivables during the financial year are as follows: -

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	7,977	7,977
Disposal of discontinued operations	(7,977)	-
At end of the financial year	-	7,977

(i) Retention sum held by contract customers are due upon expiry of retention periods of 24 months (2022: 24 months) after issuance of Certificate of Completion and Compliance.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 14. OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables					
- third parties	(i)	4,992	519	29	75
- subsidiaries	(ii)	-	-	29,833	88,712
Deposits		1,596	579	1,240	14
Prepayments	(iii)	1,815	396	-	-
Less:					
Accumulated impairment losses		-	(609)	-	(85,428)
		<b>8,403</b>	<b>885</b>	<b>31,102</b>	<b>3,373</b>

Movements in the allowance for impairment losses on other receivables during the financial year are as follows: -

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of the financial year	609	796	85,428	85,428
Reversal	-	(107)	(85,375)	-
Written off	-	(80)	(53)	-
Disposal of discontinued operations	(609)	-	-	-
At end of the financial year	-	609	-	85,428

- (i) Included in other receivables of the Group is an amount of RM4,695,000 (2022: RM Nil) representing performance bond deposited to contract customers as a guarantee against the failure to meet the obligations of the contract.
- (ii) These amounts are non-trade in nature, unsecured, interest-free advances, which are collectible on demand.
- (iii) Included in prepayments of the Group is an amount of RM1,472,000 (2022: RM Nil) representing foreign worker levy prepaid to fund workforce development and support local employment initiatives.

### 15. CONTRACT ASSETS/(LIABILITIES)

	Note	Group	
		2023 RM'000	2022 RM'000
Construction contracts	(i)		
- contract assets		8,591	705
- contract liabilities		(13,130)	-
		<b>(4,539)</b>	<b>705</b>
Public transportation services			
- contract assets		936	-
		<b>(3,603)</b>	<b>705</b>

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### 15. CONTRACT ASSETS/(LIABILITIES) *cont'd*

Contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 14 to 150 days upon issuance of invoice.

Contract liabilities primarily relate to amount billed to customer before a related performance obligation is satisfied by the Group.

(i) Construction contracts

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	705	330
Revenue recognised during the financial year [Note 3]	128,066	54,964
Progress billings during the financial year	(133,310)	(54,589)
At end of the financial year	(4,539)	705

(ii) Public transportation services

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	-	-
Revenue recognised during the financial year [Note 3]	22,086	20,702
Billings during the financial year	(21,150)	(20,702)
At end of the financial year	936	-

### 16. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		47,821	18,543	5,497	10,900
Fixed deposits with licensed banks	(i)	9,733	4,026	-	-
		57,554	22,569	5,497	10,900

- (i) The fixed deposits placed with licensed banks by the Group carry interest rates ranging from 2.75% to 3.10% (2022: 1.78% to 3.16%) per annum and had maturity period of 12 months (2022: 1 to 12 months).

The fixed deposits of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25.

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### 17. ORDINARY SHARES

	Group and Company			
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
<b>Issued and fully paid:</b>				
At beginning of the financial year	469,798	469,798	54,491	54,491
Share capital reduction	-	-	(49,042)	-
Issuance of ordinary shares pursuant to private placement net off with related expenses	125,000	-	19,892	-
At end of the financial year	594,798	469,798	25,341	54,491

During the financial year, the Company has reduced its paid-up ordinary share capital from RM54,491,000 to RM25,341,000 by way of the following: -

- Cancellation of the paid-up ordinary share capital of RM49,042,000 through court confirmation procedure pursuant to Section 116 of Companies Act 2016 and that the credit arising from such share capital reduction is to be utilised to set off the accumulated losses of the Company; and
- 125,000,000 new ordinary shares through private placement at an issue price of RM0.16 per share for working capital purpose and net off with incurred placement fee of RM108,300.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

### 18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Group and Company			
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
At beginning/end of the financial year	233,000	233,000	23,300	23,300

On 31 December 2021, the Company has issued and allotted 233,000,000 RCPS of which the fair value of RM0.10 per RCPS has been recognised for the purpose of fund raising. As at 31 December 2023, the total number of RCPS remain unconverted amounted to 233,000,000.

The salient terms of the RCPS are as follows: -

#### Transferability

The RCPS is not transferable without the consent of the Company.

#### Tenure

The tenure of RCPS is for 5 years commencing from and inclusive of the date of issue of the RCPS on 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
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## 18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") *cont'd*

The salient terms of the RCPS are as follows: - *cont'd*

### Dividend rate

The RCPS shall not entitled to any dividends.

### Liquidation

In the event of liquidation, dissolution or winding up, the RCPS shall rank in priority to any other unsecured securities or shares of the Company.

The RCPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall upon allotment and issue, rank *pari passu* without any preference or priority among themselves and in priority to other redeemable convertible preference shares that may be created in future but shall rank behind all secured and unsecured obligations of the Company.

### Voting right

The RCPS shall carry no right to vote at any general meeting of the ordinary shareholders of the Company except with regards to any proposal to reduce the capital of the Company, to dispose of all or substantially all of the Company's assets, property, business and/or undertakings, to wind up the Company and at any time during the winding up of the Company.

The RCPS holders shall be entitled to vote at any class meeting of the holders of the RCPS in relation to any proposal by the Company to vary or abrogate the rights of the RCPS as stated in the Constitution of the Company.

Every holder of the RCPS who is present in person at such class meeting will have one vote on a show of hands and/or on a pool; every holder of RCPS who is present in person or by proxy will have one vote for every RCPS of which he is the holder.

### Conversion

The holder of RCPS shall be entitled to convert each RCPS held by him into such number of ordinary shares of the Company in accordance with the conversion ratio at any time during the conversion period. Unless previously redeemed or converted or purchased and cancelled, all outstanding RCPS will be mandatorily converted into new ordinary shares of the Company on the maturity date.

The conversion ratio shall be one RCPS to one new share, subject to adjustments from time to time at the determination of the board of directors of the Company in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the constitutions of the Company.

The RCPS shall be convertible into new shares on any market day at any time during the tenure of the RCPS commencing on and including the issue date up to and including the maturity date.

The new ordinary shares to be issued pursuant to the conversion of the RCPS shall, upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares of the Company, save and except that they will not be entitled to any dividends or distribution made prior to the date of allotment of such new ordinary shares.

Unless previously redeemed or converted or purchased and cancelled, the RCPS may at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RCPS at the redemption price. The Company shall give not less than 30 days prior written notice to the RCPS holders of the redemption of RCPS. All RCPS which are redeemed or purchased by the Company shall be cancelled immediately and cannot be resold or reissued.

## NOTES TO THE FINANCIAL STATEMENTS

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### 18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") cont'd

The salient terms of the RCPS are as follows: - cont'd

#### Redemption

Redemption price is equivalent to the issue price.

### 19. RESERVES

	Note	Group	
		2023 RM'000	2022 RM'000
Capital reserve	(i)	-	23,563
Merger deficit	(ii)	-	(52,991)
Currency exchange reserve	(iii)	-	(95)
		-	(29,523)

- (i) Capital reserve of RM5,811,000 relates to share premium in a subsidiary accounted for in consolidation under the pooling of interest method of accounting in prior years.

Capital reserve of RM17,752,000 arose from the waiver of debts by a subsidiary of the holding company in previous financial year.

- (ii) The merger deficit arose from the business combination exercise in prior years which were accounted for under pooling of interest method of accounting. Subsequent undistributed profit from operations of the Group will be set off against the merger reserve until it is full recognised.
- (iii) Currency exchange reserve is used to record foreign currency exchange differences arising from translation of the financial statements of foreign operations whose functionally currencies are different from that of the presentation currency of the Group. It is also used to record exchange difference arising from monetary items.

### 20. DEFERRED TAX LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	4,461	4,461
Recognised in profit or loss [Note 6]	43	-
Disposal of discontinued operations [Note 7]	(4,461)	-
At end of the financial year	43	4,461

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 20. DEFERRED TAX LIABILITIES *cont'd*

The recognised deferred tax (assets)/liabilities before offsetting are as follows: -

	Property, plant and equipment RM'000	Impairment losses RM'000	Provision for retirement benefits RM'000	Unutilised tax losses RM'000	Total RM'000
<b>Group</b>					
<b>2023</b>					
At beginning of the financial year	84,561	(2,721)	(854)	(76,525)	4,461
Recognised in profit or loss [Note 6]	1,213	-	-	(1,170)	43
Disposal of discontinued operations [Note 7]	(84,561)	2,721	854	76,525	(4,461)
At end of the financial year	1,213	-	-	(1,170)	43
<b>2022</b>					
At beginning of the financial year	90,252	(2,721)	(854)	(76,525)	10,152
Recognised in profit or loss [Note 6]	(5,691)	-	-	-	(5,691)
At end of the financial year	84,561	(2,721)	(854)	(76,525)	4,461

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

	Group	
	2023 RM'000	Restated 2022 RM'000
Unutilised tax losses	16,369	15,232
Unabsorbed capital allowances	-	47,595
	<b>16,369</b>	<b>62,827</b>

The comparative figures have been restated to reflect the actual unutilised tax losses and unabsorbed capital allowances carried forward.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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### 21. OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
Other payables					
- third parties	(i)	-	14,115	-	-
<b>Current</b>					
Other payables					
- third parties	(i)	569	66,975	495	29,441
Accrued contractors works	(ii)	13,935	4,307	-	-
Accruals		645	6,912	152	-
		<b>15,149</b>	<b>78,194</b>	<b>647</b>	<b>29,441</b>

(i) In the prior financial year, the balance was presented as amounts due to related parties and was reclassified as third parties to conform with the current year's presentation, which resulted from the disposal of discontinued operations as disclosed in Note 7.

(ii) These amounts represent accrued construction costs for on-going construction works which are pending billings from its contractors.

### 22. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	1,679	2,034
Reversal of provision during the financial year	-	(71)
Payment made during the financial year	(240)	(284)
Disposal of discontinued operations [Note 7]	(1,439)	-
At end of the financial year	-	1,679
<b>Representing:</b>		
Non-current	-	1,328
Current	-	351
	-	1,679

In the prior year, the Group operates an unfunded, defined benefit – Retirement Benefit Scheme for eligible employees. The Group's obligations under this scheme are determined based on triennial actuarial valuation using the projected unit credit method.

The principal actuarial assumptions used to determine benefit obligations are discount rate and expected price inflation at 5%, respectively.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
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### 23. LEASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Future minimum lease payment</b>				
Repayable within 1 year	289	61	50	50
Repayable between 1 and 2 years	279	61	50	50
Repayable between 2 and 5 years	619	197	126	177
	<b>1,187</b>	319	<b>226</b>	277
Less: Future finance charges	(118)	(38)	(23)	(34)
Present value of minimum lease payments	<b>1,069</b>	281	<b>203</b>	243
<b>Present value of lease payment</b>				
Repayable within 1 year	242	48	41	39
Repayable between 1 and 2 years	245	51	43	41
Repayable between 2 and 5 years	582	182	119	163
	<b>1,069</b>	281	<b>203</b>	243
<b>Representing:</b>				
Current	242	48	41	39
Non-current	827	233	162	204
	<b>1,069</b>	281	<b>203</b>	243

The effective interest rates per annum on the lease liabilities of the Group and of the Company are as follows: -

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Hire purchase arrangement	4.42 - 5.53	-	-	-
Leased properties	4.59 - 5.99	4.79	5.99	5.99

### 24. TRADE PAYABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Trade payables			
- third parties		32,304	18,910
Retention sum on contracts			
- third parties	(i)	3,888	1,610
		<b>36,192</b>	20,520

## NOTES TO THE FINANCIAL STATEMENTS

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### 24. TRADE PAYABLES *cont'd*

The normal credit terms granted to the Group range from 30 to 180 days (2022: 1 to 90 days).

- (i) Retention sums held by the Group are due upon expiry of retention periods of 24 months (2022: 24 months) after issuance of Certificate of Completion and Compliance.

### 25. BORROWINGS, SECURED

	Group	
	2023	2022
	RM'000	RM'000
<b>Current liabilities</b>		
Revolving credit	7,040	7,000
Invoice financing	6,570	-
	<b>13,610</b>	<b>7,000</b>

The effective interest/profit rates per annum on the borrowings of the Group are as follows: -

	Group	
	2023	2022
	%	%
Revolving credit	6.20	4.09 - 5.22
Invoice financing	5.06 - 5.30	-

The banking facilities of the Group are secured by the following: -

- (i) Fixed deposits pledged as disclosed in Note 16(i); and
- (ii) Jointly and severally guaranteed by a Director of the Company and a person in connection with the Director in his personal capacity.

### 26. RELATED PARTY DISCLOSURES

#### Identifying related parties

For the purposes 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 or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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## 26. RELATED PARTY DISCLOSURES *cont'd*

### Identifying related parties *cont'd*

The Group has a related party relationship with Directors' related companies and key management personnel. The Company has related party relationship with its subsidiaries, Directors' related companies and key management personnel. Directors' related companies refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies. The related party balances of the Group and of the Company are disclosed in Notes 13 and 14. The related party transactions of the Group and of the Company are shown below.

### Related party transactions

The related party transactions between the Group and the Company and their related parties during the financial year are as follows: -

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Subsidiaries</b>				
Advances to	-	-	(41,319)	-
Repayment from	-	-	21,783	-
Capital contribution	-	-	50,000	-
Novation of debts	-	-	(44,957)	-
Waiver of debts	(51,456)	-	-	-
<b>Director's related companies</b>				
Management fee	59	33	25	14
Rental of premises	62	17	50	17
Office renovation	-	309	-	-
Purchase of materials	7,507	-	-	-
Construction contracts	(16,405)	-	-	-
<b>Former subsidiaries</b>				
Repair and maintenance	295	1,252	-	-
Rental of bus depot	30	60	-	-

### 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, including any Directors of the Company and its subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

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### 26. RELATED PARTY DISCLOSURES *cont'd*

#### Compensation of key management personnel *cont'd*

The remuneration of the Directors and other members of key management personnel during the financial year were as follows: -

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Directors</b>				
Fees	281	291	269	286
Salaries and other emoluments	450	394	218	209
Contribution to defined contribution plan	62	-	32	-
Others	2	-	1	-
	<b>795</b>	<b>685</b>	<b>520</b>	<b>495</b>
Estimated money value of benefits-in-kind ("BIK")	5	-	-	-
<b>Total including estimated money value of BIK</b>	<b>800</b>	<b>685</b>	<b>520</b>	<b>495</b>
<b>Key management personnel</b>				
Fees	12	5	-	-
Salaries and other emoluments	981	650	769	458
Contribution to defined contribution plan	118	-	92	-
Others	3	-	2	-
	<b>1,114</b>	<b>655</b>	<b>863</b>	<b>458</b>
Estimated money value of benefits-in-kind ("BIK")	12	-	6	-
<b>Total including estimated money value of BIK</b>	<b>1,126</b>	<b>655</b>	<b>869</b>	<b>458</b>

### 27. SEGMENTAL INFORMATION

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.

For management purposes, the Group is organised into the following two (2) operating segments:

- (i) Construction - Construction of projects
- (ii) Public transportation services - Provision of stage and express bus services across Peninsular Malaysia

#### (a) Reporting format

##### Segment revenue and results

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. SEGMENTAL INFORMATION *cont'd*

### (a) Reporting format *cont'd*

#### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("CODM"). Segment total asset is used to measure the return on assets of each segment.

#### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

### (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 corporate assets, liabilities and expenses.

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

### (c) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in the investment holding, construction and public transportation services and operate in Malaysia only.

### (d) Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue: -

	Group		Segment
	2023 RM'000	2022 RM'000	
Customer A	24,441	24,995	Construction
Customer B	-	13,427	Construction
Customer C	-	13,930	Construction
Customer D	31,533	-	Construction
Customer E	16,406	-	Construction
Customer F	24,932	-	Construction
Customer G	22,087	20,702	Public transportation

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## 27. SEGMENTAL INFORMATION cont'd

Information regarding the Group's total reportable segments are presented below: -

	← Continuing operations →		← Discontinued operations →		Group
	Construction activities	Public transportation services	Others	Public transportation services	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2023</b>					
<b>Revenue</b>					
Sales to external customers, representing total revenue for the financial year	128,066	22,086	-	21,780	171,932
<b>Segment profit before tax</b>	20,158	(6,749)	(4,132)	63,882	73,133
<i>Included in the measure of segment profit are:</i>					
Cost of sales	104,547	20,099	-	19,562	144,208
Interest income	(101)	(49)	(309)	(1)	(460)
Interest expenses	60	53	10	261	384
Depreciation of property, plant and equipment	144	3,825	76	1,611	5,656
Gain on disposal of					
- discontinued operations	-	-	-	(18,627)	(18,627)
- investment properties	-	-	-	(400)	(400)
- property, plant and equipment	-	-	-	(484)	(484)
Impairment losses on property, plant and equipment	-	7,811	-	-	7,811
Waiver of debts	-	-	-	(45,506)	(45,506)
Written off of property, plant and equipment	-	193	-	-	193
Tax expenses	4,895	25	-	-	4,920
<b>Segment assets</b>	125,331	5,497	38,210	12,100	138,120
				(43,018)	

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. SEGMENTAL INFORMATION cont'd

Information regarding the Group's total reportable segments are presented below: - cont'd

	← Continuing operations →		← Discontinued operations →		Group RM'000
	Construction activities RM'000	Public transportation services RM'000	Others RM'000	Public transportation services RM'000	
<b>2022</b>					
<b>Revenue</b>					
Sales to external customers, representing total revenue for the financial year	54,964	20,702	-	20,403	96,069
<b>Segment profit before tax</b>	14,200	1,460	(2,625)	(20,762)	(7,727)
<i>Included in the measure of segment profit are:</i>					
Cost of sales	39,196	18,019	-	24,065	81,280
Interest income	(60)	(54)	(158)	(40)	(312)
Interest expenses	-	37	6	323	366
Depreciation of property, plant and equipment	-	4,415	25	5,026	9,466
Loss on disposal of property, plant and equipment	-	-	-	10,809	10,809
Impairment losses on property, plant and equipment	-	-	-	2,726	2,726
Written off of property, plant and equipment	-	-	1	-	1
Tax expenses	3,408	25	-	55	(55)
<b>Segment assets</b>	30,813	20,567	15,295	93,541	(82,315)
					77,901

## NOTES TO THE FINANCIAL STATEMENTS

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### 27. SEGMENTAL INFORMATION *cont'd*

Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

	Group	
	2023	2022
	RM'000	RM'000
<b>Segment profit/(loss)</b>	<b>73,133</b>	<b>(7,727)</b>
Disposal of discontinued operations [Note 7]	<b>(63,856)</b>	20,762
<b>Profit before tax from continuing operations</b>	<b>9,277</b>	13,035

	Group	
	2023	2022
	RM'000	RM'000
<b>Segment assets</b>	<b>181,138</b>	160,216
Elimination of inter-segment balances	<b>(30,918)</b>	(82,315)
Disposal of discontinued operations [Note 7]	<b>(12,100)</b>	-
<b>Total assets</b>	<b>138,120</b>	77,901

### 28. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised as amortised costs respectively, except for other investments measured at fair value through other comprehensive income as disclosed in Note 11.

#### Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing the financial risks, including credit risk, interest risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

#### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade receivables and other receivables) and contract assets. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. There are no significant changes as compared to prior year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. FINANCIAL INSTRUMENTS *cont'd*

### Financial Risk Management Objectives and Policies *cont'd*

#### (a) Credit risk *cont'd*

##### Trade receivables and contract assets

###### 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 and contract assets are credit impaired.

There are no significant changes as compared to previous year.

###### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk from receivables and contract assets is represented by the carrying amounts in the statements of financial position.

###### Concentration of credit risk

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

As at 31 December 2023, the Group has significant concentration of credit risk arising from the amount owing from 4 customers (2022: 4 customers) constituting 78% (2022: 88%) of gross 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. Any receivables having significant balances past due more than 120 days to 150 days expiry of credit term granted, which are deemed to have higher credit risk, are monitored individually.

The Company assesses impairment of trade receivable on individual basis. The Company uses an allowance matrix to measure ECL of individually assessed receivables as they are having different credit risk characteristics, the days past due and similar types of contracts which have similar risk characteristics. Consistent with the debt recovery process, invoices which are past due more than 120 days to 150 days will be considered as credit impaired.

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. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions, and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the period.

The Group is exposed to significant concentration of credit risk to one (1) customer, a body incorporated by the Government of Malaysia. The expected credit loss rate on the amounts outstanding from the customer are considered low as it has low risk of default and strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the said Body to fulfil its contractual cash flow obligations.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

## 28. FINANCIAL INSTRUMENTS *cont'd*

### Financial Risk Management Objectives and Policies *cont'd*

#### (a) Credit risk *cont'd*

##### Trade receivables and contract assets *cont'd*

##### Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross RM'000	Impairment RM'000	Net RM'000
<b>Group</b>			
<b>2023</b>			
<b>Trade receivables</b>			
Not past due	46,238	-	46,238
Past due but not impaired			
- 1 to 30 days	14,088	-	14,088
- 31 to 60 days	479	-	479
- 61 to 90 days	10	-	10
	<b>14,577</b>	<b>-</b>	<b>14,577</b>
Credit impaired			
- More than 120 days	99	-	99
Retention sum held by contract customers	8,002	-	8,002
	<b>68,916</b>	<b>-</b>	<b>68,916</b>
Contract assets	9,527	-	9,527
	<b>78,443</b>	<b>-</b>	<b>78,443</b>
<b>2022</b>			
<b>Trade receivables</b>			
Not past due	19,705	-	19,705
Past due but not impaired			
- 1 to 30 days	4,028	-	4,028
- 31 to 60 days	189	-	189
- 61 to 90 days	717	-	717
	<b>4,934</b>	<b>-</b>	<b>4,934</b>
Credit impaired			
- More than 120 days	8,719	(7,977)	742
Retention sum held by contract customers	3,125	-	3,125
	<b>36,483</b>	<b>(7,977)</b>	<b>28,506</b>
Contract assets	705	-	705
	<b>37,188</b>	<b>(7,977)</b>	<b>29,211</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 28. FINANCIAL INSTRUMENTS *cont'd*

### Financial Risk Management Objectives and Policies *cont'd*

#### (a) Credit risk *cont'd*

##### Trade receivables and contract assets *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.

###### Receivables that are past due but not impaired

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 according to historical repayment trend of these trade receivables. The Group does not hold any collateral or other credit enhancement over these balances.

###### Credit impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments and due more than 120 days past due after expiry of credit terms granted. In the prior year, these receivables relate to the amounts due from route operators for which there is a special arrangement to state that the receivables will be offset against the payables of the Company. There was no significant increase in the risk of default on the receivables, hence the amounts were not subject to impairment for the financial year.

##### Other receivables and deposits

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses which reflects the low credit risk of the exposures. As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, 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.

##### Amounts due from 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.

###### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

## 28. FINANCIAL INSTRUMENTS *cont'd*

### Financial Risk Management Objectives and Policies *cont'd*

#### (a) Credit risk *cont'd*

##### Amounts due from subsidiaries *cont'd*

##### Recognition and measurement of impairment loss

Intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loans is demanded at the reporting date.

The Company assumes that there is a significant increase in credit risk when subsidiaries' financial positions deteriorate 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 subsidiaries loans or advances to be credit impaired when the subsidiaries are unlikely to repay the 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 were no indications of impairment loss in respect of amounts due from subsidiaries.

#### (b) Interest rate risk

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

In respect of interest-earning financial liabilities, the effective interest rates at the reporting date, in which they reprice or mature, whichever is earlier are disclosed in Note 25.

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:

	Group	
	2023	2022
	RM'000	RM'000
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Revolving credit	(7,040)	(7,000)
Invoice financing	(6,570)	-
	<b>(13,610)</b>	<b>(7,000)</b>

The Group is exposed to interest rate risk through the impact of rate changes in floating rate instruments. The changes in interest rates of 100 basis point would not have material impact on the profit or loss and equity of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 28. FINANCIAL INSTRUMENTS *cont'd*

### Financial Risk Management Objectives and Policies *cont'd*

#### (c) 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 is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The unutilised credit facilities made available to the Group as at 31 December 2023 amount to RM67,636,000 (2022: RM20,000,000).

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations: -

	Carrying amount	Contractual cash flows	Contractual Cash Flows		
			On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>2023</b>					
Trade payables	36,192	36,192	32,304	-	3,888
Other payables	15,149	15,149	15,149	-	-
Borrowings	13,610	14,388	14,388	-	-
Lease liabilities	1,069	1,187	289	279	619
	<b>66,020</b>	<b>66,916</b>	<b>62,130</b>	<b>279</b>	<b>4,507</b>
<b>2022</b>					
Trade payables	20,520	20,520	18,910	-	1,610
Other payables	92,309	92,309	78,194	-	14,115
Borrowings	7,000	7,322	7,322	-	-
Lease liabilities	281	319	61	61	197
	<b>120,110</b>	<b>120,470</b>	<b>104,487</b>	<b>61</b>	<b>15,922</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 28. FINANCIAL INSTRUMENTS *cont'd*

#### Financial Risk Management Objectives and Policies *cont'd*

##### (c) Liquidity risk *cont'd*

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations: - *cont'd*

	Carrying amount RM'000	Contractual cash flows RM'000	Contractual Cash Flows		
			On demand or within 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000
<b>Company</b>					
<b>2023</b>					
Other payables	647	647	647	-	-
Lease liabilities	203	226	50	50	126
	<b>850</b>	<b>873</b>	<b>697</b>	<b>50</b>	<b>126</b>
<b>2022</b>					
Other payables	29,441	29,441	29,441	-	-
Lease liabilities	243	277	50	50	177
	<b>29,684</b>	<b>29,718</b>	<b>29,491</b>	<b>50</b>	<b>177</b>

### 29. FAIR VALUE INFORMATION

#### Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial position are disclosed in Notes 11.

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

#### Financial instrument 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 value*

The carrying amounts of financial assets and financial liabilities approximate their fair values due to relatively short-term nature of these financial instruments and insignificant impact of discounting.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

### 30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure to safeguard its ability to continue as a going concern in order to maintain investor, creditors and market confidence and to sustain future business development. The Group's overall strategy remains unchanged from the previous financial year.

The Group and the Company monitor capital using debt-to-equity ratio which is the total debt divided by total equity. Total debt includes borrowings and lease liabilities, whilst total equity is equity attributable to Owners of the Company.

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenant: -

- (i) Gearing ratio (Borrowings divided by Equity attributable to the Owners of the Company) of the Group to be capped at 2.0 times.

The Group is in compliance with all externally imposed capital requirements as mentioned above. As at 31 December 2023, the gearing ratio of the Group was at 0.22 times (2022: not applicable).

The Company is not subject to any externally imposed capital requirements.

The debt-to-equity ratios at end of the reporting period are as follows: -

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Lease liabilities	23	1,069	281	203	243
Borrowings	25	13,610	7,000	-	-
Total debt		14,679	7,281	203	243
Total equity attributable to Owners of the Company		66,085	(51,543)	37,360	(14,108)
Debt-to-equity ratio (%)		0.22	*	0.01	*

\* Not meaningful

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

#### Regularisation Plan

On 27 September 2022, the Company proposed to undertake the proposed regularisation plan to regularise its financial condition which comprises the following: -

(i) Proposed disposal

On 27 September 2022, the Company has entered into a Share Sale Agreement (“SSA”) with Nadicorp Holdings Sdn. Bhd. (“Nadicorp”) to dispose entire equity interest of Park May Berhad (“PMB”) and its subsidiaries (collectively known as “PMB Group”), for a cash consideration of RM1.

As part of the terms of the proposed disposal, Nadicorp has agreed to waive and will also procure its subsidiaries as well as PMB Group to waive the net amount due from the Company and its subsidiary, CLSB, to the purchaser (“Amount Owing”) amounting to an aggregate of RM51.46 million.

The Company has fulfilled all the condition precedents as stipulated in the SSA and call for completion of SSA on 16 August 2023. Consequently thereupon, PMB Group ceased to be the subsidiaries of the Company. The effect of disposal on the financial position of the Group is disclosed in Note 7.

(ii) Proposed share capital reduction

On 14 July 2023, the Company had via its legal counsel filed the petition to the High Court of Malaya at Kuala Lumpur (“High Court”) to obtain an order by the High Court confirming the proposed share capital reduction.

On 10 August 2023, the High Court had granted an order confirming the proposed share capital reduction pursuant to Section 116 of Companies Act 2016. The effect of share capital reduction on the financial position of the Company is disclosed in Note 17.

(iii) Proposed private placement

On 27 September 2022, the Company had entered into 14 separate subscription agreements with the respective Placement Investors whereby the Placement Investors shall collectively subscribe for an aggregate of 125,000,000 placement shares at an issue price of RM0.16 per placement share for a total sum of RM20 million, which has been satisfied in full via cash and netting off the incurred placement fee of RM108,300.

On 24 August 2023, Bursa Securities had granted the listing and quotation for the 125,000,000 placement shares pursuant to the proposed private placement. The effect of private placement on the financial position of the Company is disclosed in Note 17.

The Regularisation Plan has been completed on 24 August 2023.

### 32. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

#### Practice Note 17 (“PN17”) status

In conjunction with the proposed regularisation plan, as disclosed in Note 31, undertaken during the financial year, the Group has completed the implementation of approved regularisation plan within the timeframe and thereafter, the Group is required to record two (2) consecutive quarters of profit and submit an application and other necessary documents to Bursa Securities to prove that it's no longer a PN 17 company.

On 6 March 2024, the Group has via its principal adviser (“AmInvestment Bank”) submitted an application to Bursa Securities for the upliftment of the Company from being classified as a PN17. As at the reporting date, it is pending for the approval from Bursa Securities.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023  
cont'd

## 32. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR *cont'd*

### Acceptance of letter of award

On 18 March 2024, the Group via TBSB has received a letter of award from a Director's related company for the main building works of 2 apartments, 1 carpark building, ancillary building, mechanical and electrical services, infrastructure and landscape works for a mixed development on PT 276071 and a portion of PT 276072, Bandar Meru Raya, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Darul Ridzuan, for a contract sum of RM191,125,087.10 as prescribed in the letter of award. The contract period is thirty-six (36) months which is expected to commence on 19 March 2024 and be completed on 18 March 2027.

On 20 March 2024, the Group via TBSB has received a letter of award from a third party for the main building works of 601 units of single storey terrace houses and 4 units of electrical substations under a Rumah Perakku development on Lot 315222 at Mukim Sungai Terap, Daerah Kinta, Negeri Perak Darul Ridzuan, for a contract sum of RM89,100,000 as prescribed in the letter of award. The contract period is thirty (30) months which is expected to commence on 27 March 2024 and be completed on 26 September 2026.

## 33. COMPARATIVE FIGURES

The financial statements of the Group and of the Company for the financial year ended 31 December 2022 were audited by a firm of chartered accountants other than Moore Stephens Associates PLT who expressed an unmodified opinion on those financial statements on 14 April 2023.

### Reclassification

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

	As previously reported	As restated
	RM'000	RM'000
<b>2022</b>		
<b>Group</b>		
<b>Statements of Financial Position</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,797	25,074
Right-of-use assets	277	-
<b>Current assets</b>		
Other receivables, deposits and prepayments	885	-
Other receivables	-	885
Fixed deposits with licensed banks	4,026	-
Cash and bank balances	18,543	-
Cash and cash equivalents	-	22,569
<b>Equity</b>		
Reserves	(129,334)	(29,523)
Accumulated losses	-	(99,811)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

### 33. COMPARATIVE FIGURES *cont'd*

#### Reclassification *cont'd*

Certain comparative figures have been reclassified to conform with the current year's presentation: *cont'd*

	As previously reported	As restated
	RM'000	RM'000
<b>Company</b>		
<b>Statements of Financial Position</b>		
<b>Non-current assets</b>		
Property, plant and equipment	321	553
Right-of-use assets	232	-
<b>Current assets</b>		
Other receivables, deposits and prepayments	37	-
Amount owing by subsidiaries	3,055	-
Other receivables	-	3,373
Cash and bank balances	10,900	-
Cash and cash equivalents	-	10,900
<b>Current liabilities</b>		
Other payables and accruals	29,160	-
Other payables	-	29,441
<b>2022</b>		
<b>Group</b>		
<b>Statements of Cash Flows</b>		
<b>Cash flows from operating activities</b>		
<i>Adjustments for: -</i>		
Depreciation of property, plant and equipment	9,444	9,466
Depreciation of right-of-use assets	22	-
<b>Changes in working capital</b>		
Decrease in contract cost assets	323	-
Decrease in contract assets	2,738	-
Contract assets	-	3,061
<b>Cash generated from operations</b>		
Interest paid	(323)	(329)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(18)	-
Repayment of principal portion of lease liabilities	-	(12)

**NOTES TO THE FINANCIAL STATEMENTS**31 December 2023  
cont'd**33. COMPARATIVE FIGURES** *cont'd*Reclassification *cont'd*Certain comparative figures have been reclassified to conform with the current year's presentation: *cont'd*

	<b>As previously reported</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
<b>Statements of Cash Flows</b>		
<b>Cash flows from operating activities</b>		
<i>Adjustments for: -</i>		
Depreciation of property, plant and equipment	4	25
Depreciation of right-of-use assets	21	-
<b>Changes in working capital</b>		
Decrease in amount owing by subsidiaries	4,749	-
Increase in trade and other receivables	(37)	
Receivables	-	4,712
<b>Cash generated from operations</b>		
Interest paid	-	(6)
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(16)	-
Repayment of principal portion of lease liabilities	-	(10)

## ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024

Total number of issued shares	:	594,797,348 ordinary shares
Class of equity securities	:	Ordinary Shares ("Shares")
Voting rights by poll	:	One vote for every share held

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	389	7.51	15,012	0.00
100 - 1,000 shares	1,120	21.63	702,100	0.12
1,001 - 10,000 shares	1,778	34.34	8,631,429	1.45
10,001 - 100,000 shares	1,303	25.17	51,663,859	8.69
100,001 – less than 5% of issued shares	585	11.30	429,178,048	72.16
5% and above of issued shares	2	0.04	104,606,900	17.59
<b>Total</b>	<b>5,177</b>	<b>100.00</b>	<b>594,797,348</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lengkap Suci Sdn Bhd	37,607,347	6.32	-	-
Doh Properties Sdn Bhd	67,000,000	11.26	-	-
Dato' Doh Tee Leong	10,212,700	1.72	67,000,000 <sup>(a)</sup>	11.26

#### Notes:

(a) Deemed interested by virtue of his interest in Doh Properties Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("CA 2016").

### DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Doh Tee Leong	10,212,700	1.72	67,000,000 <sup>(a)</sup>	11.26

#### Notes:

(a) Deemed interested by virtue of his interest in Doh Properties Sdn Bhd pursuant to Section 8 of the CA 2016.

## ANALYSIS OF SHAREHOLDINGS

As at 1 April 2024  
cont'd

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account – AmBank (M) Berhad for Doh Properties Sdn Bhd</i>	67,000,000	11.26
2.	Lengkap Suci Sdn Bhd	37,606,900	6.32
3.	Yee Wooi Tiong	14,408,800	2.42
4.	Euro Multimedia Sdn Bhd	10,336,500	1.74
5.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Doh Tee Leong (E-TAI/STW)</i>	10,212,700	1.72
6.	Pong Yeang Kong	9,998,000	1.68
7.	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Thun Yen Song</i>	9,888,100	1.66
8.	Marco Chin Wen Joon	9,626,800	1.62
9.	Lim Chin Kean	9,375,000	1.58
10.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Jin Thai (SS2 PJ-CL)</i>	8,400,000	1.41
11.	Yong Fan Hing	8,001,200	1.35
12.	Chan Wah Kiang	7,500,000	1.26
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Shin Kam Sun</i>	6,250,000	1.05
14.	Shin Kam Sun	6,193,800	1.04
15.	Ho Teik Suan	5,300,000	0.89
16.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Loy Chee Jin</i>	4,852,800	0.82
17.	Lim Chong Heng	4,480,000	0.75
18.	HLIB Nominees (Tempatan) Sdn Bhd <i>Hong Leong Bank Bhd for Tan Bee Hoon</i>	4,415,500	0.74
19.	Yee Goh Tiong	4,279,300	0.72
20.	Chua Choon Meng	4,250,000	0.72
21.	UOBM Nominees (Asing) Sdn Bhd <i>UOB Asset Management (Malaysia) Berhad for FWD Aggressive Fund</i>	4,200,000	0.71
22.	Jaya Gemilang Resources Sdn Bhd	3,797,200	0.64
23.	Ch'ng Yew Kiat	3,600,000	0.61
24.	Maybank Nominees (Tempatan) Sdn Bhd <i>Ng Kooi Lam</i>	3,520,000	0.59
25.	AJK Hartanah Sdn Bhd	3,500,000	0.59
26.	Tan Jin Thai	3,200,000	0.54
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Chin Seong (7014455)</i>	3,180,000	0.54
28.	Darren Cheong Hao Yuan	3,125,000	0.53
29.	Foong Kah Heng	3,125,000	0.53
30.	Abdul Azeez bin Abdul Rahim	2,940,100	0.50

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twentieth Annual General Meeting (“20th AGM” or “Meeting”) of EPICON BERHAD (“EPICON” or “the Company”) will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 20 June 2024 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

## AGENDA

### AS ORDINARY BUSINESS :

- |    |   |  |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the reports of the Directors and Auditors thereon.  | <b>PLEASE REFER TO EXPLANATORY NOTE 1</b>                    |
| 2. | To approve the payment of Directors’ fees and/or benefits of up to RM360,000.00 for the period commencing from the date immediately after this 20 <sup>th</sup> AGM until the next Annual General Meeting (“AGM”) of the Company. | <b>ORDINARY RESOLUTION 1</b>                                 |
| 3. | To re-elect En. Ahmed Azhar bin Abdullah who retires by rotation pursuant to Clause 89 of the Company’s Constitution.   | <b>ORDINARY RESOLUTION 2</b>                                 |
| 4. | To re-elect the following Directors who retire pursuant to Clause 95 of the Company’s Constitution:-<br><br>i. Ms. Loh Pek Mee<br>ii. Pn. Fahariah binti Abdul Wahab  | <b>ORDINARY RESOLUTION 3</b><br><b>ORDINARY RESOLUTION 4</b> |
| 5. | To re-appoint Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.  | <b>ORDINARY RESOLUTION 5</b>                                 |

### AS SPECIAL BUSINESS :

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

- |    |   |                              |
|----|---|------------------------------|
| 6. | <b>GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)</b> | <b>ORDINARY RESOLUTION 6</b> |
|----|---|------------------------------|

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT the Mandate shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

# NOTICE OF ANNUAL GENERAL MEETING

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AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

**7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE”)**

**ORDINARY RESOLUTION 7**

“THAT, authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries (“Group”) to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders’ Mandate dated 30 April 2024 which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm’s length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders’ Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders’ Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders’ Mandate in the best interest of the Company.”

# NOTICE OF ANNUAL GENERAL MEETING

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## 8. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY") ORDINARY RESOLUTION 8

"THAT subject to the provisions of the Act, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company ("Director"), to the extent permitted by law, to purchase such number of ordinary shares of the Company ("EPICON Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (i) the maximum aggregate number of EPICON Shares, which may be purchased and/or held as treasury shares shall not exceed 10% of the total number of issued shares in the Company at any point in time subject to compliance with the provisions of the Act, the Listing Requirements of Bursa Securities and/or any other relevant authorities;
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company; and
- (iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:
  - (a) the conclusion of the next AGM of EPICON following the general meeting at which the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority is passed, at which time shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
  - (b) the expiration of the period within the next AGM is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the EPICON Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities.

THAT the Directors, be and are hereby authorised to deal with the EPICON Shares purchased under the Proposed Renewal of Share Buy-Back Authority, at their discretion, in the following manner:

- (i) cancel the purchased EPICON Shares; or
- (ii) retain the purchased EPICON Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell in accordance with the relevant rules of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or
- (iii) retain part of the purchased EPICON Shares as treasury shares and cancel the remainder.

# NOTICE OF ANNUAL GENERAL MEETING

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AND THAT the Directors, be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as they may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority.”

9. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)**  
**LOO HUI YAN (MAICSA 7069314) (SSM PC No.: 202308000290)**  
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan  
 30 April 2024

**Notes:**

- a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company’s Constitution to issue a General Meeting Record of Depositors as at 12 June 2024. Only members whose names appear in the General Meeting Record of Depositors as at 12 June 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting: -
  - (i) In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company’s Share Registrars, Boardroom Share Registrars Sdn Bhd at **Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.**

# NOTICE OF ANNUAL GENERAL MEETING

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(ii) By Electronic Form

The Proxy Form can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of Proxy Form via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than forty-eight (48) hours before the time for holding the Meeting.

- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- j) Kindly check Bursa Securities' and the Company's website at <https://www.epicon.com.my/> for the latest updates on the status of the Meeting.

## EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2023

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will not be put forward for voting.

### 2. Item 2 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and/or any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period from the date immediately after this 20<sup>th</sup> AGM until the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

### 3. Items 3 and 4 of the Agenda – Re-election of Directors

Clause 89 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company 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 shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 95 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

En. Ahmed Azhar bin Abdullah will retire by rotation pursuant to Clause 89 of the Company's Constitution whereas Ms. Loh Pek Mee and Pn. Fahariah binti Abdul Wahab who were both appointed on 31 May 2023 will retire pursuant to Clause 95 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors, being eligible, have offered themselves for re-election at the 20<sup>th</sup> AGM.

The Board has endorsed the Remuneration and Nomination Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said retiring Directors are provided in the Directors' Profile of the Company's Annual Report 2023.

# NOTICE OF ANNUAL GENERAL MEETING

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#### 4. **Item 6 of the Agenda – General Authority for the Directors to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company had at its Nineteenth AGM held on 30 May 2023 (“19<sup>th</sup> AGM”), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time (“General Mandate”). This General Mandate will expire at the conclusion of this AGM.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the General Mandate granted to the Directors at the 19<sup>th</sup> AGM which will lapse at the conclusion of this AGM.

The Ordinary Resolution 6 proposed under item 6 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve such an issue of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

#### 5. **Item 7 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate**

The Ordinary Resolution 7 proposed under item 7 of the Agenda, if passed, will give the mandate to the Group to enter into recurrent related party transactions of a revenue and/ or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 April 2024 for further details.

#### 6. **Item 8 of the Agenda – Proposed Renewal of Share Buy-Back Authority**

The Ordinary Resolution 8 proposed under item 8 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of up to 10% of the Company's total number of issued shares at any point in time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to Share Buy-Back Statement dated 30 April 2024 for further details of the Proposed Renewal of Share Buy-Back Authority.

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**EPICON BERHAD***(formerly known as Konsortium Transnasional Berhad)*

Registration No. 200301015160 (617580-T)

(Incorporated in Malaysia)

**PROXY FORM**

CDS Account No.	No. of Shares Held

I/We \* \_\_\_\_\_ NRIC/Passport/Registration No.\* \_\_\_\_\_  
(Full name in block)of \_\_\_\_\_  
(Full Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members\* of **EPICON BERHAD** (formerly known as Konsortium Transnasional Berhad) ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or\*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Twentieth Annual General Meeting ("20<sup>th</sup> AGM" or "Meeting") of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 20 June 2024 at 2:30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the proxy will vote or abstain from voting at his/her\* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM360,000 for the period commencing from the date immediately after this 20 <sup>th</sup> AGM until the next Annual General Meeting of the Company.		
2.	To re-elect En. Ahmed Azhar bin Abdullah as a Director of the Company.		
3.	To re-elect Ms. Loh Pek Mee as a Director of the Company.		
4.	To re-elect Pn. Fahariah binti Abdul Wahab as a Director of the Company.		
5.	To re-appoint Moore Stephens Associates PLT as Auditors of the Company.		
6.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		
8.	To approve the Proposed Renewal of Share Buy-Back Authority.		

\* delete whichever is not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Member(s)/Common Seal

*Fold this flap for sealing*

**Notes:**

- a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 June 2024. Only members whose names appear in the General Meeting Record of Depositors as at 12 June 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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AFFIX  
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Company Share Registrars  
**BOARDROOM SHARE REGISTRARS SDN BHD** 199601006647  
(378993-D)  
Ground Floor or 11th Floor,  
Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan.

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- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting: -
  - (i) In hard copy form  
  
In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn Bhd at **Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.**
  - (ii) By Electronic Form  
  
The Proxy Form can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of Proxy Form via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than forty-eight (48) hours before the time for holding the Meeting.
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- j) Kindly check Bursa Securities' and the Company's website at <https://www.epicon.com.my/> for the latest updates on the status of the Meeting.

[www.epicon.com.my](http://www.epicon.com.my)

**EPICON BERHAD**

(Formerly known as Konsortium Transnasional Berhad)  
(200301015160 (617580-T))

Unit 303, Block G,  
Pusat Dagangan Phileo Damansara 1,  
Jalan 16/11, Off Jalan Damansara,  
46350 Petaling Jaya,  
Selangor Darul Ehsan.

Tel No.: 03-7932 3922