Rohas Tecnic Berhad
199401016997 (302675-A)

15th Floor, East Wing, Rohas Tecnic
No. 9, Jalan P. Ramlee
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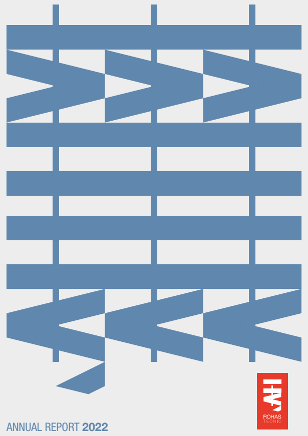
rohastecnic.com

ANNUAL REPORT **2022**

ROHAS
TECNIC

COVER RATIONALE



The Rohas Tecnic Berhad Annual Report 2022 cover design is a construction of creative design elements derived from the company's logo.

The visual showcases RTB Group as the leading supplier and fabricator of steel towers with the production capability and engineering expertise to meet the growing demands of power generation and telecommunication in the country.

CONTENTS

“We will continue to build on our core competence in the fabrication and installation of towers while expanding our businesses in water and telecommunications.”

WHO WE ARE

Rohas Tecnic Berhad and its subsidiaries ("RTB Group") are a Malaysia-based group involved in regional utility infrastructure markets primarily in the Power & Energy, Telecommunication and Water & Sewage. RTB Group is the market leader in the manufacturing of steel lattice towers and monopoles for power transmission and telecommunications in Malaysia as well as in the provision of full turnkey solutions in Engineering, Procurement, Construction and Commissioning ("EPCC") projects both in Malaysia and other countries in the region.

The strength of RTB Group is supported by its in-house design and engineering capabilities in the field of electrical, structural and civil works. RTB Group has a strong foundation and track record in delivering EPCC projects at high quality standards in a cost effective manner. Its EPCC offerings cover turnkey solutions for High Voltage Transmission lines & substations, Telecommunication towers network roll-out and Mechanical and Electrical ("M&E") works for water and sewage treatment plants. With more than 4 decades of industry knowledge and design experience gained over the years, RTB Group will continuously seek new opportunities and to transform it into a leading regional utility infrastructure company.

TWENTY-NINTH (29th) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth (29th) Annual General Meeting ("**AGM**") ("**29th AGM**") of Rohas Tecnic Berhad ("**the Company**") will be held virtually through live streaming and online remote voting at the broadcast venue at Board Room, 15th Floor, East Wing, Rohas Tecnic, 9, Jalan P. Ramlee, 50250 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 15 June 2023 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.	(Please refer Explanatory Note A)
2. To re-elect the following Directors, each of whom retires in accordance with Clause 139 or Clause 144 (where applicable) of the Company's Constitution and being eligible, offers himself for re-election: -	
(i) Tan Sri Wan Azmi Wan Hamzah (Clause 144)	(Ordinary Resolution 1)
(ii) Mr Sia Bun Chun (Clause 139)	(Ordinary Resolution 2)
Ms Khor Yu Leng who also retires by rotation in accordance with Clause 139 of the Company's Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 29th AGM.	
3. To approve the Directors' fees and benefits payable to the Non-Executive Directors of up to RM845,600.00 from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.	(Ordinary Resolution 3)
4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 4)

AS SPECIAL BUSINESS:
To consider and if thought fit, to pass the following Resolution as Ordinary Resolution: -

5. **ORDINARY RESOLUTION**
AUTHORITY FOR DIRECTORS TO ISSUE SHARES (Ordinary Resolution 5)

"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other governmental and/or regulatory authorities, where such approval is necessary, 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 shares in the capital of the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever the Directors of the Company may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being to be utilised before the conclusion of the next Annual General Meeting ("**AGM**") of the Company (hereinafter referred to as the "**General Mandate**").

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clauses 16 and 17 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to the General Mandate;

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued pursuant to the General Mandate.

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

6. To transact any other business of the Company of which due notice shall have been given.

BY ORDER OF THE BOARD

LAANG JHE HOW (MIA 25193) (SSM PC No.:201908002558)
CHONG MEI YAN (MAICSA 7047707) (SSM PC No.: 202008001961)
Company Secretaries
28 April 2023

TWENTY-NINTH (29th) ANNUAL GENERAL MEETING (CONT'D)

Notes:

(1) The 29th AGM will be conducted virtually by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via the Securities Services e-Portal platform at https://sshsb.net.my/. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

(2) The Broadcast Venue, which is the main venue of the 29th AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 83 of the Company's Constitution, which require the Chairman to be present at the main venue of the 29th AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 29th AGM.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 29th AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 29th AGM via real time submission of typed texts through a text box within the Securities Services e-Portal platform during the live streaming of the 29th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 29th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

(3) In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 June 2023 shall be eligible to attend (virtually) and vote at this Annual General Meeting ("AGM" or "Meeting"), or appoint a proxy to attend (virtually) and vote on his behalf. A proxy may but need not be a member of the Company.

(4) A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend (virtually) and vote at the same meeting. For a member who 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 the member holds.

(5) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of the member's shareholding to be represented by each proxy.

(6) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.

(7) **Appointment of proxy and registration for remote participation and voting**

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 SS E Solutions Sdn Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at https://sshsb.net.my/. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at https://.sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.

The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at rohastecnic.com.

EXPLANATORY NOTES: -

Note A - Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put for voting.

Ordinary Resolutions 1 to 2 – Re-election of Directors

In accordance with Clauses 139 and 144 of the Constitution of the Company, an election of Directors shall take place each year during the AGM. Each director shall retire from office at least once in every three (3) years but shall be eligible for re-election. A Director appointed or confirmed by ordinary resolution shall retire at the AGM in the subsequent year. One-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office yearly at the conclusion of the AGM. A retiring Director shall retain office until the close of the meeting at which he or she retires.

At the 29th AGM, the following Directors are standing for re-election as Directors of the Company, and being eligible, have offered themselves for re-election:-

(i) Tan Sri Wan Azmi Wan Hamzah (Clause 144)

(ii) Mr Sia Bun Chun (Clause 139)

[(i) to (ii) hereinafter referred to as "**Retiring Directors**"]

TWENTY-NINTH (29th) ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES: - (Cont'd)

Ordinary Resolutions 1 to 2 – Re-election of Directors (cont'd)

Ms Khor Yu Leng who also retires by rotation in accordance with Clause 139 of the Company's Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 29th AGM.

The Board has endorsed the recommendation from the Nomination and Remuneration Committee ("**NRC**") to re-elect the Retiring Directors as they have met all criteria as set forth in the Directors' Fit and Proper Policy of the Company and based on the satisfactory outcome of their respective Individual Directors Performance Evaluation. Further, they possess the required skill set to facilitate and contribute to the Board's effectiveness and value.

The profiles of the Retiring Directors are set out of in the Profiles of the Board of Directors on page 20 of the Annual Report 2022.

Ordinary Resolution 3 – Directors' Fees and Benefits Payable

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable ("**Remuneration**") to the Directors of the Company shall be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Remuneration to Non-Executive Directors ("**NEDs**") for the period from the conclusion of this Annual General Meeting up until the conclusion of the next Annual General Meeting of the Company. The Remuneration comprises Directors' fees, meeting attendance allowances and other emoluments.

The total Remuneration paid to the NEDs for the financial year ended 31 December 2022 was RM558,654.00, the details of which are published in the Corporate Governance Report on the Company's website at **rohastecnic.com.**

The Remuneration payable for the NEDs for the period from the conclusion of this AGM until the conclusion of the next AGM of the Company ("**Mandate Period**") are estimated not to exceed RM845,600.00. The calculation is based on the estimated Directors' fees, the size of the Board and Board Committees and the number of meetings estimated to be held during the Mandate Period, travelling allowances and premium for insurance coverage and/or possible claims for hospital, surgery and personal accident required. The Board will seek shareholders' approval at the next AGM in the event the proposed Remuneration is insufficient.

Ordinary Resolution 5 – Authority for Directors to issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Act at the 29th AGM of the Company. The Company had been granted a general mandate by its shareholders at the 28th AGM of the Company held on 22 June 2022 (hereinafter referred to as the "Previous Mandate"). The Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

This Proposed Resolution 5 which is an Ordinary Resolution, if passed, will grant a renewed general mandate and waiver of the statutory pre-emptive rights which will provide flexibility for the Company and will empower the Directors to issue new shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company for the purpose of funding current and/or future investment projects, working capital, and/or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will be valid until the conclusion of the next AGM.

MISSION STATEMENTS

Mission

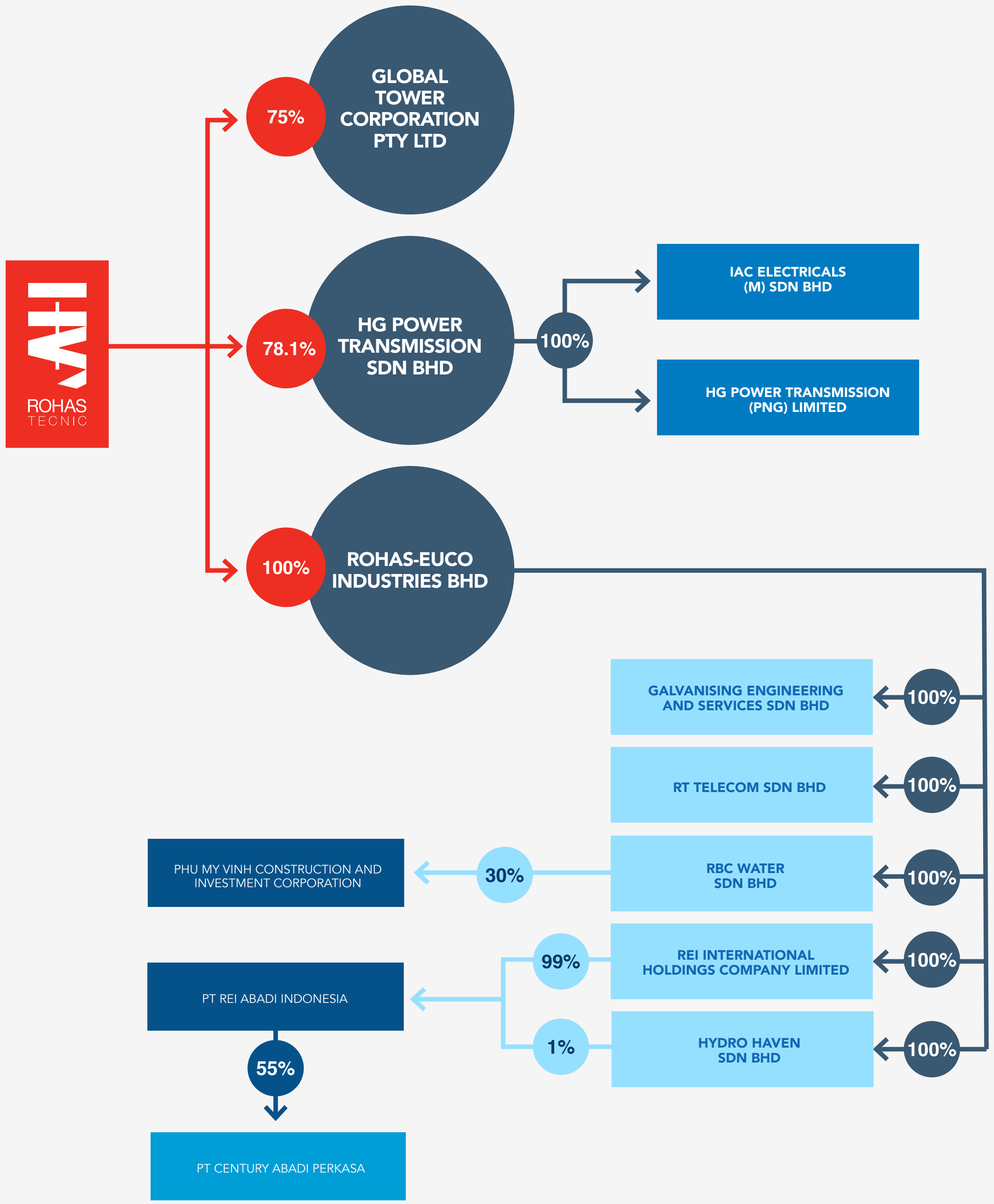
We aim to maintain our leadership in tower construction and deepen our involvement in EPCC opportunities

Motto

We shall do better because we can

GROUP CORPORATE STRUCTURE

as at **31 March 2023**



CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Sri Wan Azmi Wan Hamzah ("TSWA")
(Appointed on 1 January 2023)
Sia Bun Chun
Chee Suan Lye
Mohamed Tarmizi Ismail
Dr. Ir. Jeyanthi Ramasamy
Khor Yu Leng
Shaharuddin Zainuddin
Wan Afzal-Aris Wan Azmi
(Resigned as Director on 1 January 2023 and appointed as Alternate Director to TSWA on 23 February 2023)
Leong Wai Yuan
(Resigned on 1 January 2023)
Wong Mun Keong
(Resigned on 1 January 2023)
Amirul Azhar Baharom
(Resigned on 31 December 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE
Shaharuddin Zainuddin
Mohamed Tarmizi Ismail
Dr. Ir. Jeyanthi Ramasamy

NOMINATION AND REMUNERATION COMMITTEE
Sia Bun Chun
Chee Suan Lye
Dr. Ir. Jeyanthi Ramasamy

SUSTAINABILITY COMMITTEE
Khor Yu Leng
Dr. Ir. Jeyanthi Ramasamy

COMPANY SECRETARY
Laang Jhe How
(MIA 25193)
(SSM PC No.:201908002558)

Chong Mei Yan
(MAICSA 7047707)
(SSM PC No.:202008001961)

REGISTERED OFFICE
149A, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
W. P. Kuala Lumpur, Malaysia
Tel : 603 - 7729 1519
Fax : 603 - 7728 5948
Email : edzonems@gmail.com

HEAD OFFICE
15th Floor, East Wing, Rohas Tecnic
No. 9, Jalan P. Ramlee
50250 Kuala Lumpur
W. P. Kuala Lumpur, Malaysia
Tel : 603 - 2163 3900
Fax : 603 -2164 9800
Email : rtb@rohastecnic.com
Website : rohastecnic.com

SHARE REGISTRARS
Insurban Corporate Services Sdn. Bhd.
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
W. P. Kuala Lumpur, Malaysia
Tel : 603 - 7729 5529
Fax : 603 - 7728 5948
Email : insurban@gmail.com

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Market
Stock Code: 9741

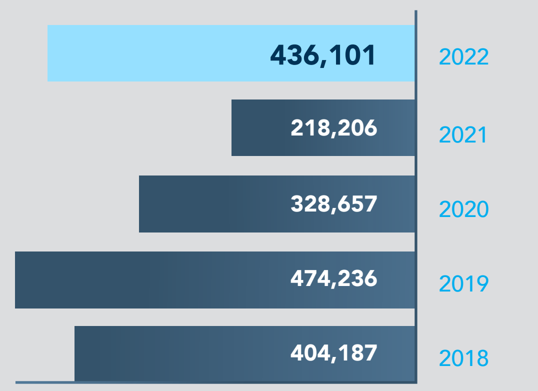
AUDITORS
Grant Thornton Malaysia PLT
(Member Firm of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
W. P. Kuala Lumpur, Malaysia
Tel : 603 - 2692 4022
Fax: 603 – 2732 5119
Website: www.grantthornton.com.my

PRINCIPAL BANKERS
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
Standard Chartered Saadiq Berhad
United Overseas Bank (Malaysia) Berhad
AmBank (M) Berhad

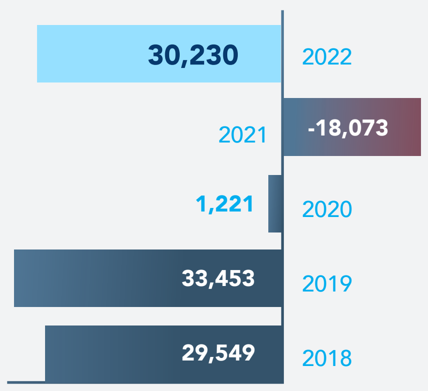
5 YEARS FINANCIAL HIGHLIGHT

Financial year ended	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	404,187	474,236	328,657	218,206	436,101
Operating profit/(loss)	29,549	33,453	1,221	(18,073)	30,230
EBITDA	32,186	41,990	10,832	(1,545)	39,261
Profit/(Loss) after tax	15,262	18,320	(5,255)	(15,548)	20,441
Profit/(Loss) after tax and minority interest	16,030	17,280	(2,834)	(11,318)	18,264
Cash and cash equivalent	60,626	65,365	62,390	84,794	57,302
Total assets	689,019	588,926	578,910	513,566	660,742
Borrowings	92,948	114,526	101,673	84,724	110,469
Total liabilities	342,391	234,649	232,224	183,519	298,303
Shareholders funds	346,627	354,277	346,686	330,047	362,439
Earnings per share (sen)	3.39	3.66	(0.60)	(2.39)	3.86
Net assets per share (RM)	0.67	0.69	0.68	0.66	0.69
Net debt to equity (times)	0.29	0.35	0.29	0.26	0.30

REVENUE
(RM'000)

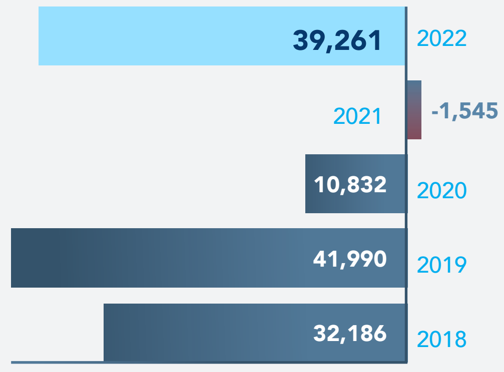


OPERATING PROFIT
(RM'000)

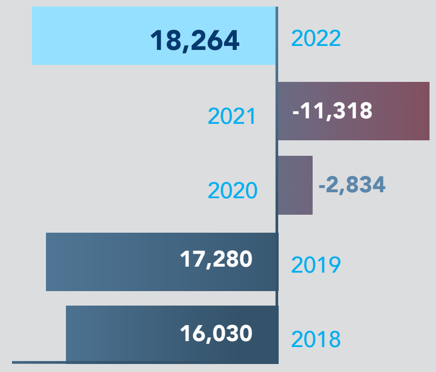


5 YEARS FINANCIAL HIGHLIGHT (CONT'D)

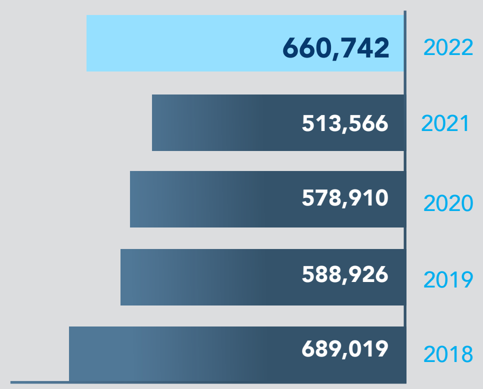
EBITDA
(RM'000)



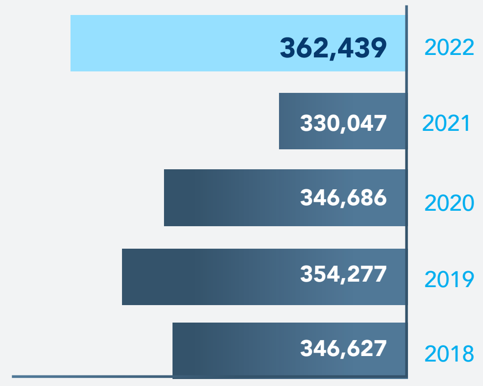
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST
(RM'000)



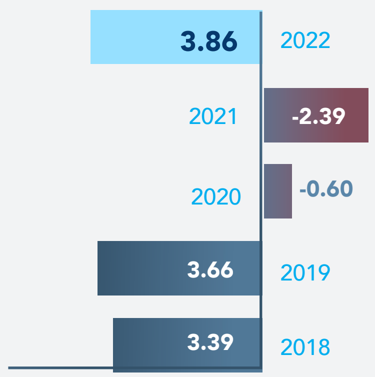
TOTAL ASSETS
(RM'000)



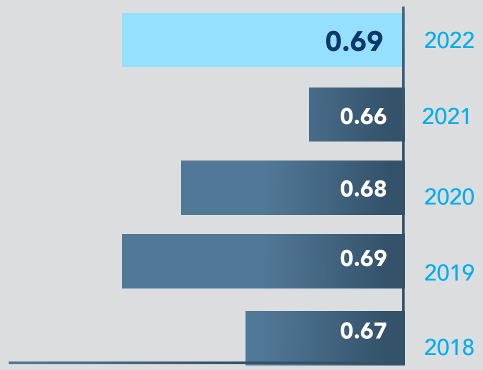
SHAREHOLDERS FUNDS
(RM'000)



EARNINGS PER SHARE
(sen)



NET ASSETS PER SHARE
(RM)



KEY MILESTONES

2017

8 March
Completion of the regularisation plan through 100% acquisition of Rohas-Euco Industries Bhd ("REI") via issuance of 317.4 mil shares and public issue of 42 mil shares

8 March
Change of name from Tecnic Group Berhad to Rohas Tecnic Berhad ("RTB")

31 October
Acquired 75% of HG Power Transmission Sdn Bhd ("HGPT") via issuance of 72.8 mil shares and RM22.5 mil in cash

26 December
Paid out interim dividend 1 sen per share to shareholders

2018

6 February
REI commenced expansion and upgrade of lattice tower manufacturing plant at Lot 5, Bentong

2 May
Rollout of a new Enterprise Resource Planning System

8 May
24th AGM and proposed final dividend of 1.5 sen per share to shareholders

15 May
REI commenced expansion and upgrade of monopole manufacturing plant at Lot 18, Bentong

25 May
Inclusion in the list of shariah-compliant securities

2019

25 May
RBC Water Sdn Bhd ("RBC") completed the 40% share acquisition of Phu My Vinh Construction and Investment Corporation ("PMV")

29 May
25th AGM and proposed final dividend of 1.0 sen per share to shareholders

21 June
RTB has entered into Share Purchase Agreement to acquire 75% of Global Tower Corporation Pty Ltd ("GTC")

8 November
REI and GES accredited with ISO 45001:2018 Occupational Health and Safety Management Systems certification

20 November
Completion of REI Monopole Manufacturing facilities and relocation of related equipment

2020

31 January
Paid out interim dividend 0.5 sen per share to shareholders

18 March
Manufacturing plant and construction sites in Malaysia stop work due to pandemic

29 April
Re-opening of manufacturing plant with tight standard operating procedures

19 June
Completed the acquisition of GTC

9 July
26th Virtual AGM and proposed final dividend of 0.5 sen per share to shareholders

2021

28 February
Completion of relocation of machinery and raw material from Lot 10 to Lot 5

20 April
Commercial Operation Date of PT Century Abadi Perkasa ("PTCAP")'s 7 MW Lawe Sikap mini hydro power plant

30 July
Formed the Sustainability Committee

2022

1 January
GTC completed 1st telecommunication tower for mobile network operators in Cambodia

5 January
RBC Water's kick-off meeting on Skim Jaminan Air Mentah – Package D project with Unit Perancang Ekonomi Negeri Selangor

12 April
Nepal Electricity Authority awarded a first contract in Nepal to HGPT for power transmission line work

22 July
PT REI Abadi Indonesia completed the acquisition of an additional 6% equity interest in PTCAP making it a 55% subsidiary

15 December
PMV's Hoa Khanh Tay Water Supply Plant Phase 2 completed and commissioned, increasing water supply capacity by 40,000 m³/day to 80,000 m³/day

CHAIRMAN'S INTERVIEW

CHAIRMAN'S *Interview*

Tan Sri Wan Azmi Wan Hamzah

1. **Salam Tan Sri, how does it feel to be back at the helm?**

   Well, it's not something I had expected but with George needing some regular time off and the economy still in recovery mode the Board thought it best to recall me to help steady the ship.

   George has done a great job of holding things together during the pandemic years. On behalf of the Board and shareholders I would like to thank him for his services and wish him well for the future.

2. **What do you think of the Group's performance for 2022?**

   You have to be encouraged by any turnaround from red to black.

   There were noteworthy improvements over 2021, with Group revenue doubling to RM436 million and profit after tax of RM20.4 million. However, operating margins remain a concern. 2022 could have been even better if not for our galvanizing plant having to stop work for 2 months for critical maintenance works. A slowdown in take-up of towers by our clients also affected Q4 results, as did delays in the implementation of HGPT's contracts in Bangladesh.

CHAIRMAN'S INTERVIEW (CONT'D)

3. **Should we then expect better for 2023 or do you anticipate there could be a slowdown as the new coalition government in Malaysia reassesses major policy decisions made by previous administrations?**

   As a general observation over the last five years, changes of governments seldom bring immediate positive outcomes. There is some concern for that, having seen how well-meaning changes adversely affected businesses when not implemented in a well thought out manner, as happened in 2018-19.

   2023 is likely to be a transitional year for Malaysia. However, we do have adequate orders in hand to tide us over, and there are definitely areas that justify optimism for the future. Tenaga Nasional will benefit from higher targeted tariffs, which will in turn boost their capacity to spend on expanding and improving the national grid. This should benefit our tower and EPCC businesses.

   Some of the early seeds planted in our diversification program have also shown positive results in 2022. We hope to harvest consistent recurrent profits from our water company in Vietnam and the mini-hydro in Aceh, Indonesia. We should also see full contribution from RBC's raw water supply project construction.

4. **The global economy seems more at risk if anything this year, with uncertainty regarding inflation, interest rates and banks – how will this impact on the Group's overseas initiatives?**

   High interest rates and fluctuating exchange rates are certainly a problem as it cuts into margins and makes it more challenging not only to secure projects with good returns on investment but also to finance them. Especially in countries with less developed capital markets. We will be patient and focus on cost and risk management. For example, we have scaled back our activities in Bangladesh and slowed down our rollout of towers in Cambodia.

   Incidentally our nascent tower company business in Cambodia has been progressing well as we are now the largest independent player there. We anticipate in the next few years this will become a steady contributor of profit to the Group.

5. **Could you explain changes in Board membership, specifically the exclusion of executive management from membership.**

   After the disappointments of recent years, there was a general feeling that a re-boot was needed. The Board will emphasise on reviewing our business portfolio and setting corporate targets, financial and otherwise. Executive management will be absolutely focused on implementation and attainment of those targets.

   Both George Sia and I are now in the autumn of our productive years. It has occurred to both of us that we should be handing over to the next generation of leaders and soon. These changes may yet serve the objective of leadership renewal.

6. **Is there any advice for Management on how they might approach things differently?**

   The Executive Management has been through tough recent times, having to manage through both the pandemic and governmental inertia. The experience should have provided valuable lessons. Going forward, it cannot be business as usual. Management has to focus on its objectives, plan well and execute with intelligence, alertness and flexibility.

7. **Tan Sri, any concluding remarks?**

   Considerable challenges and threats are ever-present. But hope springs eternal - not least that the turnaround seen shall prove sustainable and significantly enhanced in the coming year. InsyaAllah.

BOARD OF DIRECTORS

Board of Directors

BOARD OF DIRECTORS (CONT'D)

From left to right

Sia Bun Chun
Chee Suan Lye
Tan Sri Wan Azmi Wan Hamzah ("TSWA")
Mohamed Tarmizi Ismail

From left to right

Dr. Ir. Jeyanthi Ramasamy
Khor Yu Leng
Shaharuddin Zainuddin
Wan Afzal-Aris Wan Azmi
(Alternate Director to TSWA)

BOARD OF DIRECTORS (CONT'D)

Tan Sri Wan Azmi Wan Hamzah ("Tan Sri Wan Azmi")
Non-Independent Non-Executive Chairman

Nationality/Age/Gender: **Malaysian/73/Male**
Date of Appointment: **1 January 2023**

Tan Sri Wan Azmi qualified as a chartered accountant with the Institute of Chartered Accountants in England and Wales in 1974 and became a member of Malaysian Institute of Certified Public Accountant since 1975. In 1994, he was conferred an Honorary Doctorate in Business Administration from the Robert Gordon University, UK and an Honorary Fellowship by Aberdeen University, UK.

After broad exposure to various sectors of the economy at senior management level, he embarked on an entrepreneurial career in 1987 building significant business interests across a wide range of activities, both domestically and overseas.

Currently, his significant investments include cement production in Kazakhstan, steel fabrication and real estate in Malaysia and Australia.

BOARD COMMITTEE MEMBERSHIPS:
- **None**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **Syarikat Pengeluar Air Selangor Holdings Berhad**

Sia Bun Chun
Non-Independent Non-Executive Director

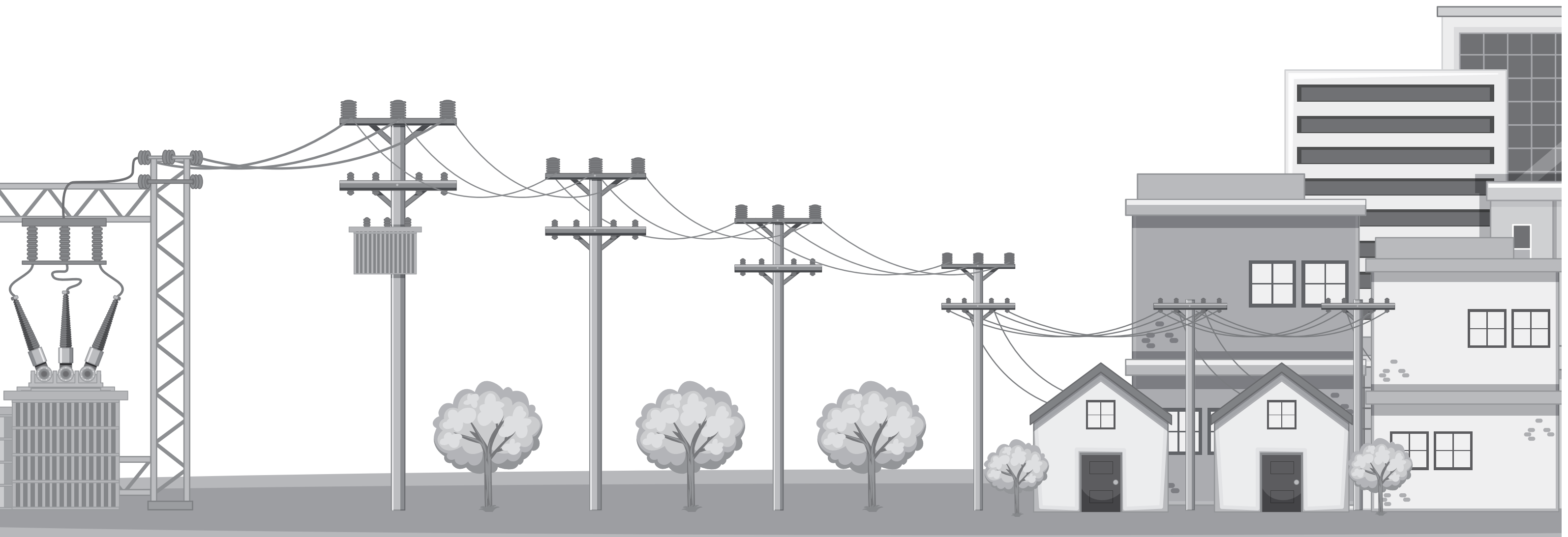
Nationality/Age/Gender **Singaporean/76/Male**
Date of Appointment **8 March 2017**

Sia Bun Chun completed his Matriculation program in St Stephen's College, New Zealand and undertook part-time studies program in engineering at the Wellington Polytechnic, New Zealand.

After several engineering related working stints in New Zealand and Indonesia, he returned to Malaysia in 1974 where he joined Rohas-Euco Industries Bhd ("REI"), which was then known as Crittal Euco Sdn Bhd and was subsequently promoted as its Managing Director in 1976. Sia Bun Chun was the Managing Director of RTB Group until his retirement in 2017, after which he was appointed as the Deputy Chairman and then the Chairman of RTB. On 1 January 2023, he stepped down as Chairman and continues to remain as a member of the Board of RTB.

BOARD COMMITTEE MEMBERSHIPS:
- **Chairman of Board Nomination and Remuneration Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**



BOARD OF DIRECTORS (CONT'D)

Chee Suan Lye
Senior Independent Non-Executive Director

Nationality/Age/Gender **Malaysian/69/Female**
Date of Appointment **8 March 2017**

Chee Suan Lye qualified as a Certified Public Accountant (Malaysia) and was admitted as a member of the Malaysian Institute of Certified Public Accountants since 1978.

Starting her career with Price Waterhouse in 1974, she had over the years, served in various corporate capacities in industries. She was also the Executive Director of The Association of Banks in Malaysia for several years and had served on the boards of several companies including as independent director on Bolton Properties Bhd. She also sat on the Boards of various organisations such as the Banking Mediation Bureau and the Financial Mediation Bureau.

BOARD COMMITTEE MEMBERSHIPS:
- **Member, Board Nomination and Remuneration Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**

Mohamed Tarmizi Ismail
Independent Non-Executive Director

Nationality/Age/Gender **Malaysian/63/Male**
Date of Appointment **8 March 2017**

Mohamed Tarmizi Ismail graduated with a Bachelor of Arts in Sociology from the State University of New York, USA in 1984.

He began his career in Bank Negara Malaysia and subsequently joined D&C Sakura Merchant Bankers Sdn Bhd. After a decade in financial services, Tarmizi joined Land & General Berhad as Group Head Business Development in 1995 prior to pursuing his own business interest. Currently, he is the Managing Partner of Tarmizi Tun Dr Ismail & Partners Sdn Bhd, a strategic human capital advisory and executive search firm which he established in 2002. At the time, he was also invited onto the Board of HwangDBS Investment Bank Bhd.

BOARD COMMITTEE MEMBERSHIPS:
- **Member, Board Audit and Risk Management Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**

Dr. Ir. Jeyanthi Ramasamy
Independent Non-Executive Director

Nationality/Age/Gender **Malaysian/41/Female**
Date of Appointment **23 August 2017**

Dr. Ir. Jeyanthi Ramasamy graduated with a Bachelor of Petroleum Engineering from the University of Technology, Malaysia in 2006. Later on, she continued her Master in Petroleum Technology with Curtin University of Technology and graduated with distinction in 2012 and subsequently completed her Industrial PhD in Subsea Engineering with the University of Technology, Malaysia in 2016.

She has been pursuing her career in the oil and gas industry since 2006 while continuing her academic pursuits. She is a Professional Engineer with a practicing certificate (Petroleum) with the Board of Engineers Malaysia; a Fellow of The Institute of Engineers Malaysia (IEM); and a Life Member of Women's Institute of Management. In December 2021, she completed the Bachelor of Jurisprudence from the University of Malaya. Recently, she passed the Certificate of Legal Practice (CLP) examination.

BOARD COMMITTEE MEMBERSHIPS:
- **Member, Board Audit and Risk Management Committee**
- **Member, Board Nomination and Remuneration Committee**
- **Member, Board Sustainability Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**

BOARD OF DIRECTORS (CONT'D)

Khor Yu Leng
Independent Non-Executive Director

Nationality/Age/Gender **Malaysian/52/Female**
Date of Appointment **13 November 2018**

Khor Yu Leng graduated with an honours degree in Philosophy, Politics & Economics from the Oxford University, UK in 1992 and a masters degree in Economics from the London School of Economics, UK in 1993.

She is a research specialist in both the quantitative and qualitative aspects of economics and has vast experience in international consulting, having served a number of Fortune 500 companies, other corporations, government agencies and NGOs in over 150 studies throughout the span of her career. She is currently the Owner and Director of Segi Enam Advisors Pte Ltd in Singapore, a firm specialising in market research and business intelligence; Associate Director (Sustainability) at the Singapore Institute of International Affairs; Independent Director at the Business Council for Sustainable Development Malaysia and Rimba Collective a fund for forest conservation; Council Member of the Malaysian Oil Scientists and Technologists Association; and has focus on commodity, energy and carbon markets.

BOARD COMMITTEE MEMBERSHIPS:
- **Chairman, Board Sustainability Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **SIPEF, a Belgian agribusiness group listed on Euronext Brussels**

Shaharuddin Zainuddin
Independent Non-Executive Director

Nationality/Age/Gender: **Malaysian/54/Male**
Date of Appointment: **17 September 2020**

Shahar is a Chartered Accountant with expertise in risk management, capital markets and Islamic finance. He graduated with a Bachelor of Accounting (Honours) from University of East Anglia, United Kingdom in 1992.

He is a seasoned global banker and business leader with more than 25 years of experience gained across Europe, the Middle East, Africa and South East Asia. His extensive knowledge of a wide range of banking businesses from Corporate and Investment Banking, Development Banking and Impact Investment is evidenced by a proven ability to build and sustain successful ventures by bringing changes and transformation, whilst managing and motivating diverse culture and talent.

He is currently a Partner of Arabesque Holdings, in charge of their worldwide Sharia' business and also key clients in Asia. Through their group of companies: ESG Book, Arabesque AI and S-World, they leverage cutting-edge technology research and data to deliver sustainable, transparent financial solutions for a changing world.

He is also a Mentor and Senior Advisor to Global Institute for Tomorrow (GIFT), a think tank based in Hong Kong.

He was formerly the President/CEO and board member of Bank Pembangunan Malaysia Berhad, and also board member of Alliance Islamic Bank Berhad.

BOARD COMMITTEE MEMBERSHIPS:
- **Chairman, Board Audit and Risk Management Committee**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**

BOARD OF DIRECTORS (CONT'D)

Wan Afzal-Aris Wan Azmi ("Wan Afzal Aris")
Alternate Director to Tan Sri Wan Azmi

Nationality/Age/Gender **Malaysian/39/Male**
Date of Appointment **23 February 2023**

Wan Afzal Aris graduated with a Bachelor of Arts majoring in International Business and Marketing from the European Business School, UK in 2008.

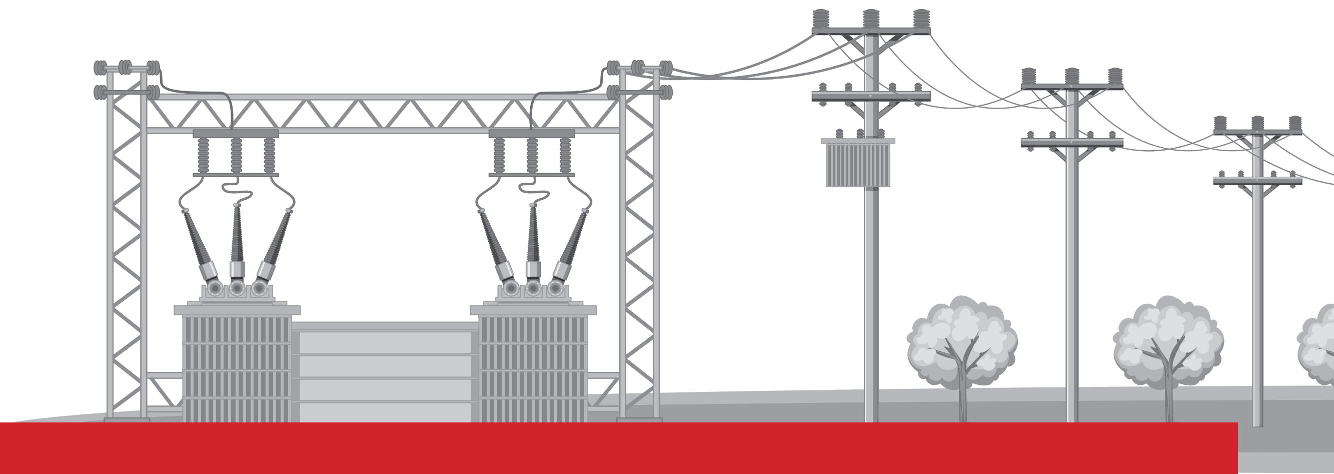
He started his career in 2008 at Halfmoon Bay Capital Sdn Bhd, assisting its Director to coordinate and supervise the firm's daily operations. In 2010, he joined Riverlee Australia Pty Ltd, a company primarily engaged in property investment and development, subsequently becoming its Asset Manager, handling the company's oversight on the assigned portfolio. Currently, Wan Afzal Aris is the Director and Chief Executive Officer of Rohas Sdn Bhd, appointed to the position in 2014.

Wan Afzal Aris was appointed as alternate director to Tan Sri Wan Azmi on 13 November 2018 and ceased as alternate director when Tan Sri Wan Azmi resigned as director of the Company.

On 13 January 2020, the Company appointed Wan Afzal Aris as a director and he served on the Board until 1 January 2023. Following a Board restructuring exercise, where Tan Sri Wan Azmi was re-appointed as director and Chairman of the Company, Wan Afzal Aris was on 23 February 2023, renominated and appointed as alternate director to Tan Sri Wan Azmi.

BOARD COMMITTEE MEMBERSHIPS:
- **None**

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:
- **None**



Notes:

1. Directors' attendance at Board and Board Committee meetings during the financial year ended 31 December 2022 ("FY2022") are set out in the Corporate Governance Overview Statement.
2. The above Directors have no family relationship with any Director and/or major shareholder of Rohas Tecnic Berhad ("RTB"), except for the following:-
   - Tan Sri Wan Azmi is the spouse of Puan Sri Nik Anida Binti Nik Manshor, a major shareholder of RTB and the father of Wan Afzal Aris, an alternate director to Tan Sri Wan Azmi;
   - Wan Afzal Aris is the son of Tan Sri Wan Azmi, the Chairman of the Board and Puan Sri Nik Anida Binti Nik Manshor both of whom are major shareholders of RTB; and
   - Sia Bun Chun is the spouse of Chan Liew Hoon, who is also a major shareholder of RTB.
3. The above Directors have no conflict of interest with RTB, have not been convicted of any offence (other than traffic offences, if any) within the past five (5) years, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during FY2022.

KEY SENIOR MANAGEMENT

Leong Wai Yuan
Group Chief Executive Officer

Nationality/Age/Gender
Malaysian / 47 / Male

Date of Appointment
1 January 2017

Working Experience
He joined REI Group as Group Chief Operating Officer in 2013 before being promoted as the Deputy Chief Executive Officer. He was appointed as Chief Executive Officer of REI Group in 2017 and subsequently as Group CEO of the RTB Group. Prior to this, Leong Wai Yuan was General Manager for a leading Australian manufacturer and supplier of steel products and solutions worldwide. He brings experience in production, construction, product development, strategic & corporate planning, supply chain and people management from his various capacities of over 20 years.

Present Directorship
(i) Listed Entity : Nil
(ii) Other Public Companies :Nil

Academic/Professional Qualifications
- Master of Business Administration (Finance) with Charles Sturt University, Australia
- BA (Hons) Materials Engineering from University of Malaya
- A member of Malaysia Institute of Management (MIM)

Wong Mun Keong
Chief Investment Officer

Nationality/Age/Gender
Malaysian / 62 / Male

Date of Appointment
8 March 2017

Working Experience
From 1987 to 2006, he was working in various capacities related to finance and investment, in Malaysia and Australia. He joined REI Group in 2007 and is currently the Chief Investment Officer of RTB.

Present Directorship
(i) Director, Syarikat Pengeluar Air Selangor Holdings Berhad
(ii) Director, Scomi Energy Services Bhd
(iii) Director, Rohas-Euco Industries Berhad

Academic/Professional Qualifications
- Bachelor of Commerce in Accounting, Finance and Systems (Honours) from the University of New South Wales, Australia since 1986.

KEY SENIOR MANAGEMENT (CONT'D)

Ong Tiang Peng (Eric)
Chief Financial Officer
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/51/Male

Date of Appointment
8 November 2022

Working Experience
Eric joined REI with the current position. He has 26 years of working experience in financing, corporate finance (M&As), strategic planning, accounting, management reporting, tax planning and corporate governance.

Present Directorship
(i) Listed Entity : Nil
(ii) Other Public Companies : Nil

Academic/Professional Qualifications
- Member of Malaysian Institute of Accountants ("MIA")
- Member of Malaysian Institute of Certified Public Accountants ("MICPA")
- Bachelor of Accountancy (Hons.), University Utara Malaysia

Wan Affan Azam Wan Azmi
Chief Operating Officer
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 36 /Male

Date of Appointment
1 March 2015

Working Experience
Joined REI as a Marketing Specialist. He was promoted as Deputy to the Chief Operating Officer of REI in 2019 and was subsequently promoted to his current position from 1 October 2020.

Present Directorship
Director, Rohas-Euco Industries Berhad

Academic/Professional Qualifications
- BA (Hons) in Games Cultures

Chai Kam Cheong
Chief Operating Officer
RBC Water Sdn Bhd ("RBC Water")

Nationality/Age/Gender
Malaysian/ 60 /Male

Date of Appointment
2 January 2018

Working Experience
Joined RBC Water in 2018 with the current position. Prior to joining REI, Chai has approximately 33 years of experience specializing in water related business.

Present Directorship
(i) Listed Entity : Nil
(ii) Other Public Companies :Nil

Academic/Professional Qualifications
- Bachelor Degree from University of Tasmania
- Post-graduate Diploma from Australian National University
- Master of Science (Water and Environmental Management) from the Water, Engineering and Development Centre (WEDC), Loughborough University, United Kingdom
- Member of the Chartered Institute of Water and Environmental Management (MCIWEM) and Chartered Environmentalist (CEnv) in Society of the Environment, United Kingdom

KEY SENIOR MANAGEMENT (CONT'D)

Rishabh Dev Khaitan
Chief Operating Officer
HG Power Transmission Sdn Bhd ("HGPT")

Nationality/Age/Gender
Indian/ 40 /Male

Date of Appointment
1 November 2017

Working Experience
Rishabh joined HGPT in May 2017 as Vice President Projects and was promoted to Chief Operating Officer from 1 November 2017.

Present Directorship

(i)	Listed Entity	:	Nil
(ii)	Other Public Companies	:	Nil

Academic/Professional Qualifications
- Bachelor of Science in Finance, University of Illinois at Urbana-Champaign, USA

Subhash Devan
Chief Operating Officer
RT Telecom Sdn Bhd ("RTT")

Nationality/Age/Gender
Malaysian/ 37 /Male

Date of Appointment
2 April 2018

Working Experience
Joined RTT with the current position. Prior to joining REI, Subhash has approximately 13 years of professional experience.

Present Directorship

(i)	Listed Entity	:	Nil
(ii)	Other Public Companies	:	Nil

Academic/Professional Qualifications
- Association of Chartered Certified Accountants (ACCA)
- B.SC (Hons) Degree in Applied Accounting, Oxford Brooks University, United Kingdom

Harianto Taruna
President
PT REI Abadi Indonesia ("PTRAI")

Nationality/Age/Gender
Indonesia/ 54 /Male

Date of Appointment
07 September 2016

Working Experience
Joined PTRAI with the current position. Harianto has more than 14 years working on Japanese Venture Capital in Indonesia and Global Private Equity Fund in Indonesia.

Present Directorship

(i)	Listed Entity	:	Nil
(ii)	Other Public Companies	:	Nil

Academic/Professional Qualifications
- Diploma in Mechanical Engineering from ATMI, Surakarta, Indonesia
- Bachelor of Economic Science in Finance, University of Indonesia
- Master of Economic Science in Finance, University of Indonesia

KEY SENIOR MANAGEMENT (CONT'D)

The details of interest held by the chief executive in the securities of Rohas Tecnic Berhad ("RTB") and its subsidiaries are set out in the Analysis of Shareholding. The above Key Senior Management members have no family relationship with any Director and/or major shareholder of RTB, except for Wan Affan Azam Wan Azmi who is the son of Tan Sri Wan Azmi, the Chairman of the Board and Puan Sri Nik Anida Binti Nik Manshor both of whom are major shareholders of RTB. The Key Senior Management members also have no conflict of interest with RTB, have not been convicted of any offence (other than traffic offencess, if any) within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the FY2022.

SENIOR MANAGEMENT

Ahmad Latifi Supian
General Manager
– Sales and Marketing
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 57 /Male

Date of Appointment
1 March 2014

Academic/Professional Qualifications
- Diploma in Electrical Engineering, University Technology of Malaysia
- Executive Master Of Business Administration, University Technology of Malaysia

Working Experience

Joined REI in 2014 as General Manager of Supply Chain. He was assigned to his current position on 1 October 2020.

Present Directorship

(i) Listed Entity: Nil
(ii) Other Public Companies :Nil

Teoh Eng Bee
General Manager
- Engineering Design Division
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 49 /Male

Date of Appointment
10 September 1997

Academic/Professional Qualifications
- Diploma in Civil Engineering, University Teknologi Malaysia
- Bachelor of Civil Engineering, University Teknologi Malaysia
- Member of Board of Engineers Malaysia

Working Experience

Joined REI in 1997 as Assistant Engineer and has held various position, the last being Manager in the Engineering Design Division.

Present Directorship

(i) Listed Entity : Nil
(ii) Other Public Companies : Nil

Wan Farhah Wan Hamzah
General Manager
– Legal and Secretarial Department
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 61 /Female

Date of Appointment
19 August 2019

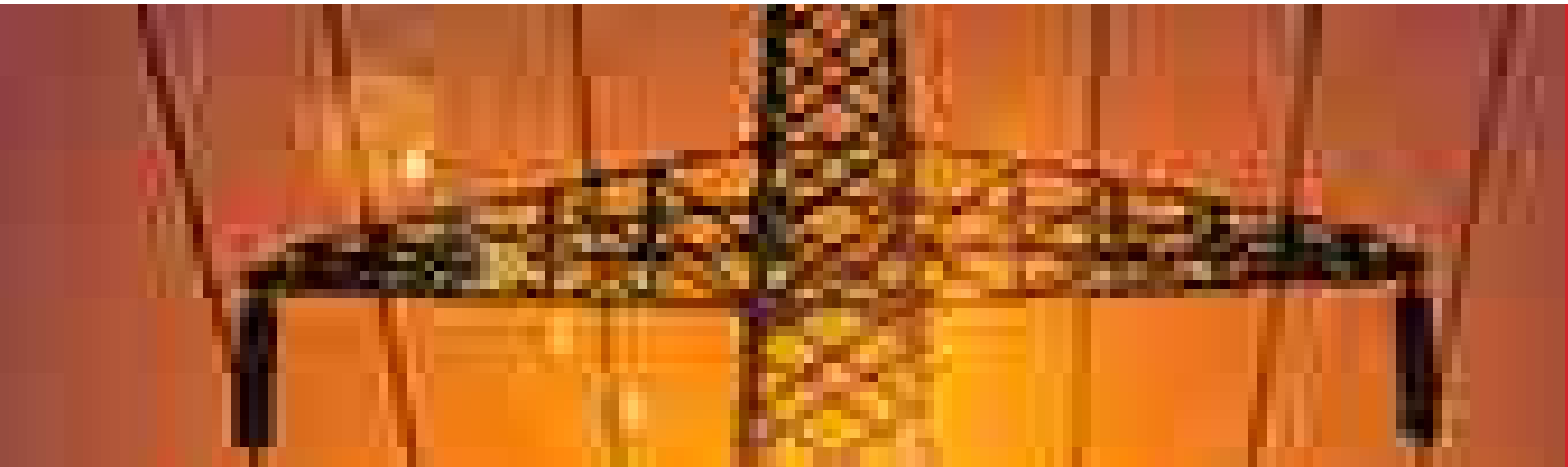
Academic/Professional Qualifications
- LLB (Hons)

Working Experience

Wan Farhah was called to the Malaysian Bar in 1988 and was in professional legal practice for over 10 years before joining the in-house legal counsel community where she has served in several organisations in the information and communications technology sector as well as the oil and gas industry. She joined REI with the current position.

Present Directorship

(i) Listed Entity : Nil
(ii) Other Public Companies : Nil



SENIOR MANAGEMENT (CONT'D)

Saravanan Many
General Manager
– Internal Audit Department
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 45 /Male

Date of Appointment
1 August 2019

Academic/Professional Qualifications
- MBA in Risk Management, Asia E-University, Malaysia
- BA(Hons) Major in Finance and Accounting, University Tun Abdul Razak, Malaysia
- Diploma in Management, KLC School of Business, Malaysia
- Associate Member of Institute of Internal Auditors Malaysia (IIAM)

Working Experience

Joined REI with the current position. Prior to joining REI, Saravanan has approximately 15 years of experience in Internal Audit.

Present Directorship

(i) Listed Entity : Nil
(ii) Other Public Companies : Nil

Edward Hoo Lian Jet
General Manager
– Operations
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 50 /Male

Date of Appointment
4 October 2021

Academic/Professional Qualifications
- Executive Master of Business Administration from Concordia University
- Bachelor of Science in Mechanical Engineering from George Washington University

Working Experience

Joined REI with the current position. Prior to joining REI, Edward has over 15 years of experience in steel and heavy industry.

Present Directorship

(i) Listed Entity : Nil
(ii) Other Public Companies : Nil

Nur Mukhzamel Aidil Bin Noor Khizan Zain
General Manager
– Corporate Human Resources
Rohas-Euco Industries Bhd ("REI")

Nationality/Age/Gender
Malaysian/ 42 /Male

Date of Appointment
1 September 2022

Academic/Professional Qualifications
- Master of Science in Project Management from University of East London
- Bachelor of Management from University of South Australia
- Diploma of Business Studies from Eynesbury College

Working Experience

Aidil has more than 20 years of experience in Corporate Human Resources under various business areas including the oil & gas and manufacturing industries specializing in talent and performance management, reward systems as well as HR policy alignment with strategic goals. Joined REI with the current position

Present Directorship

(i) Listed Entity : Nil
(ii) Other Public Companies : Nil

Notes:

1. The above members of Senior Management have no family relationship with any Director and/or major shareholder of RTB, except for the following:-
   - Wan Farhah Wan Hamzah is the sister to Tan Sri Wan Azmi.
2. The above members of Senior Management have no conflict of interest with RTB, have not been convicted of any offence (other than traffic offences, if any) within the past five (5) years, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The financial year 2022 ("FY2022") started with the worst of the pandemic behind us. Pent-up demand supported global economic and trade activities as many countries lifted containment measures and shifted towards endemicity. Nevertheless, global economic growth was only at a moderate pace, weighed down by the rapid escalation of the conflict in Ukraine and the global headwinds that came after. On the local front, the Malaysian economy grew strongly despite the challenges faced throughout the year, even though the pace of recovery was uneven across sectors.

FY2022 was very encouraging for us as our revenue was boosted by the stronger contributions from both the tower fabrication as well as the engineering, procurement, construction and commissioning ("EPCC") segments.

Rohas Tecnic Berhad ("RTB" or "the Company") recorded a 99.9% increase in revenue and a 231.5% increase in profit in FY2022. This was accomplished even though the tower fabrication business did not achieve the targeted production that we had hoped for, as projects on our order book did not materialise or were not converted to work orders as planned due to delays in our customers' projects. Nonetheless, it is worth noting that none of the confirmed orders was cancelled during this time and we continued to work with our customers on revised timelines and deliveries. Our power transmission EPCC projects in Malaysia showed good progress and contributed positively towards FY2022 revenue.

In the EPCC segment, the Group has secured the award for the Skim Jaminan Air Mentah ("SJAM") project in Selangor and is also taking part in the Jalinan Digital Negara ("JENDELA") initiative. The SJAM project requires our RBC Water Sdn Bhd to construct pumping stations at two retention ponds and lay water pipelines to transport the water to the Semenyih water treatment plant ("WTP") intake while the JENDELA initiative to bring 4G to rural areas is for the provision of telco poles and towers.

Our engineering subsidiary, HG Power Transmission Sdn Bhd ("HGPT") has secured our first power transmission line project in Nepal, which fits in with our strategy to expand our business in the region. In Cambodia, Global Tower Corporation Pty Ltd ("GTC"), our 75% owned subsidiary has risen within the space of a year to become the second-largest independent telecommunication tower company.

Our growth strategy through acquisitions and diversification has borne results with the positive performance from our investments in PT Century Abadi Perkasa ("PTCAP") in Indonesia, an associate that turned into a 55% subsidiary at the end of July 2022, and the 30% associate company Phu My Vinh Construction and Investment Corporation ("PMV") in Vietnam. We will continue to nurture their dynamic growth to achieve the full benefits for our shareholders in the long run.

In FY2022, the Group's recovery plans from Covid-19 were only slightly impacted by the terrible floods that struck several states at the end of FY2021. Our factory in Bentong, Pahang, even though was not badly affected, was inundated with more than a metre of mud in the storage and warehouse area. This caused a delay in the delivery of finished goods until mid of February 2022. After the clean-up, this facility is running at near capacity to fulfil orders related to towers for JENDELA and other governmental telecommunications initiatives as well as transmission grid projects delayed from last year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE

For FY2022, RTB Group achieved a revenue of RM436.1 million, an operating profit of RM30.2 million and a profit after taxation of RM20.4 million. During the year, the Group made a net write-back for impairment losses on its receivables of RM0.2 million. The recovery of receivables that were impaired is still being pursued but the Management decided to impair the debts to reflect the age of the receivables.

Key Ratios

The following table sets forth the key financial ratios based on RTB Group's financial statements:

	FY2022	FY2021
Revenue growth	99.9%	(33.6%)
Operating profit/(loss) margin	6.9%	(8.3%)
Current ratio (times)	1.52	2.23
Gearing ratio (times)(1)	0.30	0.26

Notes: (1) Based on total borrowings over total equity.

Revenue growth

Our operations and work activities were returning to the efficiency of the pre-Covid-19 era as we journey on the recovery path. During the year in review, revenue increased by 99.9% from RM218.2 million in FY2021 to RM436.1 million for FY2022. The higher revenue was due to higher activity mainly in the tower fabrication business to fulfil pent-up demand.

Operating profit margin

The operating profit margin for the year was 6.9% in FY2022 compared to the operating loss margin of 8.3% in FY2021, due to the higher revenue for the year. Moving forward, we will be working to re-establish higher profit margins.

Current ratio

As of 31 December 2022, RTB Group's current ratio was 1.52 times, which was lower compared to 2.23 times as of 31 December 2021. This was mainly due to higher rate of increase in current liabilities at year-end.

Gearing ratio

As of 31 December 2022, RTB Group's gearing ratio was 0.30 times. The Group's total borrowings, inclusive of lease liabilities/finance lease liabilities, increased from RM84.7 million as of 31 December 2021 to RM110.5 million as of 31 December 2022, mainly due to higher utilisation of facilities during the year.

DIVIDEND POLICY

RTB does not have a formal dividend policy but is committed to rewarding shareholders through annual dividends.

For FY2022, given the need to maintain a good cash flow for the Group, the Board of Directors has decided not to recommend any dividend at the Group's forthcoming Annual General Meeting.

CAPITAL MANAGEMENT

RTB Group's business has been financed via a combination of internal and external sources of funds. The internal sources comprise shareholders' equity and cash generated from business operations while external sources are from various credit facilities extended to RTB Group by licensed financial institutions. The Group's principal utilisation of funds has been for its business growth and operations. As of 31 December 2022, the Group's cash and bank balances stood at RM57.3 million. Total borrowings amounted to RM110.5 million, while the gearing ratio was 0.30 times and the current ratio was 1.52 times.

The Directors of RTB believe that after taking into consideration the cash and cash equivalents, the expected funds to be generated from operating activities and the amount unused under the existing banking facilities, RTB Group possesses adequate working capital to meet its present and foreseeable requirements for a period of 12 months from the date of this Annual Report.

The Board has approved, as part of the FY2023 budget, a total of RM34.8 million for capital expenditure, are for telecommunication towers, sites and machinery and equipment to improve the capabilities of the existing fabrication and manufacturing facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PERFORMANCE BY CORPORATE BUSINESS SEGMENTS

1. Fabrication of Towers

Our tower fabrication business consists of the fabrication of power transmission and telecommunication towers, for both types of towers; lattice and monopoles.

The power transmission towers are designed to carry electrical power transmission lines with operating voltages ranging from 33kV to 500kV. RTB's subsidiary, Rohas-Euco Industries Bhd ("REI") is registered as a design and power transmission tower supplier with Tenaga Nasional Berhad ("Tenaga") for the supply of products, and provision of works and services.

Performance Highlights

Revenue	FY2022 RM'000	FY2021 RM'000
Revenue	129,301	48,397

The fabrication of towers segment contributed 29.6% to the Group's total revenue for FY2022. It increased by RM80.9 million or 167.2%, due to higher activity mainly in the tower fabrication business to fulfil pent-up demand.

REI delivered approximately 12,000 metric tonnes of telecommunication towers to support the expansion of the national telecommunication network as part of the JENDELA project. By providing local players with a variety of telecommunication tower structures, REI was heavily involved in the expansion of the 4G network in both Peninsular and East Malaysia.

REI also continued supporting the national electrical grid by delivering over 4,000 metric tonnes of 500kV power transmission towers in the Tadmax Project, a challenging project that included designing and fabricating a river-crossing component and two special transmission towers that reach over 140 metres in height, making them the tallest transmission towers in Malaysia.

Operational Highlights

REI's business operations are currently supported by its fabrication and galvanising facilities in Bentong, Pahang. To cater for business expansion and growth, the facilities have been upgraded and new facilities constructed in the previous years besides plans for further upgrades. This was aimed to improve efficiency and is expected to contribute positively to the Group's operations moving forward.

The customer base is comprised predominantly of local Malaysian EPCC contractors, as our key focus has always been to serve the Malaysian market first. They include electrification contractors responsible for installing power transmission line networks as well as telecommunications infrastructure contractors and network facility providers. This segment also serves other customers, namely civil and infrastructure contractors, as well as public and private utility organisations.

Looking Ahead

The Group is seeking to expand its customer base for fabricated power transmission and telecommunication towers, both in Malaysia and overseas whenever the opportunity arises.

Future projects see REI involved in continuing to support Tenaga's projects including the Neggiri-Laloh 500kV power transmission line as well as being involved in the rollout of the 5G telecommunications network in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PERFORMANCE BY CORPORATE BUSINESS SEGMENTS (CONT'D)

2. Engineering, Procurement, Construction and Commissioning ("EPCC")

The EPCC business covers the Group's projects in power transmission lines, telecommunication sites, and water pump, water treatment and water sewerage facilities.

Performance Highlights

Revenue	FY2022 RM'000	FY2021 RM'000
Revenue	301,963	166,212

EPCC revenue has been driven by Power Transmission Line EPCC work. It increased by RM135.8 million or 81.7% as compared to FY2021 as Covid-19 restriction measures were gradually eased. In FY2022, 73.5% of the revenue was from the power transmission line projects in Bangladesh and Malaysia, which reported an increase in revenue by RM81.1 million or 57.6%. Other EPCC work included our work in telecommunication, and water-related projects in Malaysia and Vietnam, which contributed 14.4% and 12.2% of the segment's revenue in FY2022, respectively.

Operational Highlights

EPCC for Power Transmission

In April 2022, we were awarded a contract in Nepal from the Nepal Electricity Authority for reconductoring of power transmission lines, construction and erection of LILO (Loop-In-Loop-Out) power transmission lines and substation bay extensions.

HG Power Transmission Sdn Bhd ("HGPT") carried out Caisson-type foundation work (the first time in its long history) in Malaysia. HGPT also completed and handed over the 275 kV power transmission line with a total length of 33 km to Tenaga.

HGPT had also completed and handed over 362 km of OPGW (Optical Ground Wire) live line stringing to Tenaga's ICT Division.

Looking Ahead

Our EPCC Power Transmission order book currently stands at RM185 million, expected to be replenished by RM118 million in 2023. We will continue the focus on completing HGPT's ongoing projects in Malaysia, Bangladesh and Nepal. HGPT continues to bid for additional projects in Malaysia and is confident of securing new projects with its strong track record and expertise.

3. Concession and Other Business Activities

Our concession and other business activities include revenue from electric power generation by a mini hydro power plant, external hot-dip galvanising, fabrication services for other steelwork and products, tower fittings and structure, design and fabrication of substation electrical structures, civil and infrastructure-related works, and external engineering design services.

Performance Highlights

Revenue	FY2022 RM'000	FY2021 RM'000
Revenue	4,838	3,597

Revenue from this segment increased by RM1.2 million or 34.5% in FY2022.

Operational Highlights

The roof and structure of the galvanizing facility were refurbished in early 2022. This involved replacing the roof structure and panels as well as the support beams. This will ensure worker safety and production for the year ahead. The refurbishment also allowed for some machinery to be replaced as well as an opportunity to rework the workflow, further improving overall productivity.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PERFORMANCE BY CORPORATE BUSINESS SEGMENTS (CONT'D)

3. Concession and Other Business Activities (Cont'd)

Operational Highlights (cont'd)

PT Century Abadi Perkasa ("PTCAP") signed a power purchase agreement with PT PLN (Persero) (PT Perusahaan Listrik Negara) ("PLN"), the Indonesian state-owned sole electricity distributor on 11 January 2016 to supply 7 MW for a 20-year concession period on a build-own-operate scheme. PTCAP developed a mini hydro power plant located at Lawe Sikap, Acheh Province, Indonesia for a power generation capacity of 10 MW. PTCAP will own, operate and maintain the Lawe Sikap plant. PTCAP has obtained approval from PLN for the Commercial Operating Date, which allowed it to commence selling electric power to PLN.

With the release of a new omnibus law from the Indonesia Government in 2020, the restriction of a minority interest for a foreign entity in a mini hydro power plant has been removed. On 22 July 2022, PT REI Abadi Indonesia ("PTRAI") completed the purchase of an additional 6% equity interest in PTCAP and made PTRAI the majority holding company in PTCAP at 55%.

In 2022, PTCAP's 1st full year of operations, PTCAP sold 36,400 MWh of green electricity generated by its run-of-river mini hydro power plant.

PTCAP's Lawe Sikap Mini Hydro Power Plant in Acheh Province, Indonesia

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SUSTAINABILITY IN OUR OPERATIONS

To complement our sustainability efforts, we made several initiatives in the Manufacturing and Fabrication Division.

A rainwater-harvesting system was built for the galvanizing plant to reduce the strain on the existing water supply. This system was built using recycled material from tower production and utilizes collected rainwater to replenish the water supply in the quenching tank. This exercise not only reduces the overall water consumption in the plant but also improves the overall galvanizing finish.

Due to the flood that ravaged the local area at the tail end of 2021, we now have in-house teams that handle landscaping, tree planting and facility maintenance. This "Nursery Team" consisting of existing workers handles all problems that involve the restoration of the environment around the factory in the aftermath of the flood. By planting new trees and maintaining the surrounding slopes around the manufacturing and fabrication facilities, further damage could be prevented. This Nursery Team has also successfully restored the nearby riverbank; through deepening efforts as well as building gabion structures to prevent floodwater from damaging the facilities in the future.

The outer perimeter lights have also been replaced with solar-powered options as REI moves closer towards a greener tomorrow.

As part of its Corporate Social Responsibility program, PTCAP handed over 300 young durian trees (local Sumatra species) from Lawe Sikap mini hydro plant's nursery to the head of the nearby Village Batubulan I.

PTCAP handed over 300 young durian trees (local Sumatra species) from Lawe Sikap mini hydro plant's nursery to the Head of Village Batubulan I.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS RISKS

Risk management is embedded in our day-to-day operations. Governance policies and procedures are developed with clear accountabilities by senior management to effectively identify, assess, prevent, record and mitigate all material risks for the Group.

In pushing forward with our strategy and execution plans, key risks have been identified with continuous monitoring undertaken, to ensure our exposure to all anticipated risks stays within the Group's overall risk appetite.

Key Group Risk	2022 Key Mitigation Steps
Overreliance on key clients for domestic and international markets *Dependency on key clients for new business growth in infrastructure projects in the power transmission and telecommunication sectors.* **Inability to secure sufficient sales and contracts** *Lacking capabilities in securing sufficient sales to sustain the order book and maintain current market share.*	For local market: • Continuously intensify sales and marketing efforts with East Malaysia utility service providers for power transmission and telecommunication projects. • Develop new markets and revenue streams focusing on telecommunication EPCC work and manufacturing of telco towers. • Active tender participation in infrastructure projects i.e. power transmission sector, telecommunication sector and water treatment sector. For overseas markets: • Explore and conduct market research/surveys on new markets. • Increase business development capability with the establishment of overseas offices. • Active tender participation in infrastructure projects.
Aging machinery *As the equipment ages, it may develop faults or wear and tearthat reduce its ability to operate at full capacity.*	• Monitor the efficiency and status of every machinery. • Necessary capex has been allocated to replace aging machinery. • Continous preventive maintenance schedule was in placed for prioritised machinery.
Project Delay Potential exposure to Liquidated Ascertained Damages ("LAD") *Failure of project management to deliver the project on time may lead to LAD charges by the client.*	Plan our work well to reduce the late delivery of projects and submit Extension of Time ("EOT") requests to clients with strong justifications if the need arises. Other efforts include continuous project progress monitoring to ensure the project progresses within the project schedule, budget and quality. • Appoint additional subcontractor(s) to expedite project progress. • Frequent communication and updates to clients on project progress and issues.
Shortage of manpower for domestic projects *The recent COVID-19 situation has impacted manpower availability, especially skilled foreign workers.*	• RTB key subsidiaries submit applications for new workers to the Immigration Department of Malaysia. • Leverage available manpower within RTB subsidiaries via collaboration and supporting each other's projects.
Difficulty to meet the committed delivery deadline *The incapability of the manufacturing facility in fabricating towers efficiently and the inability to deliver on schedule.*	Increase production efficiency and productivity through: • Continuous enhancement of current manufacturing processes. • Engagement and assessment of supplier/vendor/subcontractor performance to support the production line. • Engagement with the relevant authority on foreign workers' policy and recruitment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS RISKS (CONT'D)

Key Group Risk	2022 Key Mitigation Steps
Fluctuations in Prices of Steel as Raw Materials *Exposure to adverse fluctuations in the prices of steel.*	• Stagger purchase of steel materials upon obtaining confirmed orders from customers. • Up to date marked to market pricing based on raw material prices assist in establishing a mechanism to offer competitive prices. • Establish an alternative supplier base to increase the company's ability in price negotiation.
Safety risks *Occurrence of accidents/incidents at the workplace that may lead to injuries or fatalities to the staff, clients or contractors, and may be imposed fines, penalties or Stop Work Orders by the authorities or clients.*	• Continuous safety awareness, training and communication with all employees, suppliers, contractors and clients. • Review safety procedures and work method statements for their effectiveness and efficiency. • Continuous safety inspections and audits to ensure compliance with safety procedures
Financial Risks of RTB Group *Inadequacy in working capital and capital expenditure requirements.*	• Ensure there are sufficient facilities available to meet the Group's financial requirements. • Monitor the Group's cash flow needs against available funds. • Institute proper credit controls to assess customers and a debt monitoring mechanism to monitor and follow up on outstanding debtors.
Foreign exchange fluctuations *The adverse effect of foreign exchange fluctuations may materially impact its business and financial performance.*	• Match the payment for foreign currency payables against receivables denominated in the same currency. • Fix the prices of raw materials purchased from overseas suppliers in RM to mitigate the risk of fluctuations in exchange rates

LOOKING AHEAD

With the pandemic receding further into the rear-view mirror, the Company is expecting a better year ahead with a broad recovery in all its business segments.

The government's budget for 2023 placed emphasis on measures to drive economic recovery and increase tax revenue. Development expenditure received a larger allocation of RM97 billion compared to RM71.6 billion previously. These are earmarked for projects that generate maximum benefits for the people such as flood mitigation and clean water supply. We will fully capitalise on our experience and seize the opportunity to participate in any tender relating to such projects. RTB is well placed to benefit from potential spending in key areas of infrastructure that we specialise in.

From offshore operations, the full capacity of the expanded Hoa Khanh Tay, Vietnam ("HKT") WTP at 80,000 m³/day will contribute positively towards our revenue. Investment in the water industry continues unabated and we are actively pursuing opportunities to expand our presence in the Vietnam water sector.

The current order book of the RTB Group, as of the date of 31 March 2023, stands in excess of RM400 million, comprising 35% tower fabrication works and 65% EPCC works. This is expected to provide steady earnings going forward. The Group targets to secure additonal RM400 million to replenish orders this year.

RTB will seek to grow its recurring income and green businesses to reduce its reliance on manufacturing. More specifically, it aims to shore up its mini hydropower plant and water WTP businesses, as well as the telecommunication tower division. During the pandemic, the viability of this strategy for the overall financial health of the group became very much apparent.

Moving forward with uncompromising standards of professionalism and integrity, the Company will continue to remain focused on delivering its stakeholder's mandates. We will continuously assess the Group's operations and take proactive measures to mitigate any risk that might arise.

Our Commitment To SUSTAINABILITY

Rohas Tecnic Berhad ("RTB"), through its subsidiaries ("RTB Group"), is committed to operating responsibly and sustainably in all parts of its operations based on the three pillars of sustainability, which are 'People, Planet and Profit'. We believe that our businesses can contribute to building a more sustainable world by balancing the economic, social and environmental needs of all stakeholders while maximizing long-term financial returns for our shareholders.

We aim to continuously reduce the environmental impact of our operations through the development and implementation of sustainable strategies in all areas of our business, including energy use, water use, waste reduction, recycling, product design, material use and safety. This sustainability statement is crafted based on four different perspectives, which are Economic, Environmental, Social, and Governance (EESG) aspects that have an impact on the organization.

SCOPE OF SUSTAINABILITY STATEMENT

This Statement covers the activities of RTB Group and its subsidiaries in Malaysia, which are divided into two (2) business segments, namely Manufacturing and Project Management. For the Manufacturing segment, the subsidiaries are Rohas-Euco Industries Bhd ("REI") and Galvanising Engineering Services Sdn Bhd ("GES"), while for Project Management, the subsidiaries are HG Power Transmission Sdn Bhd ("HGPT"), RBC Water Sdn Bhd ("RBC") and RT Telecom Sdn Bhd ("RTT").

The corporate structure of RTB Group can be found on page 10 of this Annual Report.

In preparing this Statement, we referred to the latest Sustainability Reporting Guidelines issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") as our principal reference. Additionally, we referred to the Global Reporting Initiative's ("GRI") Standards on Sustainability Reporting as our supplementary guidelines to achieve our commitment towards the United Nations' Sustainable Development Goals ("UN SDGs"). In preparing ourselves to be comprehensive in EESG reporting, we also referred to FTSE Russell's ESG Ratings and adopted the Practices mentioned in the Malaysian Code of Corporate Governance 2021 ("MCCG 2021").

This Statement should be read thoroughly along with the other sections of this 2022 Annual Report. All disclosures in this Statement cover the period of 1 January 2022 to 31 December 2022, unless otherwise stated.

SUSTAINABILITY AGENDA

Certification, licenses, permit and Professional membership

Rohas Group shows commitment to ethical and sustainable operation by securing the necessary permits and licenses, as well as holding ISO certifications to ensure we can continuously improve our services and products. The company and its employees are registered under various associations in order to keep abreast with the latest industry standards. Below is the list of certification, licenses, permits, professional membership and trade association for Rohas Group.

ISO certification

- ISO 9001:2015 Quality Management Systems (QMS)
- ISO 45001:2015 Occupational Health and Safety (OH&S) management systems
- ISO 14001:2015 Environmental Management Systems (EMS)

Licenses/Permit from government agencies and companies

- Construction Industry Development Board (CIDB)
- Suruhanjaya Perkhidmatan Air Negara (SPAN)
- Ministry of International Trade and Industry (MITI)
- Department of Environment (DOE)
- Department of Occupational Safety and Health (DOSH)
- Ministry of Finance (MOF)
- Royal Malaysian Customs Department
- Tenaga Nasional Berhad (TNB)
- Sabah Electricity Sdn Bhd (SESB)
- Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK)
- Local municipal councils

Professional membership of Rohas Group's employees

- CIDB Green Card - Construction Personnel
- Association of Chartered Certified Accountants (ACCA)
- Malaysian Institute of Accountants (MIA)
- Board of Engineers Malaysia (BEM)
- Institute of Internal Auditors (IIA)
- Malaysian Board of Technologists (MBOT)
- Institute of Chartered Secretaries & Administrators (ICSA)
- Malaysian Institute of Chemistry (IKM)

Trade association

- Galvanizers Association of Malaysia (GAM)
- Malaysian Electrical Transmission & Substation Contractors Association (METSCA)
- Malaysia International Chambers of Commerce and Industry (MICCI)

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Journey

RTB began its sustainability journey in 2018. Since then, we have been gradually evolving to strengthen, improve, and update our practices to meet the demands of the current market and industry. As part of our commitment to climate action, we have initiated RTB's carbon accounting in 2022 so that we are able to measure and track our greenhouse gas (GHG) emissions in accordance with Scope 1, 2, and 3 of the GHG Protocol. The company has also carried out Sustainability Awareness initiatives to ensure that our team is equipped with proper knowledge and understanding about sustainability.

The materiality matrix (MM) that was developed in 2021 is still suitable and relevant for 2022. Furthermore, we have expanded of our scope of reporting to include RTT, another subsidiary of RTB.

The essential actions completed as part of our sustainability journey from 2019 to 2022 are depicted in the diagram below.

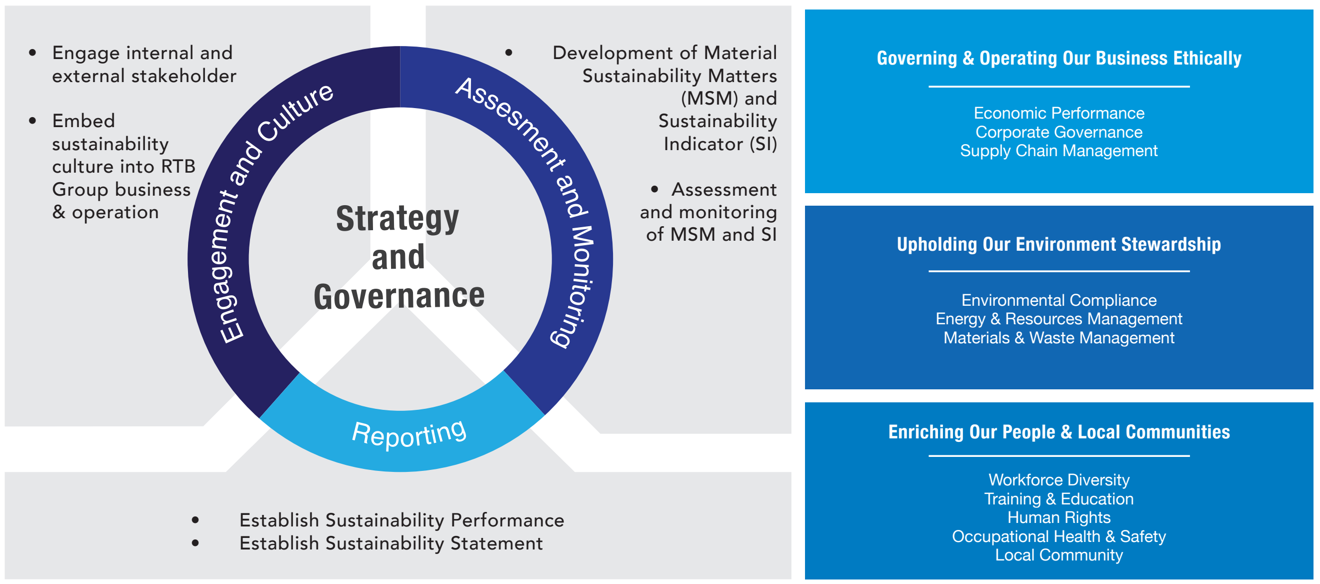
2019	2020	2021	2022
• Established the Sustainability Agenda with 4 Key Focus Areas • Adopted the Global Reporting Initiative ("GRI") Sustainability Reporting Standard • Reporting Subsidiaries: REI, GES and HGPT.	• Formation of the Risk, Compliance and Sustainability Department • Reviewed Sustainability Framework • Conducted Corporate Social Responsibility ("CSR") programmes • Conducted workshops on sustainability awareness • Reporting subsidiaries: REI, GES and HGPT.	• Formation of the Sustainability Committee • Development of the Materiality Matrix • Conducted workshops on sustainability awareness • Establishment of the Sustainability Initiative and its committee • Inclusion of RBC in sustainability reporting scope • Reporting subsidiaries: REI, GES, HGPT and RBC	• Conducted workshops on sustainability awareness • Initiated carbon accounting for GHG emission • Conducted CSR programmes • Appointment of Head of ESG • Inclusion of RTT in sustainability reporting scope • Reporting subsidiaries: REI, GES, HGPT, RBC and RTT

SUSTAINABILITY FRAMEWORK

Our sustainability framework was continuously upheld throughout 2022 in order to achieve RTB Group's sustainability vision and mission, as well as the sustainability goals that we set for ourselves. The potential for RTB Group to positively impact our communities and the environment is also taken into consideration in this sustainability framework, in addition to the EESG risks and opportunities that directly affect our business.

In terms of sustainability assessment and monitoring, we have extended our sustainability assessment to include RTT. As for the engagement and culture thrust, we defined and cascaded it through a series of sustainability knowledge sharing sessions for our entire workforce, which covers the Group as a whole.

VISION	To deepen our involvement in sustainability opportunities in the region by focusing on economic, social and environmental impacts of our constructions	MISSION	Realising our ambition of creating a better nation by bringing power and connectivity to all corners of the country



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY STRATEGY AND GOVERNANCE

The Sustainability Strategy and Governance policy helps the company to implement sustainability strategy across its businesses, manage goal-setting and reporting processes, strengthen relations with external stakeholders and ensure overall accountability. We continue to maintain the sustainability governance structure that has been set in place in 2021.

Sustainability Governance structure and its roles and responsibility

Board of Directors

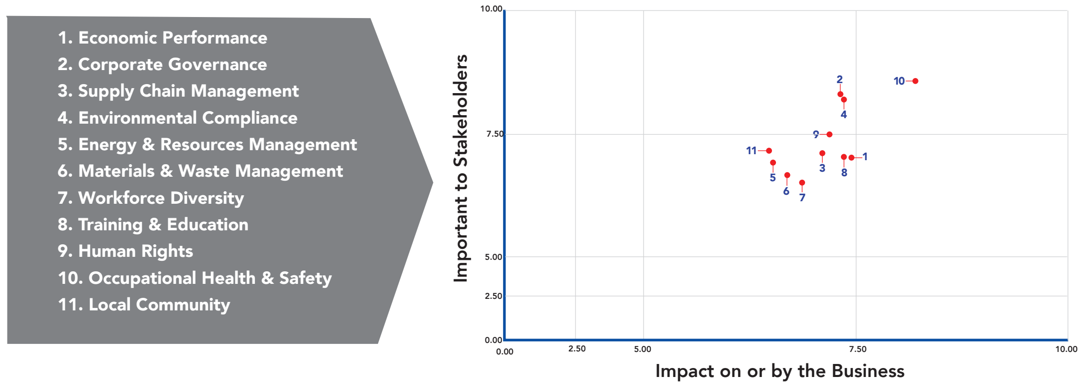
	Members	Responsibility
Sustainability Committee (SC)	The SC is chaired by an Independent Non-Executive Director and the committee members are appointed among the Board members	Oversee the sustainability agenda and direction for the Group in the areas below: i. Strategy ii. Budget and Resources, iii. Sustainability Risks and Opportunities iv. Material Sustainability Matters v. Reporting
Executive Committee (EXCO)	Group Chief Executive Officer (GCEO), Chief Financial Officer (CFO) and Chief Investment Officer (CIO)	i. Reviewing and recommending the sustainability initiatives to the Board ii. Endorsing and recommending sustainability strategic documentation i.e. policies, framework, roadmap, budget and resources; iii. Overseeing engagement outcomes in managing and addressing sustainability matters within our business and operations.
Risk, Compliance and Sustainability Department (RCSD)	RCSD members	i. The implementation of sustainability initiatives will be executed and coordinated by the RCSD. ii. The department's responsibilities include conducting stakeholder engagement, reviewing our material sustainability matters and indicators, data collection and monitoring for reporting, and managing our sustainability programmes, among others.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY MATRIX

The materiality matrix and stakeholder engagement, which were conducted through a series of internal workshops in 2021, encompass feedback and data from within the Group. Based on the data collected, the top 5 Material Sustainability Matters ("MSM") are Occupational Health and Safety, Environmental Compliance, Corporate Governance, Human Rights and Economic Performance.

We are cognisant of the fact that input from external stakeholders is equally important and it will be incorporated in our next review of the materiality matrix.



STAKEHOLDER ENGAGEMENT

We have maintained the same stakeholder engagement mapping, as this is deemed relevant to the current industry and business environment. This mapping is made in order to foster confidence in RTB's sustainability initiatives and to mitigate any potential risk and conflict.

Table 2: Stakeholder engagement mapping for RTB Group

Key Stakeholders	Areas of Interest	Methods of Engagement	Frequency of Engagement	Objective	Our responses
Financial Institutions, Shareholders and Investors	• Long-term profitability • Company's performance and targets • Corporate Governance, Statutory and Regulatory Compliance	• Annual General Meeting ("AGM") • Extraordinary General Meeting ("EGM") • Financial results • Investor Relations Initiatives	• Annual • Annual • Quarterly and Annually • Annually	• To engage existing and potential shareholders • To comply with Government, Statutory and Certification Bodies as required	• Continuous engagement • Policy and procedure in place
Government, Statutory and Certification Bodies	• Corporate Governance, Statutory and Regulatory Compliance • Certification Compliance	• Compliance Reports • Compliance Audit • Periodical meetings	• On case-to-case basis • Yearly • On case-to-case basis	• To comply with Government, Statutory and Certification Bodies as required	• Improved responsiveness towards queries and feedback • Adherence to regulatory requirement and guidelines
Clients and Customers	• Safety, health and environment • Quality of products • Project completion • Corporate Governance	• Tender briefings • Progress meetings • Exhibitions & sponsorship • Proposals • Reports	• On project basis • When required • On case-to-case basis • When required • On case-to-case basis	• Commitment to quality and innovation in tower fabrication, installation and Engineering, Procurement, Construction and Commissioning ("EPCC")	• Fabricate the best quality towers and deliver in a timely manner • Project completion within the project timeline, quality and cost
Vendors, Suppliers and Value Chain Partners	• Fair Procurement process • Corporate governance	• Email updates • Site visits • Direct contact	• When required • When required • When required	• To ensure fair, proper and transparent dealings with Vendors, Suppliers and Value Chain Partners	• Compliance with internal policy and procedures
Employees (Local and Foreign)	• Equal opportunities • Diversity and inclusivity • Career progression • Rewards and benefits • Training	• Induction programme for new hires • Performance Management System • Employee Engagement programmes • Annual Training Plan • Internal communications • Events and functions • Corporate Social Responsibility ("CSR") programmes	• One-off • Yearly • When required • When Required • Yearly • Yearly • Yearly	• To provide fair and equal opportunities • To ensure employee Development and progression	• Transparent, open and consistent approach to appraisals • Trainings and team building
Neighbouring Businesses and Surrounding Communities	• Social and economic impact	• Community engagement • CSR programmes	• When required • When required	• To minimize negative impact on neighbouring Businesses and Communities • To give back to the Community in which we operate and improve the welfare of families in need	• Continuous engagement with surrounding communities • Alignment of sustainability goals with our CSR objectives

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE

Sustainability performance is essentially our Key Performance Indicators ("KPI"), we continuously monitor the sustainability targets to ensure the achievement of our sustainability objectives.

Table 3: Sustainability performance targets and results for 2022

No	Target	Financial Year	Results/Progress
A. ENVIRONMENT			
1	Optimise water consumption	On-going	Optimized water consumption, per 1000 MT product produced: • REI - 1145 m³ • GES - 1097 m³
2	Optimise energy consumption	On-going	Optimized electricity consumption, per 1000 MT product produced: • REI - 91,406 kWh • GES - 13,672 kWh
3	Maximise utilisation of raw materials and off cuts	On-going	32% reduction in scrap metal amount per 1000 MT product produced compared to 2021.
4	Solar Panel installation at REI manufacturing plant in Bentong, Pahang	2023-2024	In progress
B. SOCIAL			
1	Zero fatalities among our internal staff and workers at Manufacturing and Project Management	Ongoing	Zero (0) fatalities for RTB Group
2	Reduction of accident cases at Manufacturing and Project Management	Ongoing	40% reduction in accidents for Rohas Group compared to 2021
3	Formation of a Foundation to formalise our ongoing community efforts, which will include encouraging our staff and workers to participate in voluntary activities in the community	Ongoing	Conducted CSR in Bentong, Pahang. REI contributed RM 243,599 to conduct river clean up and river embankment

ESG RATING

The ESG Scores and data model developed by FTSE Russell offers investors an in-depth understanding of a company's handling of environmental, social, and governance (ESG) issues across various dimensions. The scores are derived from a comprehensive evaluation that encompasses overarching ratings as well as sub-scores related to specific pillars and themes. FTSE Russell reported a rating of 2.9 out of 5 for RTB in December 2022 which is above the industry average for 2022.

SUSTAINABILITY STATEMENT (CONT'D)

1.0 ECONOMIC

The economic dimension of sustainability refers to the way in which an organization can affect the economic conditions of the stakeholders it serves. In the context of this reporting, the economic disclosure here showcases RTB Group's economic impact on the local and national level.

The financial performance of RTB Group can be found on pages 31 to 34 of this Annual Report.

A. DIRECT ECONOMIC IMPACT

The metric of direct economic value generated and distributed ("EVG&D") serves as an indicator of the wealth created by our operational activities. Our business operations generate value for numerous stakeholders, such as shareholders, investors, employees, suppliers and contractors, government authorities, and local communities.

The difference between value generated and distributed is the economic value retained by RTB Group, which goes towards further developing our business. We are committed to increasing the value generated and distributed to our stakeholders. RTB Group's economic value distributed recorded the highest amount for financial year 2022 compared to 2020 and 2021. EVD recorded at RM 422,908,000 for 2022 with RM 13,121,000 Economic Value Retained.

Table 4: Direct EVG&D by RTB Group for year 2020 to 2022.

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000
DIRECT ECONOMIC VALUE GENERATED	328,657	218,206	436,101
Revenue	328,657	218,206	436,101
ECONOMIC VALUE DISTRIBUTED	338,739	245,749	422,980
Operating Cost	292,268	203,863	370,184
Employee Remuneration (Salaries, wages and other emoluments)	35,169	32,416	35,687
Payment to capital providers			
Dividends	-	-	-
Finance cost	6,655	6,758	6,835
Payment to the Government (Current tax expense)	4,647	2,582	10,030
Community Investment	-	130	243
ECONOMIC VALUE (LOSS)/RETAINED	**(10,082)**	**(27,543)**	**13,121**

*Reference: GRI 201-1 Direct economic value generated and distributed
**Figures derived from audited financial statement

SUSTAINABILITY STATEMENT (CONT'D)

Financial Implications And Other Risks And Opportunities Due To Climate Change

Table 5: RTB Group's financial implications and other risks and opportunities due to climate change

No	Classification	Risk/ Opportunity	Description of Impact	Methods used to manage risk and opportunity	Costs of action taken to manage the risk and opportunities	Probability of impact on the organization (High, medium, low)	Projected time frame is expected to have substantive financial impacts
1	Physical damage due to flood	Risk	1. Loss of production time 2. Damage of equipments and property 3. Increase in Capital and operation cost 4. Loss of revenue	Collaborate with JPS Pahang to reinforce river that flows beside the plant to prevent recurrence of flood. 1. Installation of Gabion 2. Clearing of trees, debris and mud	RM243,000	High	Next 1-2 year (To be completed in 2023)
2	Transition to a lower-carbon economy	Opportunity	1. Reduction in operation cost in the long term by changing or using energy efficient equipment / systems 2. Reduction in GHG emissions 3. Reduction in product carbon footprint	1- Installation of Solar panels at manufacturing plant in Bentong, Malaysia 2- Change to energy efficient equipment/ heating system 3- Initiate Carbon Accounting for RTB	RM 2,500,000 to 3,500,000	High	Next 1-2 year

*Reference: GRI 201-2 Financial implications and other risks and opportunities due to climate change

B. INDIRECT ECONOMIC IMPACTS

Through the presence of our company and operations in local areas, we indirectly support the local communities in numerous ways, especially the socioeconomic growth of such communities. As a result of our projects, which are primarily the manufacturing and installation of transmission and telecommunication towers, we have enabled the local communities to receive electricity and telecommunications services like voice transmission, video transmission, data transmission, and internet access.

The opening up of rural areas to internet connectivity has the potential to greatly contribute to the development of the Malaysian economy. The internet provides a wide variety of learning materials, which may not be accessible in rural areas. In addition, there is a high possibility that internet-related occupations will be created, which could result in economic expansion.

The RM 85 million contract for Skim Jaminan Air Mentah (SJAM) Package 4 Sungai Semenyih Project started work in 2022. The project is to construct pumping stations at two existing retention ponds and lay pipelines to convey the water to the Semenyih 2 Water Treatment Plant intake. This enables clean and consistent water supply to the residents of Selangor.

C. SUPPLY CHAIN MANAGEMENT

In order to ensure that we work with the most cost-competitive and best performing suppliers, the manufacturing business segment continues to implement its supplier screening process, annual supplier assessment, and monitoring of suppliers' performance. We have conducted anti-bribery and anti-corruption due diligence on our suppliers through Know-Your-Customer ("KYC") surveys, internal risk checklists and signing of Integrity Pacts with them. Our top 20 suppliers were categorized as excellent based on the analysis of the number of Supplier Corrective Action Reports ("SCAR") issued against their respective numbers of delivery.

The conflict between Russia and Ukraine affected fuel and energy prices worldwide, resulting in price fluctuation of raw materials in 2022. In order to address this issue, the Manufacturing business segment has taken forward approaches by setting up a system of close monitoring of key raw material prices, maintaining safety stock of key raw materials and engaging with our clients and customers to ensure that the finished products are delivered on time.

SUSTAINABILITY STATEMENT (CONT'D)

C. SUPPLY CHAIN MANAGEMENT (CONT'D)

Proportion of spending on local suppliers

RTB Group is committed to supporting the local economy by engaging with local businesses or suppliers. We define our local suppliers as manufacturers and traders who operate in the proximity of our Manufacturing and Project Management business locations. For the context of this Statement, it is defined as those operating in Malaysia. Where possible, we continue to remain committed to procuring raw materials, products and services from local suppliers, except in instances where they can be more efficiently sourced from overseas suppliers.

There are numerous benefits in using local suppliers in our manufacturing operations. They can often provide faster delivery times and reduced transportation costs. Partnering with local suppliers also helps the community's economy by fostering small companies and job growth. Furthermore, sustainable practices can be cascaded throughout the supply chain. When all of these elements are taken into account, the manufacturing process can become more environmentally friendly, which will benefit the bottom line of our business.

REI, GES, HGPT, RBC and RTT have a distribution of local suppliers. Our spending on local suppliers is more than 80% except for GES as Zinc can't be sourced locally.

Figure 2: The distribution of suppliers by subsidiaries for 2022

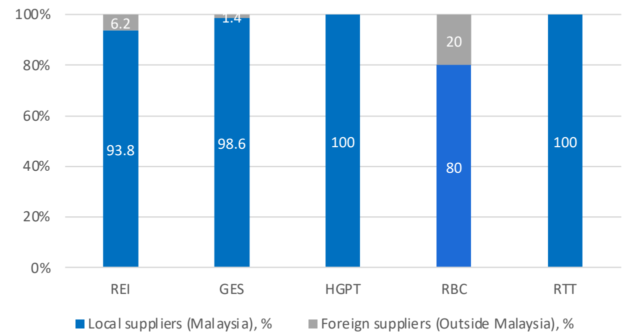
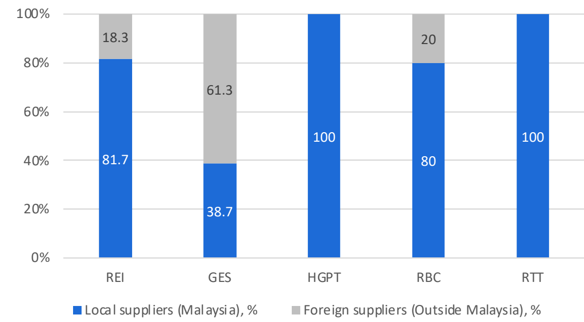


Figure 3: The proportion of spending on local suppliers by subsidiaries for 2022

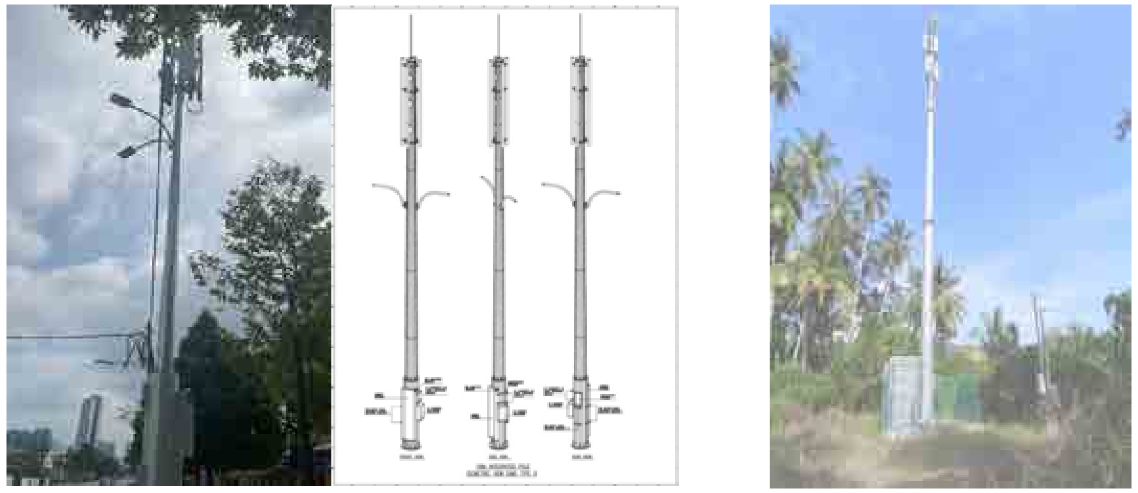


* Reference: GRI 204-1 Proportion of spending on local suppliers

Product Innovation

REI successfully designed and manufactured integrated telecommunication poles in 2022. This new product enables the company to reduce material usage by 5% and the client's land footprint by 50% in comparison to conventional telecommunication poles. The integrated telecommunication poles have been installed in 12 different locations around the Klang Valley by our clients.

Figure 4: Picture of RTB Group's integrated telecommunication pole vs a conventional pole



Integrated telecommunication pole

Conventional pole

2.0 ENVIRONMENT

Climate change is one of the world's most pressing challenges. Global warming will affect economic sectors across the board, notably due to carbon dioxide emissions from the use of fossil fuels. We recognise that our journey towards becoming more sustainable is not an end point but a continuous process. In order to sustain our environment, we must continuously review and monitor our actions and take appropriate action where necessary.

Climate change is also reshaping the operating environment for businesses, spurring a shift toward a low carbon economy with increasingly loud calls for change from governments, regulators, investors, and the public.

We remain committed to operating our business responsibly. As part of our role to preserve the environment, RTB Group conducts continuous compliance and detailed monitoring of its environmental impact, which indirectly supports our stakeholders' shared vision of nature conservation. We have initiated sourcing for low carbon footprint materials, environmentally friendly solutions, low-carbon emitting technology and establishing our carbon accounting. It is our intention to apply these solutions in areas where they make business sense and preserve the environment at the same time.

A. ENVIRONMENTAL COMPLIANCE

Compliance registry

Across the Group, we comply with the following acts governing specific environmental activities, including and among others listed below.

Table 6: RTB Group compliance on various laws

Act	Scope
Environmental Quality Act 1974	• Discharge of waste into Malaysian water • Emission of air and pollutants, water discharge • Generation, storage and disposal of scheduled waste • Prohibition of open burning • Disposal of scheduled waste
Pesticides Act 1974	• Storage of pesticides
Local Government Act 1976	• Pollution of streams with trade refuse
National Forestry Act 1984	• Power to issue licenses, use permits,etc., by the way of tenders, agreement, etc.

SUSTAINABILITY STATEMENT (CONT'D)

B. ENVIRONMENTAL MONITORING RESULTS

We conducted environmental monitoring at our manufacturing plants and project sites within our jurisdiction. The data consist of air monitoring, water quality and noise level measurements which are measured based on regulatory requirements or site relevance. Below are the results for each of the monitored parameters.

Air Quality Monitoring

GES is one of our subsidiaries in the Manufacturing business segment which is located in Bentong, Pahang. GES conducted on-site air emission monitoring at three different sampling points which are placed at the Liquefied Petroleum Gas ("LPG") burner, dust collector and scrubber. The results meet Environmental Quality (Clean Air) Regulation 2014 specifications.

Table 7: Air Quality monitoring results for GES plant for year 2020 to 2022

Sampling Point	Parameter	Limit Value (mg/m^3)	Recorded value (mg/m^3)		
		Environmental Quality (Clean Air) Regulation 2014	2020	2021	2022
LPG Burner	Total Particulate Matter	50	0.08	0.4	4.5
	Sulphur Dioxide or SO_2	500	<0.04	<0.001	ND
	Nitrogen Dioxide as NO_2	500	<0.04	<0.001	ND
	Sulphuric Acid	5	ND	0.02	ND
Dust Collector	Total Particulate Matter	50	3.8	1.5	3.8
	Sulphur Dioxide or SO_2	100	<0.04	<0.001	ND
	Nitrogen Dioxide as NO_2	500	<0.04	<0.001	ND
	Sulphuric Acid	-	0	0.02	ND
Scrubber	Particulate Matter	50	0.7	0.4	5.1

* Data shows average value over 12 months period, ND - not detected

The Air Quality result for HGPT's project site in Semenyih, Selangor complied with the New Malaysia Ambient Air Quality Standard (NMAAQS-2020). The results and specification are as below.

Table 8: Air Quality monitoring results for HGPT's project site for year 2020 to 2022

Parameters	Concentration Limit, µg/m^3	Averaging time, hours	2020	2021	2022
			Reading, µg/m^3		
Particulate Matter with the size of less than 10 micron (PM10)	100	24	4.75	4.75	4.09
Carbon Monoxide (CO)	8.74	8	0	0	0.05
Nitrogen Dioxide (NO_2)	70	24	0.3	0	0.1
Sulfur Dioxide (SO_2)	80	24	5.1	2.4	0
Ground Level Ozone (O_3)	100	8	1.2	3.4	0

*Data shows average value over 12 months period

SUSTAINABILITY STATEMENT (CONT'D)

B. ENVIRONMENTAL MONITORING RESULTS (CONT'D)

Air Quality Monitoring (Cont'd)

The Air Quality result for RBC's project site at Jenderam Hilir, Selangor complied with the New Malaysia Ambient Air Quality Standard (NMAAQS-2020). The results and specification are as below.

Table 9: Air Quality monitoring results for RBC's project site in 2022

Parameters	Concentration Limit, µg/m³	Averaging time, hours	Baseline, July 2022	Average result,2022
Particulate Matter 10 µm, PM10 (µg /m³)	100	24	29	32
Particulate Matter 2.5 µm, PM 2.5 (µg/m³)	35	24	8	11

*The SJAM project started in January 2022

Water Quality Monitoring

The table below shows the Water Quality Index (WQI) for HGPT's project site in Semenyih, Selangor. There are 12 water sampling stations that were tested every month and the results complied with the National Water Quality Standards for Malaysia (NWQS) Class IIB as recommended in Part 5.6 of the Environment Management Plan as stated in EIA Approval Condition No. 21. The W4 sampling station from 2020 to 2022 showed better water quality compared to the baseline study in 2019. The lower WQI in 2022 is due to high turbidity and Total Suspended Solids (TSS) in water bodies during sampling days. This was because some samples were taken after heavy downpours.

Table 10: Water Quality results for HGPT's project site from 2020-2022

Parameter	Baseline, 2019 (W4)	2020	2021	2022
Water Quality Index (WQI) as per NWQS	34.95/ Class IV	78.58/ Class II	80.31/ Class II	60.32/ Class II

RBC's project in Jenderam Hilir, Selangor was subjected to water monitoring as well. The samples were taken upstream and downstream of Sungai Langat, Pond B and Pond C. Ten parameters were monitored and all the parameters analysed showed compliance with the respective limits in Class IIB and Category C with exception of total suspended solids in W2 and ammoniacal nitrogen in all samples.

Site observation suggested that the ammoniacal nitrogen readings for all samples were probably due to domestic discharge from the surrounding residential, nearby workshop and commercial areas which were located upstream of the project site. As for the exceedance of Total Suspended Solids (TSS) reading in sample W2, it may be due to accumulated sediment at the sampling point that was caused by soil erosion.

Noise Level Measurement

RBC's project site complied with the respective recommended permissible sound level for low-density residential, noise-sensitive receptors and institutions (school, hospital and place of worship) as stated under the Second Schedule in the Guidelines for Environmental Noise Limits and Control, 3rd Edition 2019 (Reprint 2021), Department of Environment Malaysia.

Table 11: Results of the noise measurement level for RBC's project site in 2022

Parameter	Specification	2022
Averaging L_{Aeq} (day)	≤60 dBA	55 dBA
Averaging L_{Aeq} (Night)	≤55 dBA	51.6 dBA

SUSTAINABILITY STATEMENT (CONT'D)

B. ENVIRONMENTAL MONITORING RESULTS (CONT'D)

Noise Level Measurement (Cont'd)

HGPT's project site noise results complied with condition No. 24 of the EIA Approval and part 5.5.1(B) of the Environment Management Plan. We do not conduct any work during the night and based on site observation, the major sources during the night were vehicle movement, insect sounds and public activities.

Table 12: Noise monitoring data for HGPT's Semenyih project site

Parameter	Specification, dBA	2020-Baseline	2020	2021	2022
		dBA			
Averaging L_{Aeq} (day)	≤60	58.7	59.8	59.0	59.4
Averaging L_{Aeq} (Night)	≤50	54.8	56.3	58.1	56.7

*Sampling was taken 4 times a year

In addition, HGPT's site is subjected to vibration monitoring using a vibration meter (NOMIS Mini Seismograph) on a quarterly basis. All readings were within the recommended DOE Guidelines, as stipulated in Schedules 5 and 6 in the Planning Guidelines for Vibration Limits and Control (Residential), as stated in EIA approval Condition No. 26 except for some parameters. This was probably due to vehicle movement from a nearby road, as reported in the Environmental Report.

C. GHG EMISSIONS

RTB Group established its first Carbon Accounting for the year 2022 by using the GHG Protocol Corporate Accounting and Reporting Standard. The reporting period is from 1 January 2022 to 31 December 2022 and covers Scopes 1, 2 and 3 (Employee travel and business travel). This disclosure has not been made public at the time of this writing.

We plan to reduce our GHG emissions by installing solar panels to harvest renewable energy at our manufacturing plant, identifying and replacing inefficient machines that consume high amounts of energy, identifying low carbon footprint materials and conducting a pilot trial on hybrid working arrangements to reduce Scope 3 (Employee travel and business travel) GHG emissions.

Carbon Avoidance

RTB owns and operates a 7 MW mini hydro power plant in Lawe Sikap, Aceh Darussalam, Indonesia via PT REI Abadi Indonesia. The power produced from the mini hydro plant enables the avoidance of 27,181 CO_2 emissions in 2022 when compared to the same amount of power produced via coal from the national power grid.

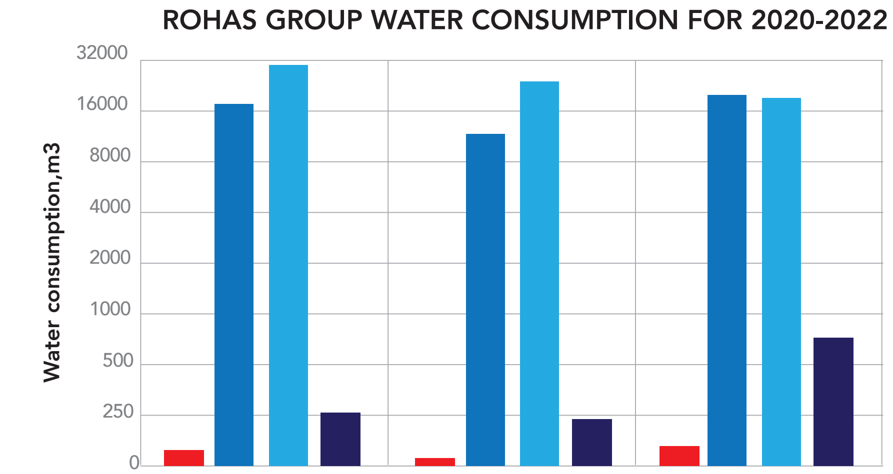
Figure 5: Pictures of the mini hydro plant in Lawe Sikap, Aceh, Indonesia

SUSTAINABILITY STATEMENT (CONT'D)

D. WATER CONSUMPTION

The chart below shows the breakdown of water consumption for RTB Group. We have installed a rainwater harvesting system at the GES plant to reduce our water consumption, as the water used during the quenching process typically evaporates due to the high temperature. The water consumption for REI's manufacturing plant in Bentong, Pahang increased by 70.9% in 2022 compared to 2021. This is due to water use for flood cleaning activities at Lot 10 and Lot 11 from January to March 2022 amounting to 2,900 m3 of water, pipe water leakage at Lot 5 and Lot 11 amounting to 3,700 m3 which was resolved 3 months after detection. In addition to that, the faulty water meter in Lot 5D has been changed by Pengurusan Air Pahang Berhad (PAIP). RTT and RBC are located in headquarters, with HGPT office completed its relocation to headquarters in October 2022.

Figure 6: Water consumption data for RTB Group

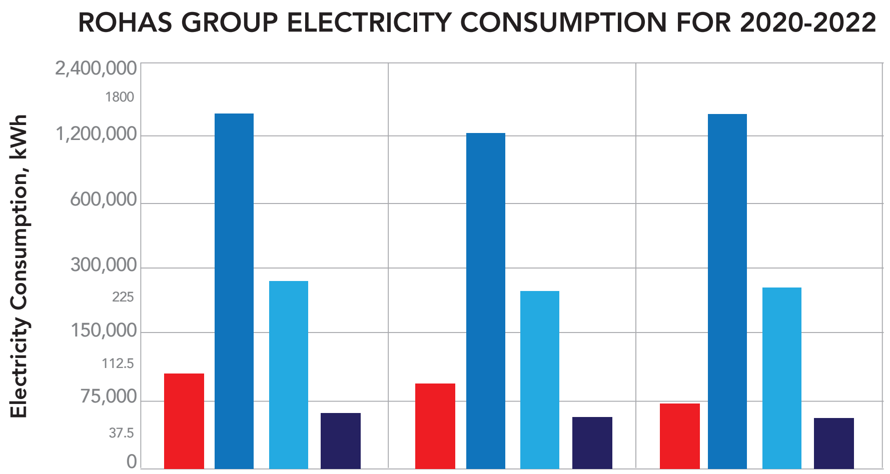


	2020	2021	2022
Headquarters	63	35	70
REI	17,955	12,294	21,009
GES	31,326	25,840	20,165
HGPT	258	236	741

E. ENERGY MANAGEMENT

The electricity consumption trend shows an increase in consumption for 2022 compared to 2021 for REI, GES and HGPT. We observe that this is due to the 68% in production rate for 2022 compared to 2021. REI plans to install solar panels at its manufacturing plant in Bentong, Pahang to reduce its carbon footprint associated with GHG emission Scope 2.

Figure 7: Electricity consumption for REI, GES, HGPT and Headquarters.



	2020	2021	2022
Headquarters	94,085	91,098	72,893
REI	1,673,920	1,284,775	1,677,583
GES	276,868	235,041	251,262
HGPT	59,781	50,366	52,019

SUSTAINABILITY STATEMENT (CONT'D)

F. MATERIAL UTILIZATION

RTB Group strives to ensure the sustainable utilisation of materials in all aspects of our operations. We are aware that the majority of our materials come from non-renewable sources. The supply chain department is committed to sourcing recycled materials where possible to ensure material sustainability. REI managed to source 28% of its raw materials from recycled sources in 2022.

Table 13: Material source breakdown for 2022.

No	Items	REI	GES	HGPT
1	Material used by weight			
a	Non-renewable materials used, MT	20,655	805	32,109
b	Renewable materials used, MT	153	-	2,500
2	Recycle input materials used, %	28	-	-

*Reference: GRI 301- Material

G. WASTE GENERATED

REI, GES, RBC and HGPT recorded 3 types of waste in 2022 which are scheduled waste, domestic waste and scrap metal. REI produces most of the scrap metal due to its metal fabrication activity, while GES produces SW 104, SW 204 and SW 206 from its galvanizing activity. RTB Group managed to divert 97% of its waste to recycling or recovery processes via third parties.

Table 14: RTB Group's waste generated, waste diverted from disposal and waste directed to disposal for year 2022

No	Waste composition	SW Code	Waste generated, MT	Waste diverted from disposal, MT	Waste directed to disposal, MT
1	Zinc ash & zinc dross	SW 104	129.0	129.0	-
2	Metal hydroxide	SW 204	8.0	8.0	-
3	Spent hydrochloric acid	SW 206	433.6	433.6	-
4	Contaminated container	SW 409	2.5	2.5	-
5	Contaminated glove & rags	SW 410	3.1	3.1	-
6	Machine oil leak	SW305	5.0	-	5.0
7	Scrap metal	-	1,034.9	1,034.9	-
8	Domestic waste	-	45.2	-	45.2
	Total		1,661.3	1,611.1	50.2

*Reference: GRI 306-Waste

SUSTAINABILITY STATEMENT (CONT'D)

3.0 SOCIAL

RTB Group acknowledges that social impact is an essential aspect of the company's growth and sustainability. It is determined to build a strong community, promote equality and provide for human rights necessities. These are addressed through our Human Resource policy, Environment, Health and Safety policy, Supplier's Code of Conduct, Employees Handbook, Training programmes and Corporate Social Responsibility programmes.

A. WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY

RTB Group has a workforce of 858 people distributed throughout its subsidiaries. We have a diverse group of people in the company who come from different races, nationalities, and age groups. In terms of hiring, we ensure that all our current and future employees receive equal opportunity for employment and career growth. The graphs below show the demographics of RTB Group employees for 2022 in reference to GRI 405: Diversity and Equal Opportunity.

Figure 8: RTB Group's total employees by gender for 2022

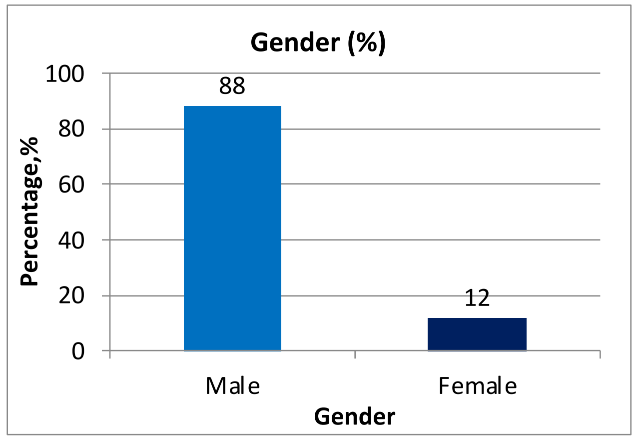


Figure 9: RTB Group's employees by age group for 2022

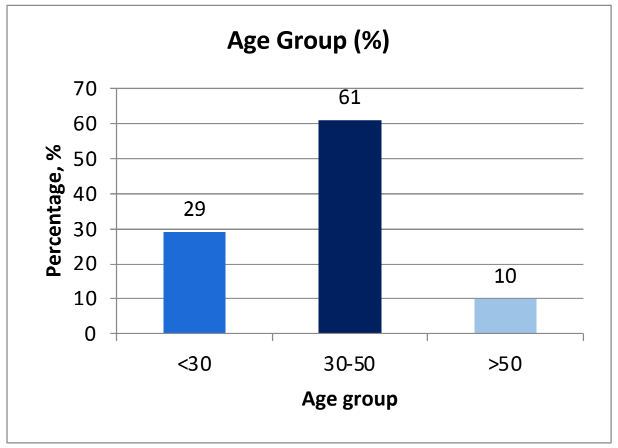


Figure 10: RTB Group's employees by Ethnicity for 2022

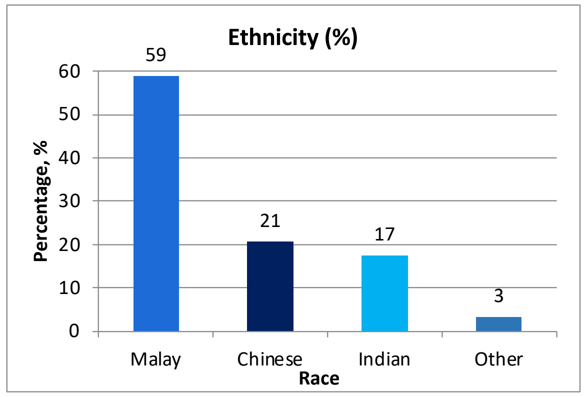
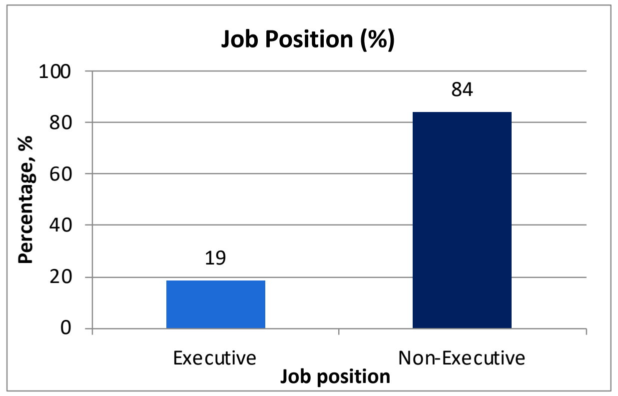


Figure 11: RTB Group's employees by job position for 2022



SUSTAINABILITY STATEMENT (CONT'D)

A. WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

Figure 12: RTB Group's employees by Nationality for 2022

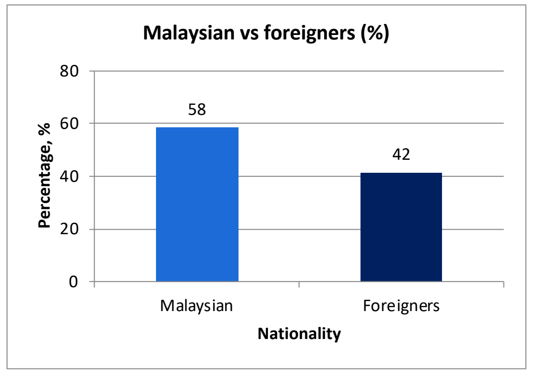
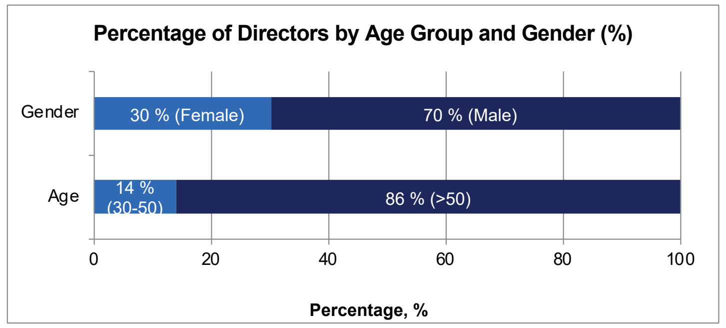


Figure 13: RTB Group's Directors by age group and gender for 2022



RTB Group strives to provide equal salary and remuneration irrespective of gender. The executive-level data showed a higher ratio of men, with the position of manager or senior manager and above having 343% more men than women. This resulted in lower average basic remuneration for women across the group.

Table 15: Ratio of basic salary and remuneration of women to men in Rohas Group for year 2022

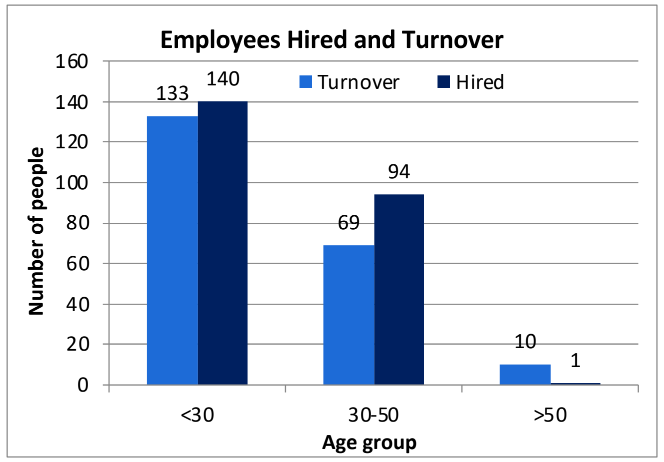
Category	Women	Men
Executive	1	1.38
Non-Executive	1	1.10

*Reference: GRI-405-2

B. EMPLOYMENT

RTB Group prioritises the employment of local talent before employing foreign talent. This is to ensure we support and grow the local community and economy. Our employment is divided into 2 categories: Permanent Staff and Contract Staff. In 2022, we had a turnover of 212 people, and we hired 235 people to fill the manpower shortage.

Figure 14: Employee turnover and hired by age group for year 2022



*Reference: GRI 401-Employment

Employment Benefits

RTB Group provides competitive remuneration, compensation and benefits in line with current industry standards to ensure our ability to attract and retain talent. Starting 1 January 2022, RTB reduced its working hours from 48 hours to 45 hours a week to comply with the revised Employment Act 1955 (Revision 2022) which came into effect at the same date.

SUSTAINABILITY STATEMENT (CONT'D)

B. EMPLOYMENT (CONT"D)

Employment Benefits (Cont'd)

Table 16: Compensation and benefits across the group

Compensation and Benefits	Description
Contribution[1]	Employees Provident Fund ("EPF"), Social Security Organization ("SOCSO") and Employment Insurance Scheme ("EIS")
Leave Entitlement[1]	Public holiday, medical leave, annual leave, compassionate leave, marriage leave, maternity, paternity leave, calamity leave, study leave, exam leave
Staff welfare[1]	Incentives for first legal marriage, first born, death of staff and family members, welcoming lunch for new joiners
Medical[1]	Group Personal Accident, Group Hospitalisation and Surgical Insurance with equal coverage and limits for local and foreign workers, access to panel clinics and specialist claims
Allowance[2]	Uniforms and Personal Protective Equipment ("PPE"), travelling allowance
Awards[2]	Long-Service Awards to recognise the contributions of long-service staff, retirement benefits
Facilities[1,2]	Canteen, pantry, water coolers, prayer rooms, first aid, individual lockers
Transportation[2]	Shuttle van services at construction sites, bus transportation to mosque for Friday prayers at factory complex

*1 Mandatory compensation and benefit provided by the Group

**2 Additional compensation and benefit provided by the Group

C. PARENTAL LEAVE

To support inclusivity in parenting and family development, RTB Group offers parental leave to every member of our staff. Ten (10) employees comprising four (4) females and six (6) males, took parental leave in 2022. All of them came back to work after taking leave.

D. MARKET PRESENCE

The minimum salary wage was adjusted and set at RM 1,500 on 1 May 2022 across all companies registered in Malaysia in accordance with the Malaysian Employment Act 1955. All of our employees are paid more than the minimum wage.

RTB Group's senior management in this disclosure is defined as the organization's key senior management team, consisting of the CEO, CIO, COO, CFO and Heads of Department. Malaysian citizens made up 86% of the senior management team.

E. NON-DISCRIMINATION

RTB and its group of companies are strongly against any form of discrimination. We achieved zero incident reporting of legal action or complaint on discrimination during the reporting period.

The company has established Grievance Procedure to ensure that all employees who feel aggrieved can raise the matter with the appropriate persons for settlement. The employee shall be assured of an impartial hearing and will not be penalised for raising the grievance.

F. CHILD LABOUR

We employ workers who are 18 years old and above in compliance with Malaysia's Employment Act 1955. The recruitment process and worker requirements are in compliance with RTB Group's Human Resource Policy and Standard Operating Procedure. All our suppliers are required to adhere to the Supplier Code of Conduct, in which we have outlined the principles and practices on child labour and other human rights issues. This measure is taken to ensure we contribute to the effective abolishment of such practices.

G. TRAINING AND EDUCATION

We recognise the importance of building the capacity of our workforce and are committed to strengthening their skills and equipping them with new ones. Continuous learning is the key to their personal growth and helps create a sustainable competitive advantage for our business. The right skills enabled RTB Group to meet the existing standards and equipped the operations with adaptive skills in response to the changing needs of the market. All employees are required to attend a minimum of 16 hours of training per annum.

Table 17: Average training hours per employee by category and the target set by the management for 2022

Category	Annual Training Target, hours	Average Training, hours
Executive	16	36
Non-executive	16	11

Programs for upgrading employee skills

On a yearly basis, training programmes are organised to upgrade our employees' skills and develop their talent after conducting a training need analysis. The employees are provided with the opportunity to participate in internal, external and/or on the job training based on their respective needs. In addition, we have developed a succession planning framework to ensure we have operation continuity and are capable of building an internal pipeline of leaders.

In 2022, the workforce attended 3 types of training as illustrated in Figure 14 and we spent RM 166,099 on HRD contributions and claimed RM 207,265 for HRD trainings.

Figure 15: Type of training attended by RTB Group's employees for the year 2022

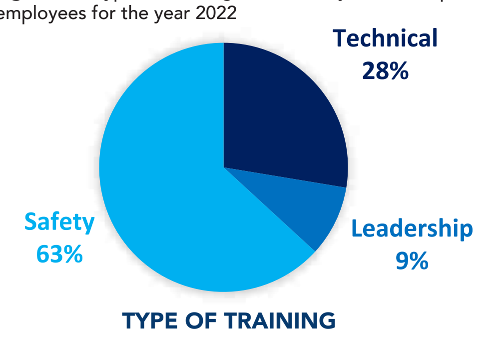


Table 18: HRDF contribution and amount claimed for HRDF training programmes for year 2022

Subsidiary	Opening balance January 2022	Total HRDF Contributed, RM	Amount HRDF Claimed, RM	HRDF Balance, RM
REI (REI + RBC)	180,480	143,491	194,374	129,596
GES	16,192	15,130	6,083	9,047
RTT	221,482	7,479	6,808	671
TOTAL	418,153	166,099	207,265	139,314

Percentage of employees receiving regular performance and career development reviews

All of our employees are reviewed on a bi-yearly basis on their regular performance and career development. RTB has a performance management system that evaluates employee performance based on Key Performance Index (KPI), behavioural assessment and their personal development plans.

H. OCCUPATIONAL HEALTH AND SAFETY

Below are the OHS policies and practices that we use to ensure we meet the industry standard and continuously improve our Health, Environment and Safety records.

Environmental, Health and Safety (EHS) Policy

RTB Group has established an EHS policy to ensure all business activities are conducted in a safe and sustainable manner. We operate in accordance with Environmental, Health and Safety requirements by always adhering to the required regulations. We are committed to protecting the environment by reducing our pollution through process optimization, efficient energy use and waste reduction by implementing the "4R principle" - Reject, Reduce, Reuse and Recycle. Besides that, we promote a culture of EHS awareness through employee participation and training. The EHS policy also ensures that the employee's health is taken care of by preventing and eradicating the use of drugs, alcohol, substance abuse and injuries during work.

SUSTAINABILITY STATEMENT (CONT'D)

H. OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

ISO 45001-2018 Occupational Health and Safety (OH&S) management systems

RTB and its subsidiaries are certified to ISO 45001-208 which ensures the organisation has a process for investigation and reporting of all found nonconformities in order to develop plans for corrective action. Careful documentation of all activities and the issuance of correctional aids were conducted to ensure the effectiveness of its programmes.

ISO 14001:2015 Environmental Management Systems

REI, GES and HGPT are certified to ISO 14001:2015 which emphasises on an organisation's impact on the external environment. The standard aims to reduce organisational waste, pollution and energy consumption. Our goal-setting for Prevention of Pollution, Conservation of Energy and Resources and Occupational Health and Safety are reviewed by the EHS Management Committee on a yearly basis.

Environment, Health, and Safety Committee

The Health and Safety Committee plays a vital role in monitoring the implementation of OHS practices within our Group. The roles and responsibilities of the Committee are as follows:

- Assisting in the development of Health and Safety Committee rules and safe systems of work
- Reviewing the effectiveness of OHS programmes
- Carrying out studies on the trend of accidents, dangerous occurrences, occupational poisoning or occupational disease
- Conducting inspections of the work place
- Recommending remedial measures to address any issue prejudicial to the health and safety at the work place
- Recording and reporting recommendations for improvements

We continue to have an Emergency and Response Team ("ERT") to enable rapid response to minimise impact in the event of emergencies. The ERT is divided into three response units, namely the firefighting and evacuation team, the chemical spillage/ gas leakage response team, and the first aid team. There is no emergency event recorded in 2022 that requires the action of the Emergency and Response Team other than first aid given to minor accident cases.

Health and Safety Activities

Various Health and Safety activities were conducted throughout the reporting year to ensure we continuously update and improve all our employee's awareness and knowledge. Below are the pictures of some of the activities and training.

Figure 16: Tool Box Briefing at Manufacturing plant

Figure 17: Safe Handling Forklift Truck Training

Figure 18: Safety Handling Overhead Crane Training

Figure 19: PPE & Manual Handling Training

Figure 20: Safe Chemical Handling Training & Hearing Conservation Program

Figure 21: EHS Safety Induction

SUSTAINABILITY STATEMENT (CONT'D)

H. OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Health and Safety Activities (cont'd)

Figure 22: ERT- Fire Fighting & Drill Training & Basic Occupational First Aid Training & Drill

Figure 23: Lifting equipment Inspection

Safety Performance

Occupational Health and Safety is the most important component of the materiality sustainability matrix for RTB Group. We conduct monthly data gathering to monitor the safety performance of the entire group. RTB and its subsidiaries collectively were able to reduce 66% of their LTIF to 3.6 million hours compared to 10.6 million hours in 2021. Accident cases decreased by 40% in 2022 compared to 2021 and zero fatalities were recorded for the year 2022. The accident cases reported originated from REI and GES and corrective action has been taken accordingly.

Table 19: RTB Group's Lost Time Injury Frequency Rate (LTIF) for year 2020 to 2022

Parameter	Yearly Target	2020	2021	2022
Total Man-hours	-	1,440,826	945,536	1,655,020
LTIF Rate in million hours	-	2.1	10.6	3.6

Table 20: RTB Group's number of accident cases for year 2020 to 2022

Parameter	2020	2021	2022
Number of accident cases	3	10	6

Table 21: RTB Group's fatalities number for year 2020 to 2022

Parameter	Yearly Target	2020	2021	2022
Number of fatalities	-	-	1	-

SUSTAINABILITY STATEMENT (CONT'D)

I. CORPORATE SOCIAL RESPONSIBILITY

The REI Bentong manufacturing plant and the surrounding community were affected by flash floods in December 2021. RTB Group responded by providing monetary flood relief aid worth more than RM 130,000 to all the identified victims.

The RTB Team continued its CSR programme in 2022 by spending RM 243,599 to conduct river clean-up and river embankment work, which took place from January to November 2022. This initiative was executed to ensure that the river can sufficiently flow and hold a larger amount of water compared to its previous capacity. This initiative is also our climate risk mitigation plan to prevent future flooding on our premises. Below are the activities and pictures for 2022.

Figure 24: Lot 11 River mitigation

Figure 25: Before and during Gabion installation at Lot 11

Figure 26: Clearing of tree debris on the river at Lot 11

Figure 27: River side embankment work by our excavator while river drenching and Land reclamation by JPS Pahang

Figure 28: Painting of building and corridor for Sekolah Menengah Kebangsaan Bentong, Pahang.

SUSTAINABILITY STATEMENT (CONT'D)

4.0 GOVERNANCE

In recent years, there has been a growing recognition of the impact that businesses have on the environment, society and the economy. RTB Group fully recognises that corporate governance plays a crucial role in the implementation and success of our sustainability initiatives and has continuously strengthened its role in our sustainable practices. We believe that good governance fosters sustainability, creates sustainable values and helps the Company drive positive social and environmental outcomes.

The Board underpins the Group's governance framework of RTB Group. Focus on governance oversight is provided through the Board Committees namely Audit & Risk Management Committee (ARMC), Sustainability Committee (SC) and Nomination & Remuneration Committee (NRC). Effective governance structures and processes fostered by our Board Committees provide the framework needed to ensure that sustainability is integrated into RTB Group's strategy, operations, and decision-making and that the interests of all stakeholders, including shareholders, employees, customers, suppliers and the community are taken into account.

BOARD OF DIRECTORS

- AUDIT AND RISK MANAGEMENT COMMITTEE
- SUSTAINABILITY COMMITTEE
- NOMINATION & RENUMERATION COMMITTEE

CORPORATE GOVERNANCE

Risk Management

Enterprise Risk Management ("ERM") Framework is the main pillar of RTB Group's risk management activities. During the year under review, we have increased our efforts to instil a proactive risk management culture under the ERM Framework and have updated our risk profile accordingly. Such risks and the corresponding key mitigation actions were periodically deliberated by the Risk Management Working Group ("RMWG") and further escalated to the Audit & Risk Management Committee ("ARMC") for oversight and deliberation of the management action plan.

Internal Control

As part of our effort to strengthen internal control within the Group, all existing Policies and Procedures were reviewed and revised accordingly to reflect business and operational changes. Several internal control reviews were made during FY2022 on certain facilities and business areas to evaluate and assess the effectiveness of our internal control system, identify weaknesses and deficiencies in the system as well as provide recommendations for improvements to strengthen the controls and reduce the risk of fraud, error and non-compliance. The internal control review is a critical component of our corporate governance and risk management purview, helping to promote transparency, accountability, and trust in our operations and financial reporting.

RTB Group is also committed to maintaining our ISO certifications to establish credibility and trust with our stakeholders.

In maintaining the certifications, we conduct annual ISO internal audits on each of the ISO for the respective Manufacturing and Project Management business segments for the following ISO certified subsidiaries:

i. ISO 9001:2014 (REI, GES, RBC)
ii. ISO 9001:2015 (HGPT)
iii. ISO 14001:2015 (REI, GES, HGPT, RBC)
iv. ISO 45001:2018 (REI, GES, HGPT, RBC)

Additional information on our risk management and internal control practices can be found on pages 78 to 82 of this Annual Report.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE GOVERNANCE (Cont'd)

Anti-Bribery and Anti-Corruption

RTB Group is committed to ensuring compliance with Section 17A (S.17A) of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018). We strive to ensure transparency and honesty in our daily activities by continuously educating employees with an anti-bribery and anti-corruption program to prevent the occurrence of corrupt practices in compliance with Ministerial Guidelines on Adequate Procedures and benchmarked against MS ISO37001: Anti-Bribery Management Systems ("ABMS"). All ABMS key documentations are accessible to all employees.

An Anti-Bribery and Corruption initiative has been established and revised to address current business operations. The Group's anti-bribery policies are published for public reference. Some of the documents that are accessible to the public on our Company's website are as follows: -

i. ABAC Policy
ii. Whistleblowing Procedure

During the year under review, the Group conducted the following activities:

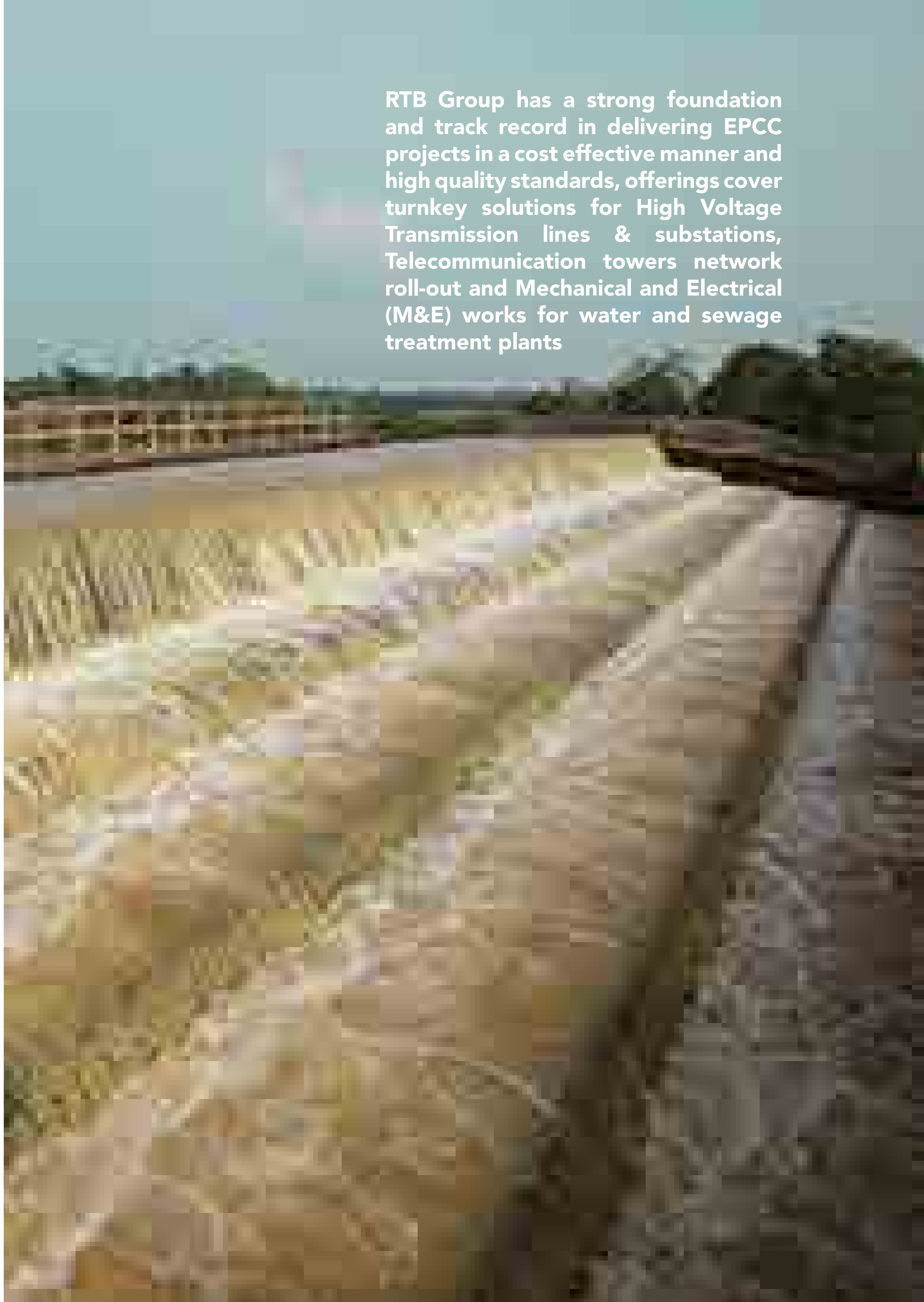
i. Annual refresher session for our employees
ii. Communication of updated key documentations to all employees
iii. Corruption Risk Assessment for all subsidiaries under the Group (local operations)

Customer Privacy

There are no substantiated complaints concerning breaches of customer privacy and losses of customer data from other parties or regulatory bodies for 2022.

5.0 MOVING FORWARD

RTB Group continuously monitors and strives to improve the sustainability related initiatives within our group. RTB Group is on track to deliver our ESG values to our business and stakeholders through close monitoring of each MSM and its respective indicators. We plan to implement Task Force on Climate-related Financial Disclosures (TCFD) framework within the group soon. In the future, we aim to further improve our disclosures in accordance with the applicable guidelines and standards, as well as industry best practices.



RTB Group has a strong foundation and track record in delivering EPCC projects in a cost effective manner and high quality standards, offerings cover turnkey solutions for High Voltage Transmission lines & substations, Telecommunication towers network roll-out and Mechanical and Electrical (M&E) works for water and sewage treatment plants

CORPORATE GOVERNANCE OVERVIEW STATEMENT

At Rohas Tecnic Berhad ("RTB" or "Company"), we recognise the importance of maintaining the highest standards of ethical behaviour, accountability and transparency in all aspects of our operations. As such, we are committed to implementing robust governance practices that foster long-term value creation for our shareholders, customers, employees, and other stakeholders, while also upholding our responsibilities to the broader society and environment in which we operate.

This Corporate Governance Overview Statement outlines our approach to governance, our key governance structures and policies as well as our progress towards achieving our governance objectives. This statement is to be read in tandem with the Company's Corporate Governance ("CG") Report 2022, which details RTB's application of the principles contained in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The CG Report 2022 can be viewed online at **rohastecnic.com.** The CG Report provides details on how the Company has applied each MCCG Practice as well as the departures, if any, and alternative measures in place within the Company during the financial year 2022 ("FY2022") and demonstrates the commitment of the Board and Management of the RTB Group in applying and embracing high standards of corporate governance in the organisation.

This CG Overview Statement takes into consideration the features of the MCCG 2021 and the adoption by RTB of the best practices concerning the three key Principles as set out in the MCCG 2021 during FY2022 which are:

PRINCIPLE A:
Board Leadership and Effectiveness

PRINCIPLE B:
Effective Audit and Risk Management

PRINCIPLE C:
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

GOVERNANCE FRAMEWORK

The Corporate Governance framework was established to strengthen the oversight of operations, corporate governance, compliance, internal control and risk management of RTB Group. The key elements of the framework are as follows:

- Board Charter;
- Terms of Reference for Board Committees;
- Business Code of Conduct;
- Whistleblowing Framework;
- Risk Management and Internal Control Framework; and
- Anti-bribery & Corruption Policy.

Good governance depends on capable and effective leadership, professional behaviour and ethical corporate culture. Therefore, the Board acknowledges that it is their responsibility to inculcate the appropriate culture, and values that reinforce ethical, prudent and professional behaviour throughout the organisation to create a healthy and dynamic corporate culture within RTB Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

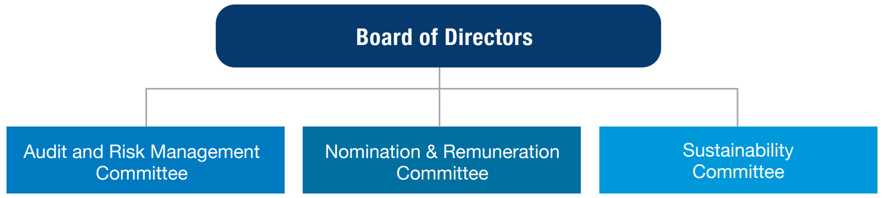
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board

The Board as a whole takes ownership of effective leadership and the long-term success of RTB Group. The diversified skills and leadership experience offered by the Non-Executive Directors enable them to scrutinise performance, assess RTB Group's risk management and control processes, and support the Executive Directors.

Roles and Responsibilities of the Board

In discharging its functions and responsibilities, the Board is guided by the Board Charter while some key matters that have been assigned to the Board Committees as follows:-



The Board Committees have discharged their roles and responsibilities in accordance with the Terms of Reference ("TOR") of the respective Committees.

During the year, the Board carried out the following tasks to ensure its obligation to shareholders and other stakeholders are met:

- Setting the objectives, goals and long-term strategic plan for RTB Group;
- Deliberating, scrutinising and approving RTB Group's budgets, plans and policies;
- Overseeing RTB Group's business to evaluate whether the business activities are being properly managed;
- Evaluating principal and potential commercial risks of RTB Group and ensuring that appropriate systems are developed and put in place by Management to manage and mitigate these risks;
- Instituting systems of internal controls and recommending improvements to the Group's operating policies and procedures for Management's review;
- Where required, implementation is being documented and developed, to safeguard the Shareholder's investment and Group's assets;
- Ensure compliance with applicable laws, regulations, rules, directives and guidelines; and
- Deliberating, scrutinising, evaluating and deciding on Management's proposals on investment initiatives.

Role of Chairman of the Board

The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness in the Board. This includes setting the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making, instilling and monitoring good corporate governance practices and leading all Board meetings and general meetings.

Mr Sia Bun Chun ("George Sia") who was the Managing Director of RTB until he retired from the position on 31 December 2017, was the Chairman of the Company from 1 January 2020 until 1 January 2023. With his vast experience in operations, he showed good leadership and insight into the business. He also communicated regularly with Management and other Board Committees to instil sound corporate governance practices at both levels.

During FY2022, the Company did not adopt Practice 1.4 of the MCCG 2021 which recommends that the Board Chairman should not be a member of the Nomination Committee or Audit Committee. George Sia was a committee member of the Nomination and Remuneration Committee ("NRC") and Sustainability Committee. The Board considered the governance deviation in keeping the Board Chairman as a member of Board committees but acknowledged that the Chairman's long-term association with RTB Group, combined with his industry experience and expertise, ensured that he would add value to the Board as well as the Group's future growth. In addition, the Board is of the view that all members of the NRC are independent and can freely express their views during the Board Committee Meetings. The presence of the Board Chairman as a member of the Board Committee, therefore, did not impair the objectivity of the Chairman of the Board Committees and the Board as a whole in their deliberations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Role of Chairman of the Board (Cont'd)

However, in the spirit of promoting good governance and continuously evaluating the Board's performance and effectiveness in executing its governance responsibilities, the Board has appointed a Senior Independent Director, Chee Suan Lye as a member of the NRC. The Senior Independent Director serves as a sounding Board for the Chairman and acts as an intermediary between the Chairman and other members of the Board, as and when necessary.

Following a board restructuring exercise, George Sia on 1 January 2023, stepped down as Chairman of the Company and Tan Sri Wan Azmi Wan Hamzah ("Tan Sri Wan Azmi") was appointed as the Chairman of the Board. As per MCCG 2021 Practice 1.4, Tan Sri Wan Azmi is neither a member of the Nomination Committee nor the Audit Committee.

Role of Group Chief Executive Officer ("Group CEO")

The Group CEO, Leong Wai Yuan leads and manages the overall operations of the business and organisational effectiveness with the support of a team of chief operating officers ("COOs") from respective business units and heads of functional support units. In addition, the Group CEO coordinates the development and implementation of policies and business strategies and ensures that business affairs as well as financial and risk management are carried out transparently, ethically and in compliance with the relevant laws and regulations in the interest of all stakeholders.

The Company continues to comply with the MCCG 2021 in respect of the separation of roles between the Chairman and Group CEO.

Company Secretary

The Directors have full and unrestricted access to the advice and dedicated support services of the two (2) Company Secretaries appointed by the Board. Both of them are experienced and competent, qualified to act as company secretaries under Section 235 of the Companies Act 2016. They advise the Board on procedural and regulatory requirements to ensure that the Board and its committees adhere to board policies, procedures and regulatory requirements in carrying out their roles and responsibilities effectively.

The Company Secretaries shall be responsible for maintaining proper statutory records, registers, and documents for RTB which are essential in assisting the Board to achieve, meet and discharge their fiduciary responsibilities in accordance with good corporate governance practices. In addition, the Company Secretaries are also responsible for ensuring proper conduct at the Annual General Meetings, Board Committees' Meetings and any other meetings and the preparation of minutes thereat. The details of the Company Secretaries are on page 11.

Information and Support for Directors

The Directors are provided with sufficient information for Board discussions and meetings. Management makes all possible efforts and continues to improve itself in providing timely information to the Board. Key issues are presented and lengthy deliberations are held to ensure a thorough understanding of the matters put forth to the Board.

The deliberations and decisions of the Board are recorded in the minutes of meetings and the process for recording abstention by Directors on a particular matter is in place. The minutes are circulated to the Board prior to the Board meeting and are reviewed and deliberated before being approved.

All Directors are entitled to obtain independent professional advice, if necessary, at RTB Group's expense from time to time in performing their duties, subject to the approval of the Senior Independent Non-Executive Director. All Directors also have full and unrestricted access to any information about the matters at hand.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

DIRECTORS' TRAINING PROGRAMME

All Directors are required to participate in training programmes from time to time to provide them with the necessary and latest information to enable them to participate and contribute effectively and efficiently to manage and direct RTB Group. An assessment of the training needs of each Director is carried out annually by the Nomination and Remuneration Committee.

Newly appointed Directors are required to attend a familiarisation programme. This includes meeting with key senior management to be briefed on the core businesses and operations of the Group. It also serves as a platform to establish effective channels of communication and interaction with Management.

During FY2022, the Directors attended seminars, workshops, webinars, virtual conferences and training programmes ("Programmes") on topics related to sustainability, corporate governance, boardroom and board committee effectiveness as well as regulatory and Islamic financial market updates. The training programmes attended by the Board members in FY2022 are as follows:

No.	Director	Training Programme/ Conference Attended	Organiser	Date
1.	Sia Bun Chun	How to Raise Funds with Sustainable Bonds	Boardroom Pte Ltd	26 October 2022
2.	Chee Suan Lye	Innovation: The Modern Boardroom: Year in Review and 2023 Outlook	Convene Malaysia Sdn Bhd	29 November 2022
3.	Mohamed Tarmizi Ismail	Beyond Box-Ticking - Enhancing Effectiveness of Nominating Committees	ICLIF Executive Education Centre at the Asia School of Business ("ASB")	22 March 2022
4.	Amirul Azhar Baharom	Everything Investor Relations Managers Need To Know About ESG Reporting	Malaysian Investor Relations Association Berhad ("MIRA")	26 April 2022
5.	Dr Ir Jeyanthi Ramasamy	Leading for Good	Institute of Corporate Directors Malaysia ("ICDM")	1 March 2022
		TCFD 101 Climate Disclosure Training Programme	Bursa Malaysia Securities Berhad ("Bursa Malaysia"), United Nations Sustainable Stock Exchanges Initiative ("UN SSE"), International Finance Corporation ("IFC") and Carbon Disclosure Project Worldwide ("CDP")	2 March 2022
		The Malaysia Economic Summit 2022 - Accelerating Structural Transformation, Driving Economic Growth	Strategic Institute for Asia Pacific and The Economic Club of Kuala Lumpur	14 June 2022
		Conversation with Audit Committee – Session 2 - Invitation to The Securities Commission Malaysia's (SC) Audit Oversight Board Conversation with Audit Committees	The Securities Commission Malaysia	6 December 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

DIRECTORS' TRAINING PROGRAMME (CONT'D)

No.	Director	Training Programme/ Conference Attended	Organiser	Date
6.	Khor Yu Leng	TCFD 101 Climate Disclosure Training Programme	Bursa Malaysia, UN SSE, IFC and CDP	2 March 2022
		MCCx-SEP: Macroeconomics of Climate Change: Science, Economics, and Policies	International Monetary Fund	6 April 2022 to 31 May 2022 (8 weeks)
		Corporate Governance & Remuneration Practices for the ESG World	ASB	6 September 2022
7.	Wan Afzal-Aris Wan Azmi	Inflation, Looming Recession & Climate Change: A Tricky Balancing Act?	ASB	7 November 2022
8.	Shaharuddin Zainuddin	The Malaysian Islamic Financial Market Roundtable Discussion	Islamic Financial Market Subcommittee of the Financial Markets Committee	3 October 2022
		Khazanah Megatrends Forum 2022	Khazanah Nasional Berhad	3-4 October 2022
		Global Islamic Finance Forum 2022	The Association of Islamic Banking and Financial Institutions Malaysia	5-6 October 2022
9.	Leong Wai Yuan	How to Raise Funds with Sustainable Bonds	Boardroom Pte Ltd	26 October 2022
10.	Wong Mun Keong	Everything Investor Relations Managers Need To Know About ESG Reporting	MIRA	26 April 2022
		Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	Bursa Malaysia Berhad	20 September 2022

BOARD MEETINGS

Board meetings for the ensuing financial year are planned and scheduled in advance by the Management before the end of the financial year to enable all Directors to plan their schedule.

All Directors are expected to devote sufficient time to effectively discharge their functions. None of the Directors of RTB serves in more than five (5) listed companies and the Group CEO does not serve as a director in other listed companies. The present directorships in external organisations held by RTB's Directors do not give rise to any conflict of interest nor impair their ability to discharge their responsibilities to RTB Group.

The Board recognises the need to spend time with Senior Management to discuss the RTB Group's business strategies, plans and performances. All Board members have committed their time to this effect. In preparing the strategies and budget for RTB Group for 2022, the Executive Directors briefed the Board to obtain their views.

During FY2022, nine (9) Board meetings were held to approve quarterly financial results, statutory financial statements, the annual report and business plans as well as to review the performance of RTB Group and its operating subsidiaries, governance matters and other business development matters. The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors which is evidenced by their attendance at the Board meetings, Board Committee meetings, and the Annual General Meeting ("AGM") as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

BOARD MEETINGS (CONT'D)

Table of Board Composition and Meeting Attendances in FY2022

Name of Director	AGM	Board Meetings	Board Committee Meetings		
			ARMC	NRC	SC
Non-Independent Non-Executive Director					
Sia Bun Chun	1/1	9/9	-	4/4	1/1
Wan Afzal-Aris Wan Azmi	1/1	9/9	-	-	1/1
Independent Non-Executive Directors					
Chee Suan Lye	1/1	9/9	14/14	-	-
Mohamed Tarmizi Ismail	1/1	9/9	14/14	4/4	-
Amirul Azhar Baharom*	1/1	9/9	6/6	2/2	-
Dr Ir Jeyanthi Ramasamy	1/1	9/9	14/14	-	-
Khor Yu Leng	1/1	9/9	-	4/4	1/1
Shaharuddin Zainuddin	1/1	8/9	13/14	-	1/1
Non-Independent Executive Director					
Leong Wai Yuan	1/1	9/9	-	-	1/1
Wong Mun Keong	1/1	9/9	-	-	-
Total number of meetings for 2022	1	9	14	4	1

Note:

ARMC - Audit and Risk Management Committee
NRC - Nomination and Remuneration Committee
SC - Sustainability Committee

*Redesignated as Non-Independent Executive Director on 14 April 2022 and also resigned from the ARMC and the NRC on the same day.

BOARD CHARTER

The Board has in place a Board Charter which is accessible on the RTB Group website. The Board Charter identifies the roles and responsibilities of the Board, Board Committee, Chairman, Group CEO, individual Directors and the Company Secretary.

The Board reviews the said Charter periodically and any amendments or improvements thereto shall be made as and when the Board deems appropriate and necessary and any subsequent amendments shall be approved by the Board. The latest review of the Board Charter was conducted on 13 April 2023.

CODE OF CONDUCT

A Business Code of Conduct is in place which includes policies and procedures for managing conflicts of interest as well as preventing abuse of power, corruption, insider trading and money laundering which is accessible from RTB Group's website.

All Directors and employees were provided with a copy of the Business Code of Conduct, as a required read and to be acknowledged.

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

In line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which took effect on 1 June 2020, the Board has approved the adoption of the Anti-Bribery and Corruption Policy. The Group is committed to conducting business dealings with the highest standard of integrity and ethics to comply with the applicable laws and regulatory requirements on anti-corruption. As part of the Anti-Corruption Awareness Campaign for RTB Group, all of its Directors and staff, including Senior Management of the Group have signed an Integrity Pledge for their commitment to the Group's Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy is published on the Company's website at **rohastecnic.com.**

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

ESTABLISHING AND IMPLEMENTATION OF WHISTLEBLOWING POLICIES AND PROCEDURES

RTB Group has a Whistleblowing Policy with the aim of enabling individuals to raise genuine concerns without fear of retaliation. This policy details the oversight and responsibilities of the whistleblowing and the reporting processes, as well as the protection and confidentiality given to whistleblowers. An overview of the Whistleblowing Policy is available on the Company's website at rohastecnic.com.

SUSTAINABILITY MANAGEMENT

The Board and Management acknowledge their responsibility for promoting sustainability in areas covering economic, environmental as well as social and governance ("EESG"). To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.

In the Company's sustainability journey, the Board has established a Board Sustainability Committee in July 2021. The Sustainability Committee is responsible for overseeing sustainability matters, according to the Group's Sustainability Framework and Sustainability Policy.

During FY2022, the executive committee of the Group ("EXCO") was tasked with managing the Group's sustainability strategically, including the integration of sustainability considerations in the Group's operations. The EXCO had oversight over a department which was initially formed, namely the Risk, Compliance and Sustainability Department ("RCSD"), led by Muhd Firdaus bin Mohd Darwis ("Firdaus"). At the end of July 2022, Firdaus left RTB and in October 2022 a dedicated Sustainability Department was subsequently established and Neethia Raj, a certified Chemist with a great passion for Sustainability, was appointed as manager to oversee the Sustainability initiatives.

The Sustainability Department and formerly the RCSD, is responsible for organising stakeholder engagement, assessing important sustainability issues and indicators, carrying out data gathering and reporting processes, and managing sustainability programmes.

To fully comprehend and stay current on sustainability matters, the Chairman of the Sustainability together with all members of the Sustainability Committee, other members of the Board and the RCSD team have attended more than 10 hours of training per person concerning Sustainability provided by Malaysian Investor Relations Association Berhad ("MIRA") in 2021, whilst Neethia Raj had attended more than 40 hours of ESG related training and workshops since September 2022 including but not limited to GHG Protocol training Scope 1, 2 and 3, Carbon Footprinting and Reporting for Organisations, Impactful Sustainability Reporting, TCFD: The core of sustainability reporting, and Go ESG ASEAN Conference & Exhibition.

In addition, news articles or reports related to Sustainability or EESG matters are always shared among Board members and the working group of the Sustainability Committee for the Board and working team to keep abreast of the latest developments and trends in the local and global scene.

Further information on the Company's approach to sustainability is provided in the Sustainability Statement on pages 38 to 60 of this Annual Report.

PRESENCE OF INDEPENDENT DIRECTORS ON THE BOARD

During FY2022, the Board comprised 10 members, five (5) of whom were independent directors, which meet the requirement of Main Market Listing Requirements of Bursa Malaysia ("MMLR") that at least half of the board comprises independent directors.

TENURE OF INDEPENDENT DIRECTORS

According to the Board Charter, the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the full nine (9) years, the independent director may either retire or continue to serve on the Board subject to the director's re-designation as a non-independent director. However, the Board may justify and seek shareholders' approval if it wishes to retain an independent director exceeding nine (9) years.

In accordance with Clause 139 of the Constitution of the Company and Paragraph 7.26(2) of the MMLR, at least one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM"). Under Clause 139 of the Constitution of the Company, Mohamed Tarmizi bin Ismail, Chee Suan Lye and Amirul Azhar Baharom were re-elected at the 28th AGM held on 22 June 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

TENURE OF INDEPENDENT DIRECTORS (CONT'D)

Pursuant to Clause 144 of the Constitution of the Company, any Director appointed to fill a casual vacancy or as an additional Director shall only hold office until the following AGM and shall then be eligible for re-election. Tan Sri Wan Azmi Wan Hamzah ("Tan Sri Wan Azmi"), who was appointed to the Board on 1 January 2023, shall retire by rotation at the forthcoming 29th AGM in accordance with Clause 144 of the Constitution of the Company and is eligible for re-election.

Based on the chronology of the Directors' appointment to the Board, the following directors shall retire by rotation at the forthcoming 29th AGM in accordance with Clause 139 of the Constitution of the Company and are eligible for re-election:
(a) Sia Bun Chun (Clause 139); and
(b) Khor Yu Leng (Clause 139).

Tan Sri Wan Azmi Wan Hamzah and Sia Bun Chun have consented to offer themselves for re-election at the forthcoming 29th AGM. Whilst, Khor Yu Leng, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 29th AGM.

DIVERSITY OF THE BOARD AND SENIOR MANAGEMENT

The Board acknowledges the importance of fostering diversity to enhance the effectiveness of the Board and Senior Management. The Board comprises members who have vast experience in engineering and construction, finance and accounting, legal and governance as well as human capital and sustainability, which are critical to the Group's business and its sustainability. Each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the best interest of the Group. The Board brings a wide spectrum of diverse skills and expertise to RTB Group which allows it to meet its objectives in the competitive business environment.

The Board is of the view that its composition is adequate in terms of size, skills and experience, diversity of age and background to ensure the contribution of well-balanced views to facilitate effective decision making.

The size and composition of the Board are reviewed annually, taking into account the scope, nature and diversity of the business operations of the Group.

At the end of FY2022, the Board composition, in terms of gender, age, ethnicity and independence for the financial year under review is as illustrated below:

Diversity		Composition Percentage
Type of directorship	Independent	50%
	Executive	30%
	Non-Executive Non-Independent	20%
Gender	Male	70%
	Female	30%
Age	30 – 39	10%
	40 – 49	30%
	50 – 59	20%
	60 – 69	30%
	70 and above	10%
Ethnicity	Malay/Bumiputra	40%
	Chinese	40%
	Indian	10%
	Other	10%
Nationality	Malaysian	90%
	Foreigner	10%
Tenure of service	Up to 2 years	10%
	More than 2 years and up to 4 years	10%
	More than 4 years and up to 6 years	70%
	More than 6 years and up to 9 years	10%

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

APPOINTMENT OF DIRECTORS

In accordance with Paragraph 15.01A of the MMLR, the Board had on 30 May 2022 approved the Directors' Fit and Proper Policy. The policy serves as a guideline for the appointment or re-appointment of directors of the Company or its subsidiaries. This is to ensure that any appointed directors possess the character, experience, integrity, competence and time to effectively discharge their respective roles throughout their tenure of service as a director.

The appointment of a new director is for consideration and decision by the full Board upon the recommendation from the Nomination and Remuneration Committee ("NRC").

In identifying candidates for appointment of directors, the Board relies on recommendations from existing board members, the management or major shareholders as well as independent sources to identify suitably qualified candidates. The Board will take into consideration and review the criteria as outlined in the Directors' Fit and Proper Policy as guidance as well as appropriate skills, independence, and knowledge required of the Board members, in the context of the needs of the RTB Group. The Board will also review its composition and size from time to time to ensure its appropriateness and effectiveness.

Tan Sri Nik Wan Azmi, a major shareholder of the Company, was appointed as the Board Chairman on 1 January 2023, replacing, Sia Bun Chun who stepped down as the Board Chairman and who remains on the Board. The NRC had reviewed the appointment of Tan Sri Nik Wan Azmi, ensuring that he meets the criteria in the Directors' Fit and Proper Policy before recommending his appointment to the Board for approval.

THE BOARD COMMITTEE

Nomination and Remuneration Committee

The NRC, as at the date of this Statement, comprises three (3) Non-Executive Directors of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director as follows:
(a) Sia Bun Chun (Chairman – Non-Independent Non-Executive Director)
(b) Chee Suan Lye (Member – Independent Non-Executive Director)
(c) Dr Ir Jeyanthi Ramasamy (Member - Independent Non-Executive Director)

The function and responsibilities of the NRC are set out in the Terms of Reference of the NRC which is available on the Company's website at **rohastecnic.com.**

The Nomination Committee met four (4) times during the financial year ended 31 December 2022 ("FY2022"), and carried out the following activities during FY2022:
- assessed the annual performance of each Director;
- assessed the continued independence of each Independent Director;
- reviewed the skills, experience and competencies of each Director and based thereupon, assessed the training needs of each Director;
- assessed the effectiveness of the Board, the ARMC and other Committee of the Board;
- reviewed the skills, experience and competencies of the Non-Executive Directors;
- assessed the adequacy of the size and composition of the Board;
- reviewed the recruitment and selection process of the Chief Financial Officer;
- reviewed the terms of the service contract of the Group Chief Executive Officer;
- reviewed the Succession Planning for RTB Group Leadership;
- reviewed the organisation chart of the Group;
- reviewed and recommended to the Board the redesignation of a director from an Independent Non-Executive Director to a Non-Independent Executive Director;
- reviewed and recommended to the Board the retirement and re-election of the Directors according to the Constitution of the Company;
- reviewed and recommended to the Board changes in the composition of the Board; and
- reviewed and recommended to the Board the proposed remuneration for Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

EVALUATION FOR BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year under review, the NRC conducted annual assessments of the Board and its members ("Assessment"), in respect of the following:
(a) assessment of the effectiveness of the Board and the Board Committee;
(b) review of the skills, experience and competencies of the Board members; and
(c) assessment of the adequacy of the size and composition of the Board.

Arising from the above Assessment, the NRC observed that:
(a) the Board and the Committees of the Board were effective in carrying out their responsibilities;
(b) the Board generally has the desired mix of skills, experience and competencies in all areas;
(c) out of a total of ten (10) directors as of 31 December 2022, there are three (3) women, or 30% of the board, demonstrating the Board's strong commitment to gender diversity; and
(d) the size and composition of the Board are adequate to meet the Company's requirements.

With regards to the independent assessment of the Independent Non-Executive Director, each Independent Non-Executive Director did a self-evaluation of his/her independence based on the criteria of independence as defined under paragraph 1.01 of the MMLR, and also re-checked and stated his/her tenure of service as Independent Non-Executive Director in the Company, in the confirmation slip. The said confirmation slip was reviewed by the Nomination & Remuneration Committee.

REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT

Directors' remuneration is formulated by the NRC to be competitive and realistic with the aim to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing RTB Group effectively.

The level of remuneration is linked to the level of responsibilities undertaken for Non-Executive Directors whilst, for Executive Directors, the remuneration packages link rewards to corporate and individual performance.

Directors' Remuneration

The Board has established a formal and transparent process for approving the remuneration of the Board and Board Committees, the CEO and the Key Senior Management of the Company. The NRC is responsible for formulating and reviewing the remuneration policies for the Board and Board Committees as well as the Senior Management of the Company to ensure the same remains competitive, appropriate and in alignment with the prevalent market practices.

The Company has a formal and transparent Directors' Remuneration Framework which comprises retainer fees, meeting allowances and benefits-in-kind as follows:

Table 1: Directors' Remuneration Structure**

	Director's fee (per annum)	Meeting Attendance Allowance		Travelling Allowance	
		Board Meeting/ Board Committee Meeting	Performance Review Meeting	Within ASEAN countries (including Malaysia)	Outside ASEAN countries
Non-Executive Chairman of the Board	RM50,000.00	RM2,000 per attendance*	RM500 per attendance	RM200 per diem	USD100 per diem
Non-Executive Deputy Chairman of the Board of Directors	RM40,000.00				
Senior Independent Director	RM40,000.00				
Non-Executive Director	RM30,000.00				

Notes:-
* Chairman of the Board and Chairman of Board Committees are eligible for an additional Meeting Allowance of RM500.00 when chairing the Board or Board Committee Meeting.
** Executive Directors who are employees of RTB Group are not eligible for Directors' Remuneration in Table 1.
*** Each Non-Executive Director is eligible for insurance coverage up to RM100,000.00 (or the maximum medical expense to be reimbursed per annum for a director who is not covered under the insurance coverage) for Hospitalisation and Surgery ("GHS") and Group Personal Accident Insurance ("GPA").

The Board Remuneration Structure as outlined in Table 1 was approved by the Board Meeting held on 17 May 2021. Based on the structure of the Board Remuneration, a blanket amount of up to RM845,600.00 being the directors' remuneration for the period from the last Annual General Meeting ("28th AGM") until the forthcoming AGM ("29th AGM") was proposed to shareholders for approval. The approval was obtained at the 28th AGM held on 22 June 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

REMUNERATION POLICY AND PROCEDURES FOR DIRECTORS AND SENIOR MANAGEMENT (CONT'D)

Directors' Remuneration (cont'd)

For the forthcoming AGM, the Board seeks the shareholders' approval that the same amount of Directors' Remuneration as per the previous year, i.e. up to an amount of RM845,600.00 ("Proposed Directors' Remuneration") be payable to the Non-Executive Directors from the 29th AGM until the 30th AGM of the Company, in accordance with Section 230 of the Companies Act 2016 and Paragraph 7.24 of the MMLR. The Board is of the view that the Proposed Directors' Remuneration is still at par with the prevalent market rate and the Group's performance.

The detailed breakdown of the Directors' remuneration is disclosed in the Corporate Governance Report 2022, which is accessible to the public at Company's corporate website, **rohastecnic.com.**

Senior Management's Remuneration

The Company does not comply with the recommendation to disclose on a named basis the top five senior management's remuneration in the bands of RM50,000 in order to preserve confidentiality.

The Board is of the view that it is not to the Company's advantage or business interest for detailed disclosure considering the highly competitive market for talents. The remuneration of the Senior Management who are employees of RTB Group has been benchmarked with the industry and is aligned with the market practice.

The Board had, on 13 April 2023, approved a Remuneration Policy for Key Senior Management in ensuring that the remuneration of key senior management of the Group is commensurate with their key performance achievements and the performance of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT FUNCTION

The Audit and Risk Management Committee ("ARMC") was established to assist the Board in ensuring the integrity of financial reporting and the existence of a sound internal control system within the Group. The ARMC also monitors compliance with various established policies and procedures within the Group as well as assesses the suitability, objectivity and independence of the external auditors and internal audit functions.

The ARMC has reviewed and evaluated the suitability, performance and independence of the external auditors and the appropriateness of their audit fees. The Company has obtained written assurance from its external auditors, Grant Thornton Malaysia PLT that they are and have been independent throughout the conduct of the audit engagement under the Malaysian Institute of Accountants ("MIA") By-Laws (on Professional Conduct and Ethics) that require auditors to be professionally independent.

In accordance with the terms of reference of the ARMC, the former key audit partner of the existing external auditor shall observe a cooling-off period of three (3) years if they are to be considered for appointment as a member of the Audit Committee.

The main functions and details of the ARMC are enumerated in the ARMC Report as set out in this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board holds the overall responsibility for the Group's system of internal control and risk management and determines the strategic approach to managing risk to safeguard shareholders' investment and assets of the Group.

The Board and the ARMC review the effectiveness of the system and ensure that the relevant process is in place for identifying, evaluating and managing the significant risks detrimental to the achievement of the Group's strategic objectives. While the Board as a whole is responsible for the Group's system of internal control, the Board has delegated responsibility for monitoring the effectiveness of the Company's risk management and internal control systems to the ARMC.

The ARMC oversee a risk-based internal audit programme, including periodic audits of the risk processes across the Group. This assures the management of risk and they also receive reports on the efficiency and effectiveness of internal controls. Each of the individual business units and functional Management Teams drives the process to identify the principal and emerging risks and uncertainties.

The Board understands that individual business units and functional Management Teams are best placed to identify the principal and emerging risks and uncertainties associated with their respective areas of business. Risks identified and associated mitigating controls are subject to regular review by the Board and the ARMC.

The process for identifying, evaluating and managing risk has been in place throughout FY2022. This system of internal control is designed to manage and mitigate and/or eliminate, the risk of failure to achieve business objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)

The Board confirms that it has monitored the Company's risk management and internal control system and that a mechanism is in place to identify, evaluate and manage the significant risks faced by the Group.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management on pages 78 to 82 of this Annual Report.

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

COMMUNICATION WITH STAKEHOLDERS

The Board takes cognisance of the importance of having effective, transparent and regular communication with the Company's stakeholders. The Board is committed to ensuring that the Group continues to engage effectively with the shareholders to facilitate a mutual understanding of objectives. RTB Group has several formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieve this through the following activities; the annual report, announcements to Bursa Malaysia, quarterly reports, press releases and Group's website.

The Company's Shareholders and members of the public may gain access to any latest corporate information of the Company on its website at rohastecnic.com which is linked to the announcements published on the website of Bursa Malaysia at www.bursamalaysia.com. The Company's website also provides easy access to the Company's Board Charter, Terms of Reference of Board Committees, key policies, financial highlights and annual reports.

CONDUCT OF ANNUAL GENERAL MEETING ("AGM")

The 28th AGM was convened virtually on 22 June 2022 in light of COVID-19 prevention measures. The Company leveraged technology for the 28th AGM to facilitate remote shareholders' participation and remote online voting following Section 327 of the Companies Act 2016 and Clause 83 of the Constitution of the Company.

All the ten (10) members of the Board, including the Chairman, Group CEO, Chief Financial Officer as well as the company secretary, the external auditors and some Key Management personnel attended the 28th AGM remotely via the Online Meeting Platform hosted by Securities Services e-Portal ("SS e-Portal").

The Company had notified the shareholders of the AGM conduct virtually via the Remote Participation and Voting ("RPV") application, together with the instructions in the Administrative Guide. The same was also published through the announcement to Bursa Malaysia and the Company's corporate website respectively.

During the virtual AGM, the Group CEO presented a comprehensive review of the Group's performance initiatives and value created for shareholders. This review was supported by a visual and graphical presentation of the key points and financial figures.

Before the AGM, shareholders were encouraged and given an opportunity as well as time by the Board to submit questions pertaining to the Annual Report, resolutions being proposed and the business of the Company or the Group in general before seeking approval from members and proxies on the resolutions. The Board, Senior Management and external auditors were also present virtually at the AGM to provide answers and clarification to shareholders. There was an active engagement between the Chairman, Board members, Management and shareholders and there was an opportunity for shareholders to interact with the Board.

Independent scrutineer, Commercial Quest Sdn Bhd, validated the votes cast at the AGM. Votes cast for and against and the respective percentages on each resolution are displayed to shareholders after the poll is conducted for all resolutions put to vote at the meeting. The outcome of the AGM was announced by the Company on the same day to Bursa Malaysia.

The minutes of the 28th AGM (including all the Questions raised at the meeting and the Answers thereto) were made available on the Company's website upon review by the Board Members and approved by the Chairman, within 30 business days from the AGM.

STATEMENT OF COMPLIANCE

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Company has adopted the practices and has applied key Principles of the MCCG 2021 for the year under review. The Board shall continue to strive for high standards of MCCG 2021 throughout the Group.

Details of how the Company has applied the MCCG Principles and complied with its Practices are set out in the CG Report. The explanation for the departures is further elaborated in the CG Report, which can be found on the Company's website at rohastecnic.com.

This Statement was approved by the Board on 13 April 2023.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Introduction

This report reflects the commitment of the Audit and Risk Management Committee ("ARMC") to maintaining effective governance, risk management and internal control practices that align with the strategic objectives of Rohas Tecnic Berhad ("RTB") and its subsidiaries ("RTB Group" or "Group").

Throughout the financial year ended 31 December 2022 ("FY2022"), the ARMC played a key role in assisting the Board to fulfil the Board's oversight responsibilities for the Group and worked diligently to oversee the financial reporting process, assess risk management practices, and evaluate the effectiveness of internal controls. We have collaborated with management, external auditors, and other key stakeholders to ensure that the Group operates with transparency, integrity, and accountability.

These efforts were undertaken to ensure the adequacy and integrity of the Group's financial administration and reporting, internal control and risk management systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In this report, we will provide an overview of the activities and initiatives undertaken by the committee in FY2022. We will highlight key findings and outline recommendations for improvement. With such disclosure, we hope that our stakeholders will have a clear understanding of the risks facing the RTB Group and the measures being taken to mitigate those risks.

COMPOSITION AND ATTENDANCE

Paragraph 15.09(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") has been adhered to in the formation of the ARMC. The ARMC is composed of solely independent non-executive directors, totalling five (5) members, with no alternate directors among them. In accordance with paragraph 15.10 of MMLR, Chee Suan Lye is the Senior Independent Non-Executive Director who also serves as the Chairman of the ARMC.

She does not hold the position of Chairperson of the Board, as per the directive outlined by the Malaysian Code of Corporate Governance ("MCCG") and the regulations specified by the MMLR.

Chee Suan Lye is a member of the Malaysian Institute of Accountants and Shaharuddin Zainuddin is a fellow member of the Association of Chartered Certified Accountants (United Kingdom). Therefore, the requirement of Paragraph 15.09(1)(c) of the MMLR that at least one (1) member of the ARMC must be a qualified accountant has been complied with.

Position	Members of the ARMC	Number of Meetings Attended
Chairman	Chee Suan Lye (Senior Independent Non-Executive Director)	14/14
Member	Mohamed Tarmizi Ismail (Independent Non-Executive Director)	14/14
Member	Amirul Azhar Baharom (Independent Non-Executive Director)	6/6*
Member	Dr. Ir. Jeyanthi Ramasamy (Independent Non-Executive Director)	14/14
Member	Shaharuddin Zainuddin (Independent Non-Executive Director)	13/14
Total Meetings held in FY2022		14

*Redesignated as Non-Independent Executive Director on 14 April 2022 and resigned from the ARMC and the NRC on the same day.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

MEETINGS

General Conduct of Meetings

1. The ARMC meets at least four (4) times a year and as many times as the committee deems necessary;
2. The quorum for any meeting of the ARMC shall be at least two (2) members who are Independent Directors and if more than two (2) members are present, a majority of the members present must be Independent Directors;
3. The Secretary to the ARMC shall be the Company Secretary or any other person appointed by the ARMC;
4. The Secretary is responsible, in conjunction with the Chairman, for drawing up the Agenda and circulating it to the ARMC members prior to each meeting. The Secretary is also responsible for keeping the minutes of the meetings of ARMC, and circulating them to the ARMC members and other members of the Board; and
5. The ARMC meeting dates are arranged ahead of time and communicated to the auditors in advance for them to prepare the Audit Review Memorandum, Audit Planning Memorandum and Audited Financial Statements for presentation to the ARMC in order to meet deadlines.

ARMC Meetings Conducted in FY2022

The Group Chief Executive Officer ("GCEO"), the Chief Financial Officer ("CFO") and the Chief Investment Officer ("CIO") who are the Executive Committee of the Company ("EXCO") were invited to attend all ARMC meetings to provide a direct flow of information to the ARMC as well as to provide any clarification required under their areas of responsibility in the event of any issues arising. The EXCO also tabled proposals and other matters that required the ARMC's approval and the CFO presented the reports on the financial results.

The Head of the Internal Audit Department ("IAD") and relevant senior personnel were invited to brief the ARMC when specific issues involving their respective areas of responsibility arose from risk management and internal audit reports. The external auditors were also invited to present to the ARMC the audit plan, the audit findings, as well as any other matters they considered important for the ARMC's attention. The ARMC had conducted a private session with the external auditors without the presence of the EXCO and Management at meetings held in 2022, to provide opportunities for the external auditors to raise any matters without the presence of the EXCO and Management.

TERMS OF REFERENCE

The ARMC is governed by its Terms of Reference ("TOR"), which is consistent with the requirements of MMLR and the best practices of MCCG. The ARMC TOR may be referred to the Company's website at rohastecnic.com.

The primary functions of the ARMC are as follows:

1) Review with the internal and/or external auditors the nature and scope of their audit plans, audit reports, major findings and evaluations of the internal control system;
2) Review the quarterly and annual financial statements before submission to the Board, focusing on, amongst others, changes in the implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, the going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
3) Review matters concerning the suitability for appointment or reappointment of external auditors and matters relating to their resignation;
4) Review any related party transactions entered into by RTB Group and any conflict-of-interest situations that may arise within RTB Group;
5) Review the adequacy of the scope, functions, competency and resources of the internal audit function and ensure that it has the necessary authority to carry out its work and to report the same to the Board;
6) Perform such other functions as may be requested by the Board;
7) Review the adequacy of RTB Group's risk management framework and assess the resources and knowledge of the management and employees involved in the risk management process;
8) Review the effectiveness of the internal control systems deployed by the management to address those risks;
9) Review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
10) Review and further monitor principal risks that may affect RTB Group directly or indirectly and, if deemed necessary, recommend additional courses of action to mitigate such risks;
11) Monitor the risk assessment and report the results to the Board; and
12) Assess the actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting RTB Group.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

AUTHORITY

ARMC shall have the authority to:

1) Investigate any matter within its terms of reference;
2) Have the resources that are required to perform its duties;
3) Have full and unrestricted access to any information that it requires in the course of performing its duties;
4) Have direct communication channels amongst the internal and external auditors;
5) Obtain independent and/or external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
6) Convene meetings with the external auditors, the internal auditors or both, without the attendance of other Directors and employees of RTB Group, whenever deemed necessary.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The principal activities undertaken by the ARMC are summarised as follows:

1) Conducted quarterly and year-end financial reviews of the unaudited interim financial statements prior to recommending the same for the Board's approval, focusing particularly on significant and unusual events and compliance with accounting standards and other legal requirements;
2) Conducted a review of the appointment of the external auditor, their independence and effectiveness including their fees, and based thereon, recommended their re-appointment to the Board;
3) Assessed the suitability, objectivity and independence of the external auditors;
4) Conducted a review of the external auditors' audit planning memorandum, comprising their scope of audit, key audit areas, audit approach and timetable;
5) Engaged with the external auditors twice during the year without the presence of RTB Group's Management to discuss relevant issues and obtain feedback;
6) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function, and determined that it has the necessary authority to carry out its work;
7) Conducted a review of the annual internal audit plan for 2022;
8) Received the reports of the internal audit procedures performed as well as the Management's response to recommendations for improvement, and evaluation of the adequacy of the internal control system for the following:
   a. Project Management for HG Power Transmission Sdn Bhd ("HGPT") and RT Telecom Sdn Bhd ("RTT");
   b. HGPT Bangladesh Project;
   c. IT and Human Resource Functions in Rohas-Euco Industries Berhad ("REI");
   d. Engineering and Design in REI;
   e. Financial Statement review of HGPT;
   f. Product Management, Warehouse Management, Maintenance Management and HSE in REI Bentong Factory;
   g. Galvanizing Process Management, Inventory Management, Schedule Waste Monitoring and HSE in Galvanising Engineering Services Sdn Bhd ("GES") Bentong;
   h. Financial Statement review of REI and RTT;
9) Received updates on the key risk management report of RTB Group as presented by the Risk Management Working Group on the key risks faced by RTB Group and action plans deployed to manage the risks concerned;

ARMC highlighted to the Board the review areas that require improvement to further strengthen the governance process of the organisation to ensure all risks, inherent and new, are adequately identified, addressed and monitored closely. Management is continuously reviewing its internal processes and documentation to ensure areas for improvement identified are being addressed and action plans are in place to mitigate risks. Management has closed some of the gaps identified in its policies and procedures documentation and continues to further improve it to achieve the effectiveness and efficiency of its internal control procedures and processes.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is performed on an in-house basis by the Internal Audit Department ("IAD"). The primary function of internal audit is to undertake systematic reviews of the governance, risk and internal control systems within RTB Group in accordance with an internal audit plan, in order to guarantee that these systems are appropriate and operating as intended. To ensure independence and objectivity, Head of the IAD reports functionally to the ARMC.

The IAD is headed by Saravanan Many, the General Manager, who has a Master of Business Administration in Risk Management from Asia E-University, Malaysia and Bachelor of Arts (Honours) majoring in Finance and Accounting from University Tun Abdul Razak, Malaysia. In addition, he is an Associate Member of Institute of Internal Auditors Malaysia and an Associate Member of the Association of Certified Fraud Examiners. The Head of IAD is supported by a team of two (2) Senior Executives of Internal Audit. The internal audit personnel are free from any relationship or conflict of interest that could impair their objectivity and independence.

The responsibilities of the IAD are to provide independent and objective reports on the state of internal controls of the various operating units within RTB Group to the ARMC and provide recommendations for the improvement of the control procedures so that corrective actions are taken to mitigate weaknesses noted in the system and controls of the respective operating units.

IAD uses the principles and rules specified in the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors while carrying out the internal audit engagement. The conduct of internal audit work is also governed by the Internal Audit Charter and IAD's established procedures and guidelines.

Further details of the internal audit activities and scope of coverage of the internal audit function, including the costs incurred, are set out in the Statement on Risk Management and Internal Control included in this Annual Report on pages 78 to 82.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

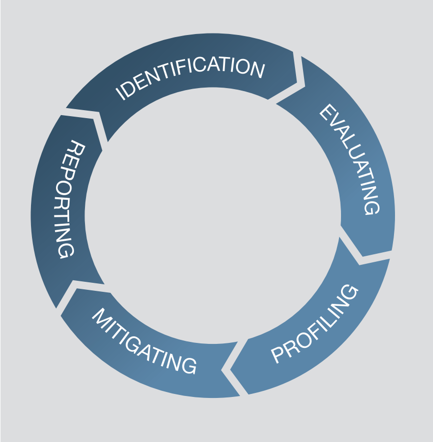
The Board of Directors ("Board") of Rohas Tecnic Berhad ("RTB") and its subsidiaries are committed to upholding an effective Risk Management and Internal Control system, as well as adhering to proper corporate governance practices.

This Board's Statement on Risk Management and Internal Control ("Statement") is made in compliance with Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad Paragraph 15.26(b) and the Malaysian Code on Corporate Governance ("MCCG") requirements.

Set out below is the Statement for the financial year ended 31 December 2022 ("FY2022") which was prepared in accordance with the Guidelines for Directors of Listed Issuers ("Guidelines") issued by Bursa Malaysia. This Statement outlines the nature and scope of risk management and internal control of the Group and covers the Group's operation, except for associate companies.

RESPONSIBILITY OF THE BOARD

The Board and the Management are responsible and accountable for the establishment of the Group's system of risk management and internal control. Through the Audit and Risk Management Committee ("ARMC"), the Board affirms its responsibility in providing oversight function in an ongoing manner over Management, and ensuring the adequacy, effectiveness and integrity of the risk management and internal control system.



The Group's system of risk management is based on the formalised Enterprise Risk Management Framework ("ERM Framework") which is based on an internationally accepted framework. ERM Framework aids in the achievement of the Group's objectives and strategies by instilling a continuous process of identifying, evaluating, profiling, mitigating, reporting and monitoring significant business risks that the Group may encounter.

There are inherent limitations in any system of risk management and internal control, thus, the risk management and internal control system is designed to manage, rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives. The risk management and internal control system is therefore designed to only provide reasonable, but not absolute, assurance against any material misstatement, financial loss or fraudulent activity.

The risk management system for the Group sets out the overall tone and policy for risk management and is consistently practised across the Group. The Board is responsible for reviewing the risk profile of the Group and ensuring appropriate measures are placed in managing the risks.

Management is responsible for developing procedures and processes as well as implementing internal controls which will help to identify, assess, mitigate and monitor business risks. Management also takes corrective actions as and when needed in order to assist the Board in discharging its duties and responsibilities in maintaining a sound system of risk management and internal control.

In line with MMLR Guidelines, the Board has received assurance for FY2022 from the Group Chief Executive Officer ("GCEO") and Chief Financial Officer ("CFO") as well as the Risk Management Working Group ("RMWG") that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the ERM Framework and internal control procedures and processes.

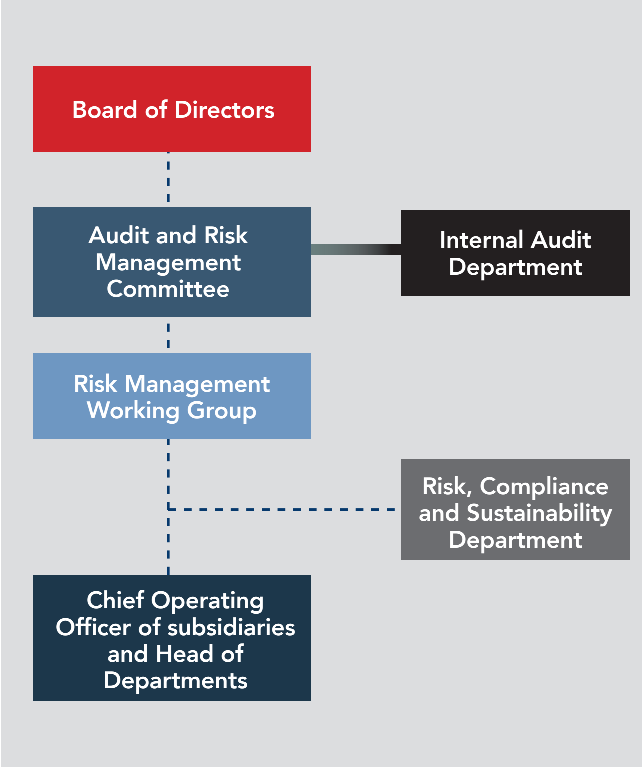
RISK MANAGEMENT FRAMEWORK

The Group RMWG, as part of the ERM Framework, comprises the GCEO, CFO and Chief Investment Officer ("CIO") of RTB. The Chairman of the RMWG, the GCEO, is responsible to present the findings of the RMWG to the ARMC.

The Risk Management Oversight Structure adopted by the Group is to assign responsibility for risk management and facilitate the process for assessing and communicating the risk and risk action plan.

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

RISK MANAGEMENT FRAMEWORK (Cont'd)



In 2022, the sustainability function was separated from Risk Management and Compliance function. A dedicated Sustainability function was established to provide focus on the initiative. The Group is committed to ensuring sustainable practices are embedded into day-to-day business operations.

The RMWG is assisted by the Risk Management and Compliance Department ("RCD"). RCD facilitates risk assessment, develops the risk action plan and monitors its effectiveness and status. RCD also consolidates the departmental risk register and prepares a group-wide risk management report.

The Chief Operating Officer ("COO") of the subsidiaries and/or its Head of Departments ("HOD") are responsible for identifying, analysing and evaluating risks, as well as developing, implementing and monitoring risk action plans and reporting all identified risks to the RMWG. All new risks and material changes to existing risks shall be highlighted by the COO and/or HOD to the RCD, as and when they are identified, and changes/updates shall be made to the departmental risk register.

During FY2022, the RMWG reviewed, appraised and assessed the risk on existing key controls and risk action plans to mitigate and manage the overall Group's risk exposure, as well as raised issues of concerns and recommended mitigation actions. The RMWG reports to ARMC on a quarterly basis, and part of its monitoring activity ensures that High and Extreme risk ratings are deliberated and mitigating actions are reviewed and implemented.

The Board further recognise that risk is an inherent part of the Group's business, presenting both threats and opportunities. In achieving the Group's business objectives and meeting shareholders' expectations, the Board and Management would have to make decisions which will involve some degree of risk. The following risk management policy provides guidance for the management of risks and is being applied across RTB Group:

- Sound risk management practice to promote effective governance which is integral to the achievement of business objectives.
- Embedding risk management into day-to-day management, decision-making and strategic planning processes.
- Every employee of the organization is responsible to manage risks within their areas of responsibility.
- Periodic reporting and monitoring activities instil accountability and responsibility for managing risks.
- The risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats.

As part of the initiative to instil a proactive risk management culture and implement the ERM Framework in the Group, continuous communication and awareness initiatives have been conducted to all employees.

The identified key Business Risks are as follows:

- Overreliance on key clients for domestic and international markets
- Inability to secure sufficient sales and contracts
- Aging machinery
- Project Delay Potential exposure to Liquidated Ascertained Damages ("LAD")
- Shortage of manpower for domestic projects
- Difficulty to meet the committed delivery deadline
- Fluctuations in Prices of Steel as Raw Materials
- Safety risks
- Financial Risks of RTB Group
- Foreign exchange fluctuations

*Financial implication and other risk and opportunities due to climate change are specified in sustainability section page 44

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

RISK MANAGEMENT FRAMEWORK (Cont'd)

The details of risk description and key mitigation actions are further explained in the Management Discussion and Analysis section of this Annual Report on page 36 to 37.

The principal responsibilities of the RMWG include the following:

- To lead and promote Risk Management activities and to ensure that the risk management process and culture are embedded throughout the Group;
- To communicate, monitor and enforce the ERM Framework and to ensure the implementation of the objectives outlined in the ERM Framework;
- To review and propose risk appetite and tolerance level;
- To articulate and challenge risk rating, control effectiveness and risk action plans identified by the risk owner;
- To set, align and monitor risk management activities with Key Performance Indicators ("KPIs") to measure the effectiveness of risk management activities;
- To provide quarterly risk reporting and update the ARMC on key risks as well as risks that require urgent attention; and To make the appropriate recommendation to the ARMC on risk management matters, where necessary.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is performed on an in-house basis by the Internal Audit Department ("IAD"). The Head of Internal Audit reports functionally to the ARMC to maintain independence and objectivity.

The principal roles of IAD are to evaluate and improve the efficiency and effectiveness of internal control and governance processes. IAD also provides independent and objective assurance to the Board and Management on the system of internal control within Subsidiaries, Divisions and Departments of the Group.

The internal audit reviews are performed based on an internal audit plan approved by the ARMC. Internal Audit Findings with Management's response and action plans are presented and reviewed by the ARMC. Follow-up reviews will be conducted by the IAD and the implementation status of management action plans will be reported to the ARMC.

For FY2022, the IAD activities during the financial year are summarised below:

- Internal Control Review on HG Power Transmission Sdn Bhd ("HGPT") covering three areas including project management for local projects, project management for oversea projects and financial review.
- Internal Control Review on the Information Technology Department, Human Resource Department, Engineering and Design Departments of Rohas–Euco Industries Bhd ("REI") covering areas of operations and compliance.
- Internal Control Review on the Business Development Department and Order Processing Department of REI covering areas of new business development and order processing and compliance to the Lighthouse controls.
- Financial Statement Review on HGPT covering areas of Revenues, Expenses, Assets, Bank and other relevant controls in Financial Statement preparation.
- Internal Control Review on REI Bentong involving areas of Production Management, Warehouse Management, Maintenance Management and Health, Safety & Environment.
- Financial Statement Review on REIB covering areas of Revenues, Expenses, Assets, Bank and other relevant controls in Financial Statement preparation.
- Internal Control Review on GES Bentong factory covering areas of Galvanising, Inventory Management, Schedule Waste Monitoring and Health, Safety & Environment review.
- Financial Statement Review on RT Telecom Sdn Bhd ("RTT") covering areas of Revenues, Expenses, Assets, Bank and other relevant controls in Financial Statement preparation.
- Internal Control Review on RTT involving area of project management activities by RTT.

The total cost incurred for the internal audit function for FY2022 was RM393,903. The internal audit staff have the relevant qualification and working experience and all staff are encouraged to continually enhance their knowledge, skill and competencies through relevant professional courses, seminars, training courses and on-the-job training.

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

KEY INTERNAL CONTROL FEATURES

The Group has a structure which outlines accountability, authority and responsibility to the Board, its Committees and operating units. The Board regularly appraises these processes for managing the significant risks of the Group throughout the year. The structures are described below:

a. Board

- The Board is the pillar of the Group's risk management and internal control practices, committed to maintaining a sound system of internal control and holding the overall responsibility for risk oversight, mirroring its overall responsibility in making strategic decisions.
- Board meetings are held on a quarterly basis to review and evaluate the Group's operations and performance while addressing the key issues. However, additional meetings may be convened as Special Board Meetings as and when required.

b. ARMC

- The ARMC is responsible for ensuring the effectiveness of integrated risk management functions within the organisation, reviewing the internal audit plan and the result of the internal audit process as well as ensuring appropriate actions are taken on the recommendation of the internal audit function.
- The ARMC comprises five (5) Independent Non-Executive Directors. ARMC has full access to both Internal Auditors and External Auditors and has the right to convene meetings with auditors without the presence of the Executive Committee ("EXCO") and Senior Management.

c. Executive Committee

- The EXCO consist of the GCEO, CFO and CIO.
- The EXCO is responsible for the effective implementation of the Group's strategic plan and policies established by the Board, besides managing the daily operations of the Group.
- They also assist members of the Board and the Board Committees, as required, in discharging their duties.

d. Business Plan and Budget

- For FY2022 Business Plan and Budget, the EXCO has presented to the Board the annual business plan and budget of the Group.
- The annual business plan and budget were deliberated and approved by the Board. The performance of each subsidiary is assessed against the budget by the CFO with an explanation of significant variances presented to the ARMC every quarter.

e. Documented Policy and Procedures

- Documented policies and procedures that are clear and concise regarding business processes have been set out and implemented throughout the Group.
- These policies and procedures are periodically reviewed and updated to reflect the changes in business structure and processes as well as changes in external environments.

f. Human Resource Policy

The Group has a Human Resource Policy and Procedure, which sets the tone of compliance with the Group's rules and regulations, Code of Conduct, employee performance and employee conduct.

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

CONCLUSION

In assisting the Board to assess the adequacy and operating effectiveness of the Group's risk management and internal control system, the ARMC conducted a review of the observations raised by the internal and external auditors, including matters that have been highlighted and/or are currently being addressed.

Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is satisfied that the risk management and internal control system is in place for the year under review and the financial statements up to the date of issuance are adequate to safeguard the shareholders' investment, Group's assets, the interests of internal and external stakeholders.

Additionally, the Board regards the risks faced by the Group are within acceptable levels in relation to its business objectives. There were no material losses or fraud during the year under review as a result of weaknesses in internal control. The Management is continuously taking necessary measures to improve and strengthen the risk management and internal control system of the Group.

Review of Statement by External Auditors

Pursuant to Paragraph 15.23 of MMLR, the external auditors have reviewed this Statement for incorporation in the Annual Report for FY2022. The external auditors have reported to the Board that, based on their review of the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, following the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate. This Statement is made in accordance with the resolution of the Board dated 13 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. **MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS, GROUP CHIEF EXECUTIVE OFFICER AND MAJOR SHAREHOLDERS**

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of Directors and/or Group Chief Executive Officer and/or major shareholders, either still subsisting at the end of FY2022 or entered into since the end of the previous financial year.

2. **AUDIT AND NON-AUDIT FEES**

The amount of audit and non-audit fees paid or payable to the external auditors of the Company and the Group for FY2022 are as follows:

Details of fees	Group RM'000	Company RM'000
Statutory Audit fees	295	75
Non-Audit fees	39	4
	334	79

Non-audit fees for FY2022 are in relation to tax related services.

3. **RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE**

The Company and the Group did not enter into any RRPT which requires the shareholders' mandate during the financial year ended 31 December 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act 2016 ("Act") Requires The Board Of Directors To Prepare Financial Statements Which Give A True And Fair View Of The State Of Affairs Together With The Results And Cash Flows Of The Company And The Group For Each Financial Year. As Required By The Act And The Main Market Listing Requirements ("MMLR"), The Financial Statements For FY2022 Have Been Prepared In Accordance With The Applicable Approved Financial Reporting Standards Issued By The Malaysian Accounting Standards Board And Provisions Of The Act.

In preparing the financial statements for FY2022 set out on pages 84 to 172 of this Annual Report, the Board considers that the Company and the Group have adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board also acknowledges that the Company and the Group have prepared the financial statements on a going concern basis.

The Board has the responsibility for ensuring that the Company and the Group maintain accounting records that disclose the financial position of the Company and the Group with reasonable accuracy which enable them to ensure that the financial statements are in compliance with the Act.

The Board also has the overall responsibility to take such steps that are reasonably available for them to safeguard the assets of the Company and the Group as well as to prevent and detect fraud in addition to other irregularities.

This Statement of Directors' Responsibility is made in accordance with a resolution passed by the Board on 13 April 2023.

FINANCIAL
STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding whilst those of its subsidiaries are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group	Company
	RM	RM
Profit after tax for the financial year	20,441,361	820,329
Attributable to:-		
Owners of the Company	18,263,777	820,329
Non-controlling interests	2,177,584	-
	20,441,361	820,329

DIVIDENDS

There were no dividend proposed or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Directors of the Company:

Sia Bun Chun
Chee Suan Lye
Mohamed Tarmizi Bin Ismail
Dr. Ir. Jeyanthi A/P Ramasamy
Khor Yu Leng
Shaharuddin Bin Zainuddin
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah (Appointed on 1 January 2023)
Wan Afzal-Aris Bin Wan Azmi (Resigned on 1 January 2023 and appointed on 23 February 2023 as alternate Director to Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah)
Amirul Azhar Bin Baharom (Resigned on 31 December 2022)
Leong Wai Yuan (Resigned on 1 January 2023)
Wong Mun Keong (Resigned on 1 January 2023)

DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

The Directors of the subsidiaries since the beginning of the financial year to the date of this report, not including those Directors listed above are:-

Leong Wai Yuan
Wong Mun Keong
Harianto Taruna
Rishabh Dev Khaitan
Subhash Devan Chandara Deven
Aldwin Tay Swei Leeng
Wan Affan Azam Bin Wan Azmi
Marie Manumanua

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including the interests of spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Interests in the Company				
Direct interests				
Sia Bun Chun	30,264,009	-	-	30,264,009
Leong Wai Yuan	3,500,000	-	-	3,500,000
Wong Mun Keong	1,000,000	100,000	-	1,100,000
Indirect interests				
Sia Bun Chun*	39,542,968	-	-	39,542,968

(*) Indirect interests by virtue of shares held by spouse.

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

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company and its subsidiaries are as follows:-

	Incurred by the subsidiaries	Incurred by the Company	Total
	RM	RM	RM
Directors' fees	-	248,654	248,654
Directors' salaries and other emoluments	979,885	310,000	1,289,885
Defined contribution plans	41,016	-	41,016
	1,020,901	558,654	1,579,555
Benefits-in-kind	48,030	-	48,030
	1,068,931	558,654	1,627,585

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital and no issuance of debentures during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Group and of the Company during the financial year are amounted to RM10,000,000 and RM20,000 respectively.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 31 December 2022 are amounted to RM75,000 and RM219,500 respectively.

There was no indemnity given to or insurance effected for Auditors of the Company.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....
TAN SRI NIK AWANG @ WAN AZMI BIN WAN HAMZAH

DIRECTORS

....
SIA BUN CHUN

Kuala Lumpur
13 April 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 94 to 172 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 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

……………………………………………… ………………………………………………

TAN SRI NIK AWANG @ WAN AZMI BIN WAN HAMZAH **SIA BUN CHUN**

Kuala Lumpur
13 April 2023

STATUTORY DECLARATION

I, Ong Tiang Peng, being the Officer primarily responsible for the financial management of Rohas Tecnic Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 94 to 172 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
13 April 2023) ………………………………………………

ONG TIANG PENG
(MIA NO: 14838)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rohas Tecnic Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 94 to 172.

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 2022, 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 matter that, in our professional judgement, were of most significant 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.

Impairment losses on trade receivables and contract assets

The risk

Referring to Notes 11 and 12 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired and contract assets. Management judgement is required in determining the completeness of the provision for the trade receivables and contract assets and assessing their adequacy through considering the expected recoverability.

Our response

We have reviewed the ageing of trade receivables in comparison to previous years and tested the integrity of ageing by calculating the due date for a sample of invoices. Besides, we have reviewed the ageing of the contract assets in comparison to previous years and reviewed the reversal of contract assets in the current year and prior years. We had also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses rates through examination of subsequent collections, subsequent billings and tested the operating effectiveness of the relevant control procedures that management has in place.

Inventories' valuation net

The risk

Referring to Note 14 to the financial statements. The Group holds a significant amount of inventories which are subject to a risk that the inventories become slow-moving or obsolete, such that they could not be sold or only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventories obsolescence provisions and in making an assessment of its adequacy due to risk such as inventories not stated at the lower of cost and net realisable value.

Our response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historic loss rates.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Revenue recognition

The risk

Referring to Note 21 to the financial statements. There are significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policy to construction contracts entered into by the Group. The nature of these judgements may result in them being susceptible to management override.

Contract revenue should include the amount agreed in the initial contract, plus revenue from alterations in the original contract work, plus claims and incentive payments that are expected to be collected and that can be measured reliably.

Our response

We performed a range of audit procedures including obtained a sample of contracts or letter of awards, reviewed variation orders, reviewed estimated profit and costs to complete and enquired key personnel regarding adjustments for job costing and potential contract losses.

Goodwill on consolidation

The risk

Referring to Note 10 to the financial statements. The Group holds goodwill on consolidation of RM13,216,398 which has been allocated to its construction and others operation as the cash-generating units. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount of the cash-generating units and this involves significant assumptions which are inherently judgmental.

Our response

We evaluated the model used in determining the value in use of the cash-generating units as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generating units to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (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 judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described 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 6 to the financial statements.

Other Matters

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LIM CHOOI LING
(NO: 03537/11/2024 (J))
CHARTERED ACCOUNTANT

Kuala Lumpur
13 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	34,190,780	24,797,286	7,089	14,678
Right-of-use assets	5	28,973,986	26,785,230	-	-
Investment in subsidiaries	6	-	-	299,587,175	299,587,175
Investment in associates	7	51,890,920	62,888,780	-	-
Other investments	8	185,000	2,773,412	-	-
Deferred tax assets	9	10,227,863	11,931,325	-	-
Goodwill on consolidation	10	13,216,398	13,216,398	-	-
Trade and other receivables	11	207,957	-	50,066,156	26,332,689
Contract assets	12	94,173,873	-	-	-
Cash and bank balances, deposits and placements	13	2,066,174	2,066,174	-	-
Total non-current assets		235,132,951	144,458,605	349,660,420	325,934,542
Current assets					
Inventories	14	130,272,164	102,284,960	-	-
Trade and other receivables	11	172,163,091	152,883,542	10,879,246	24,997,651
Contract assets	12	60,642,546	22,012,350	-	-
Tax recoverable		7,294,958	9,199,185	53,825	36,152
Cash and bank balances, deposits and placements	13	55,236,240	82,727,722	219,276	251,389
Total current assets		425,608,999	369,107,759	11,152,347	25,285,192
TOTAL ASSETS		660,741,950	513,566,364	360,812,767	351,219,734

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:					
Share capital	15	299,484,409	299,484,409	299,484,409	299,484,409
Other reserves	16	(105,467,191)	(104,474,351)	-	-
Retained earnings		134,262,849	115,999,072	5,605,775	4,785,446
		328,280,067	311,009,130	305,090,184	304,269,855
Non-controlling interests	6	34,158,659	19,038,381	-	-
Total equity		362,438,726	330,047,511	305,090,184	304,269,855
LIABILITIES					
Non-current liabilities					
Borrowings	17	13,783,190	12,931,749	-	-
Lease liabilities	18	1,064,929	1,861,643	-	-
Retirement benefits	19	2,815,409	3,237,409	-	-
Total non-current liabilities		17,663,528	18,030,801	-	-
Current liabilities					
Trade and other payables	20	136,357,170	62,107,691	50,722,583	39,449,879
Contract liabilities	12	46,820,405	32,702,312	-	-
Borrowings	17	94,470,535	68,428,554	5,000,000	7,500,000
Lease liabilities	18	1,150,024	1,502,319	-	-
Tax payable		1,841,562	747,176	-	-
Total current liabilities		280,639,696	165,488,052	55,722,583	46,949,879
Total liabilities		298,303,224	183,518,853	55,722,583	46,949,879
TOTAL EQUITY AND LIABILITIES		660,741,950	513,566,364	360,812,767	351,219,734

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM	**RM**	**RM**	**RM**
Revenue	21	436,101,123	218,206,442	-	-
Cost of sales		(382,897,634)	(200,757,729)	-	-
Gross profit		53,203,489	17,448,713	-	-
Other income		6,984,817	5,329,631	-	-
Distribution expenses		(2,496,340)	(858,580)	-	-
Administration expenses		(27,660,676)	(26,902,049)	(1,062,535)	(1,143,941)
Reversal of impairment loss on receivables and contract assets/(Net impairment loss on receivables and contract assets)		199,093	(13,091,137)	-	-
Operating profit/(loss)		30,230,383	(18,073,422)	(1,062,535)	(1,143,941)
Finance income	22	5,032,155	360,601	2,281,264	1,911,174
Finance costs	23	(6,835,340)	(6,758,222)	(179,944)	(344,447)
Share of profit of equity-accounted associates	7	3,459,771	9,155,739	-	-
Profit/(Loss) before tax	24	31,886,969	(15,315,304)	1,038,785	422,786
Tax expense	25	(11,445,608)	(232,788)	(218,456)	(246,841)
Profit/(Loss) after tax		20,441,361	(15,548,092)	820,329	175,945
Other comprehensive loss, net of tax:					
Items that will not be reclassified subsequently to profit or loss: Remeasurement of retirement benefit obligation		-	(182,033)	-	-
Items that will be reclassified subsequently to profit or loss: Foreign currency translation for foreign operations		(1,582,855)	(908,153)	-	-
Total other comprehensive loss		(1,582,855)	(1,090,186)	-	-
Total comprehensive income/(loss) for the financial year		18,858,506	(16,638,278)	820,329	175,945
Profit/(Loss) after tax attributable to:-					
Owners of the Company		18,263,777	(11,317,751)	820,329	175,945
Non-controlling interests		2,177,584	(4,230,341)	-	-
		20,441,361	(15,548,092)	820,329	175,945
Total comprehensive income/(loss) attributable to:-					
Owners of the Company		17,270,937	(12,214,230)	820,329	175,945
Non-controlling interests		1,587,569	(4,424,048)	-	-
		18,858,506	(16,638,278)	820,329	175,945
Earnings per share attributable to owners of the Company (sen):-					
- Basic/Diluted	26	3.86	(2.39)		

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

	Attributable to owners the Company						
	Non-distributable			Distributable			
	Share capital	Reserve upon consolidation	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM
Group							
At 1 January 2021	299,484,409	(104,798,778)	1,038,873	127,498,856	323,223,360	23,462,429	346,685,789
Loss after tax	-	-	-	(11,317,751)	(11,317,751)	(4,230,341)	(15,548,092)
Other comprehensive loss	-	-	(714,446)	(182,033)	(896,479)	(193,707)	(1,090,186)
Total comprehensive loss for the financial year	-	-	(714,446)	(11,499,784)	(12,214,230)	(4,424,048)	(16,638,278)
At 31 December 2021	299,484,409	(104,798,778)	324,427	115,999,072	311,009,130	19,038,381	330,047,511
Profit after tax	-	-	-	18,263,777	18,263,777	2,177,584	20,441,361
Other comprehensive loss	-	-	(992,840)	-	(992,840)	(590,015)	(1,582,855)
Total comprehensive (loss)/income for the financial year	-	-	(992,840)	18,263,777	17,270,937	1,587,569	18,858,506
Non-controlling interests of deemed acquisition of a subsidiary	-	-	-	-	-	13,532,709	13,532,709
At 31 December 2022	299,484,409	(104,798,778)	(668,413)	134,262,849	328,280,067	34,158,659	362,438,726

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the Financial Year Ended 31 December 2022

	← Attributable to owners of the Company		→
		Distributable	
	Share capital	Retained earnings	Total equity
	RM	RM	RM
Company			
At 1 January 2021	299,484,409	4,609,501	304,093,910
Total comprehensive income for the financial year	-	175,945	175,945
At 31 December 2021	299,484,409	4,785,446	304,269,855
Total comprehensive income for the financial year	-	820,329	820,329
At 31 December 2022	299,484,409	5,605,775	305,090,184

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022

	Note	Group 2022	Group 2021	Company 2022	Company 2021
		RM	RM	RM	RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		31,886,969	(15,315,304)	1,038,785	422,786
Adjustments for:-					
Impairment losses on receivables and contract assets		511,915	13,957,675	-	-
Impairment losses on receivables and contract assets no longer required		(711,008)	(866,538)	-	-
Deposit written off		-	164,058	-	-
Depreciation of property, plant and equipment		4,165,560	5,819,011	7,589	7,520
Depreciation of right-of-use assets		1,405,350	1,552,815	-	-
Dividend income		(122,898)	(64,827)	-	-
Interest expenses		6,835,340	6,758,222	179,944	344,447
Interest income		(5,032,155)	(360,601)	(2,281,264)	(1,911,174)
Reversal of inventories written down		(2,224,936)	(758,990)	-	-
Net gain on disposal of property, plant and equipment		(92,203)	(89,061)	-	-
Gain on strike off of a subsidiary		(156,357)	-	-	-
Gain on remeasurement of previously-held equity interest		(143,049)	-	-	-
Gain on bargain purchase of a subsidiary		(853,130)	-	-	-
Gain on partial disposal of an associate		-	(2,574,882)	-	-
Fair value loss/(gain) on other investments		40,880	(108,630)	-	-
Net unrealised gain on foreign exchange		(1,852,090)	(453,212)	-	-
Property, plant and equipment written off		299	40,704	-	-
Right-of-use assets written off		56,265	-	-	-
Provision for retirement benefits		-	807,705	-	-
Share of profit of equity-accounted associates		(3,459,771)	(9,155,739)	-	-
Operating profit/(loss) before working capital changes		30,254,981	(647,594)	(1,054,946)	(1,136,421)
Changes in working capital:-					
Contract customers		(12,165,894)	23,117,694	-	-
Inventories		(25,851,987)	(14,441,838)	-	-
Receivables		(40,350,081)	61,852,267	(13,483)	(535)
Payables		984,675	(17,967,509)	(70,544)	60,985
Bill payables		17,764,729	2,602,598	-	-
Retirement benefits		(422,000)	(545,000)	-	-
Cash (used in)/generated from operations		(29,785,577)	53,970,618	(1,138,973)	(1,075,971)
Income tax paid, net of refund		(7,508,468)	(8,189,876)	(236,129)	(295,382)
Interest paid		(3,841,676)	(3,968,869)	-	-
Net cash (used in)/from operating activities		(41,135,721)	41,811,873	(1,375,102)	(1,371,353)

STATEMENTS OF CASH FLOWS (CONT'D)

For the Financial Year Ended 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
INVESTING ACTIVITIES					
Acquisition of an associate		-	(9,660,000)	-	-
Net cash inflows arising from acquisition of a subsidiary	6	3,565,726	-	-	-
Interest received		5,032,155	360,601	2,264	1,911,174
Dividends received		122,898	64,827	-	-
Purchase of property, plant and equipment and right-of-use assets	A	(14,397,755)	(2,745,311)	-	(2,399)
Proceeds from disposal of property, plant and equipment		138,657	93,700	-	-
Net cash outflow from strike off of a subsidiary		(18,362)	-	-	-
Proceeds from partial disposal of shares in an associate		-	15,510,083	-	-
Proceeds from disposal of other investments		2,547,532	-	-	-
Advances to subsidiaries		-	-	(7,322,579)	(7,826,923)
Repayments from/(Advances to) related parties		529,422	(259,850)	-	-
Repayments from associate		22,967,919	652,505	-	-
Net cash from/(used in) investing activities		20,488,192	4,016,555	(7,320,315)	(5,918,148)
FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	11,246,438	10,055,011
Advances from related parties		18,591,444	-	96,810	-
Interest paid		(2,993,664)	(2,789,353)	(179,944)	(344,447)
Drawdown of revolving credit		-	2,000,000	-	-
Repayment of revolving credit		(7,500,000)	(5,000,000)	(2,500,000)	(5,000,000)
Repayment of term loans		(14,532,460)	(11,354,833)	-	-
Decrease/(Increase) in fixed deposits and bank balances pledged as collateral		16,182,405	(3,630,162)	-	-
Repayment of lease liabilities		(1,524,209)	(1,978,343)	-	-
Net cash from/(used in) financing activities		8,223,516	(22,752,691)	8,663,304	4,710,564
CASH AND CASH EQUIVALENTS					
Net changes		(12,424,013)	23,075,737	(32,113)	(2,578,937)
Effect of exchange rate fluctuations on bank balances		414,012	32,792	-	-
Brought forward		38,811,383	15,702,854	251,389	2,830,326
Carried forward	B	26,801,382	38,811,383	219,276	251,389

STATEMENTS OF CASH FLOWS (CONT'D)

For the Financial Year Ended 31 December 2022

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Total purchase of property, plant and equipment	10,923,872	2,701,301	-	2,399
Total purchase of right-of-use assets	3,734,633	44,010	-	-
	14,658,505	2,745,311	-	2,399
Less: Acquisition by means of lease liabilities	(260,750)	-	-	-
Total cash paid	14,397,755	2,745,311	-	2,399

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:-

	2022 RM	2021 RM	2022 RM	2021 RM
Deposits with financial institutions	14,182 ,206	7.914,214	-	-
Deposits with fund management corporations	215,138	514,811	99,299	97,145
Cash and bank balances	42,905,070	76,364,961	119,977	154,244
	57,302,414	84,793,896	219,276	251,389
Less: Bank balances and deposits pledged	(29,800,108)	(45,982,513)	-	-
Less: Bank overdraft (Note 17)	(700,924)	-	-	-
Total cash and cash equivalents	26,801,382	38,811,383	219,276	251,389

CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
<u>Included in net cash from operating activities:-</u>				
Payment relating to short-term leases	5,359,838	6,007,674	-	-
<u>Included in net cash used in financing activities:-</u>				
Payment of lease liabilities	1,697,924	2,205,363	-	-
Total cash outflows from leases	7,057,762	8,213,037	-	-

STATEMENTS OF CASH FLOWS (CONT'D)

For the Financial Year Ended 31 December 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2022	Cash flows	Addition	Acquisition of a subsidiary	Other payables	Unrealised foreign exchange	31 December 2022
	RM	RM	RM	RM	RM	RM	RM
Group							
Revolving credit	25,783,600	(7,500,000)	-	-	-	189,900	18,473,500
Term loans	21,096,863	(14,532,460)	-	30,270,329	-	-	36,834,732
Lease liabilities	3,363,962	(1,524,209)	260,750	-	114,450	-	2,214,953
Related parties	-	18,591,444	-	-	-	-	18,591,444
	50,244,425	(4,965,225)	260,750	30,270,329	114,450	189,900	76,114,629

	1 January 2022	Cash flows	31 December 2022
	RM	RM	RM
Company			
Subsidiaries	39,024,871	11,246,438	50,271,309
Revolving credit	7,500,000	(2,500,000)	5,000,000
Related party	-	96,810	96,810
	46,524,871	8,843,248	55,368,119

	1 January 2021	Cash flows	Other payables	Unrealised foreign exchange	31 December 2021
	RM	RM	RM	RM	RM
Group					
Revolving credit	28,625,650	(3,000,000)	-	157,950	25,783,600
Term loans	32,451,696	(11,354,833)	-	-	21,096,863
Lease liabilities	4,383,224	(1,978,343)	959,081	-	3,363,962
	65,460,570	(16,333,176)	959,081	157,950	50,244,425

	1 January 2021	Cash flows	31 December 2021
	RM	RM	RM
Company			
Subsidiaries	28,969,860	10,055,011	39,024,871
Revolving credit	12,500,000	(5,000,000)	7,500,000
	41,469,860	5,055,011	46,524,871

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 149A, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur and the principal place of business of the Company is located at 15th Floor, East Wing, Rohas Tecnic, No. 9, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal activity of the Company is investment holding whilst those of its subsidiaries are disclosed in Note 6 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 April 2023.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for equity financial assets that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured on the assumptions that market participants would act in their economic best interest when pricing the asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

2. BASIS OF PREPARATION (CONT'D)

2.3 **Functional and Presentation Currency**

The financial statements are presented in Ringgit Malaysia ("RM"), which is Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 **MFRSs**

2.4.1 Adoption of Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of current financial year, the Group and the Company adopted amendments improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

Initial application of amendments/improvements to MFRSs did not have material impact to the financial statements.

2.5 **Standards Issued but Not Yet Effective**

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these amended standards, if applicable, when they become effective.

Effective for the financial period beginning on or after 1 January 2023:-

MFRS 17*# and Amendments to MFRS 17*#	Insurance Contracts
Amendments to MFRS 17*#	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Change in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Effective for the financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases: Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements: Non-current Liabilities with Covenants

Deferred to a date to be determined by the MASB:-

Amendments to MFRS 10* and MFRS 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* **Not applicable to the Company**
\# **Not applicable to the Group**

The initial application of the above applicable standards and amendments are not expected to have any material financial impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

2. BASIS OF PREPARATION (CONT'D)

2.6 **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 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.

2.6.1 Estimation Uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Useful Lives of Depreciable Assets

The management assesses that the useful lives represent the expected utility of the assets to the Group. The management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 3 to 98 years and reviews the useful lives of depreciable assets at each reporting year. The carrying amount is analysed in Notes 4 and 5 to the financial statements.

Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's assets.

Retirement Benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future.

These include the determination of the discount rate and the staff turnover rate. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is based on 4.60% (2021: 4.60%).

Further details about the assumptions used are given in Note 19 to the financial statements.

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying amounts, key assumptions applied in the impairment assessment of goodwill are disclosed in Note 10 to the financial statements.

Provision for Expected Credit Losses ("ECLs") of Trade Receivables and Contract Assets

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.1 Estimation Uncertainty (cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget or forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in which the Group operates are also carefully taken into consideration.

If a positive forecast of taxable income indicates the probable use of a deferred tax assets, especially when it can be utilised without a time limit, that deferred tax assets is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

The carrying value of the Group's deferred tax assets at the end of the reporting year is disclosed in Note 9 to the financial statements.

Income Tax

Significant judgement is required in determining the capital allowance and deductibility of certain expenses during the estimation of provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Inventories

The Group writes down its obsolete or slow-moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectation differs from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 14 to the financial statements.

Revenue from Contracts with Customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgment is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total construction and installation costs. The total estimated costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgments, management relies on past experience and the work of specialists. A change in the estimates will directly affect the revenue to be recognised.

2.6.2 Significant Management Judgement

Revenue from Contracts with Customers

The Group applied the following judgements that significantly affect the amount and timing of revenue from contracts with customers:

Consideration of significant financing component in a contract

The Group provides construction services for which the construction lead time after signing the contract ranges from 1 to 6 years. The Group concluded that there is a significant financing component for those contracts where the customer pays in arrears considering the length of time between the customer's payment and the completion of the construction works to the customer. In determining the amount of consideration for a significant financing component, the Group uses the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception by considering the credit characteristics of the customer receiving financing in the contract, and any collateral or security provided by the customer or the entity, including assets transferred in the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group or the Company. Control exists when the Group or the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group or the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in profit or loss.

3.1.2 Basis of Consolidation

The Group's financial statements consolidate the financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting period.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.16 of the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

3.1.3 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree, if any, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business Combination and Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Reserve Upon Consolidation

The Company is a non-operating public company in 2017.

On 8 March 2017, the Company acquired 68,377,306 ordinary shares representing the entire issued and paid-up shares capital of Rohas-Euco Industries Berhad ("REI") and its subsidiaries ("REI Group") for a total purchase consideration of RM200,000,000 which were satisfied by the issuance of 317,460,318 new ordinary shares in the Company, at an issue of price of RM0.63 per share.

Upon completion of the acquisition of REI Group, the Company became the legal holding company of REI Group whereas the former shareholders of REI Group to whom the 317,460,318 shares were allotted became the majority shareholders of the Company, controlling about 100% of the issued and paid-up share capital of the Company. Further, the Company's key executive management are those of REI Group. In accordance with MFRS 3 *Business Combinations*, the substance of such business combination between the Company and REI Group constituted a reverse acquisition whereby the acquirer and acquiree of the transaction for accounting purposes should be REI (that is the legal subsidiary, accounting parent) and the Company (that is the legal holding company, the accounting subsidiary) respectively.

However, REI obtained effective control over the Company that is not a business combination and therefore is outside of the scope of MFRS 3. Although this is not a business combination under MFRS 3, the accounting result is similar to reverse acquisition accounting.

3.1.5 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

3.1.6 Non-controlling Interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interests even if that results in a deficit balance.

3.1.7 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.7 Associates (cont'd)

The share of the result of an associate is reflected in profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared as of the same reporting period to the Group. Where necessary, adjustments are made to bring the accounting policies of the associate companies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognise the amount in the share of profit of an equity-accounted associate in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Investment in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.2 Foreign Currency Translation

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency.

3.2.1 Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.2.2 Foreign Operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combination before 1 January 2011 (the date when the Group and the Company first adopted MFRSs) which are treated as assets and liabilities of the Group and the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign Currency Translation (cont'd)

3.2.2 Foreign Operations (cont'd)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses.

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

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Plant and machinery	10 - 20%
Furnitures, fittings and office equipment	15 - 33⅓%
Motor vehicles	20%
Telecommunication structure	20%

Freehold land is not depreciated but is subject to impairment test if there is indication of impairment.

Capital work-in-progress consists of buildings under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Concession Assets

The Group constructs, operate and maintains that infrastructure (construction services) for a specific period of time under a single contact or arrangement. Under this concession arrangement, the grantor controls significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangement under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately indentified. The allocation is performed by reference to the fair values of the services provided even if the contract stipulates individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided or the price that would be charged if the services were sold on a standalone basis. The Group estimates the relative fair values of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on the amount is calculated using the effective interest asset expire.

Any asset carried under concession arrangement is derecognised when the contractual rights to the financial asset expire.

3.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Land on long term lease	Over period of the lease
Long term leasehold land, factory and buildings	57 - 98 years
Leasehold buildings	2%
Plant and machinery	10 - 20%
Motor vehicles	20%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.10 to the financial statements.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

As a Lessee (cont'd)

Lease Liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases

The Group applies the short-term lease recognition exemption to their short-term leases of staff quarters, premises, motor vehicles, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequent measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

(a) Financial assets at amortised cost (debt instruments);
(b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
(c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
(d) Financial assets at fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and most of the other receivables, cash and bank balances, deposits and placements.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statements of profit or loss when the right of payment has been established.

The Group's equity instrument at fair value through profit or loss includes other investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

(a) The rights to receive cash flows from the asset have expired; or
(b) The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Impairment (cont'd)

Impairment for trade receivables and contract assets

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure ECL, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company consider the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for financial assets other than trade receivables and contract assets

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

Credit impaired

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

3.6.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

(a) Financial liabilities at fair value through profit or loss; or
(b) Financial liabilities at amortised cost.

The Group and the Company only have financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings.

The Group's and the Company's financial liabilities include borrowings, trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.2 Financial Liabilities (cont'd)

Derecognition

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

3.6.3 Offsetting of Financial Instruments

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

3.7 Inventories

Inventories, comprising raw materials, accessories and consumables, work-in-progress and finished goods are stated at the lower of cost and net realisable value ("NRV") after adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories.

Cost of raw materials is determined using weighted average method and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

Net realisable value represents estimated selling price in the ordinary course of business less estimated selling and distribution costs and all other estimated costs to completion.

When inventories are sold and revenue is recognised, the carrying amount of those inventories is recognised as cost of goods sold. Write-down to NRV and inventory losses are recognised as expenses when it occurred and any reversal is recognised in the profit or loss in the period in which the reversal occurs.

3.8 Contract Assets and Contract Liabilities

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customers under the terms of the contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the end of the reporting period. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable and contract costs are recognised as expenses in the period in which they incurred.

When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as contract assets under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contracts liabilities under current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with licensed banks, bank overdrafts and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statements of financial position.

For the purpose of the financial position, cash and cash equivalents restricted to be settle a liability of 12 months or more after the end of the reporting period are classified as non-current assets.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank balance and deposits pledged and bank overdraft.

3.10 Impairment of Non-financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly trade subsidiaries or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.11 Equity, Reserves and Distribution to Owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the foreign currency translation reserve.

Retained earnings include all current year's profit/(loss) and prior periods' retained profits.

All transactions with the owners of the Company are recorded separately within equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.13 Employee Benefits

3.13.1 Short-term Employee Benefits

Short-term employees benefits obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

3.13.2 Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employees benefits relating to employees services in the current and preceding financial years.

Such contributions are recongnised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The foreign subsidiaries also make contributions to their country's statutory pension schemes.

3.13.3 Retirement Benefit

The Group operates an unfunded defined benefit plan for all eligible Malaysian Directors and employees. The Group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Net interest expense is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The calculation is performed once every three years by a qualified actuary using the projected credit method.

Remeasurement from defined benefit plan comprises of actuarial gains and losses. The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plan in employee benefits are charged to profit or loss. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gain or losses on the settlement of a defined benefit plan when settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price.

3.13.4 Employees Leave Entitlement

Employees entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by the employees up to the end of the reporting year.

3.14 Revenue

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The control over the goods or services is transferred over time and revenue is recognised over time if:-

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

The Group recognises revenue from construction of engineering, procurement, construction and commissioning ("EPCC") over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the contract costs incurred to date as a percentage of the estimated total contract costs of the contract, i.e. the stage of completion).

3.14.1 Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Note 3.6.1.

3.14.2 Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

3.14.3 Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3.14.4 Contract Costs

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

3.14.5 Sales of Goods

Revenue relating to sale of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

3.14.6 Revenue from Concession Arrangement

Under the concession arrangement, the Group is engaged to construct the infrastructure project and provide asset management services, which are separate performance obligations. The fair value of revenue, which is based on fixed price under the agreement have been allocated based on relative stand-alone selling price of the consideration for each of separate performance obligation. The Group recognised construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for the performance completed to date.

3.14.7 Other Revenue Recognition

Dividend Income

Dividend income and other income from investments are recognised in the profit or loss when the right to receive such payment is established.

Rental Income

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

Interest Income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

3.15 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Tax Expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.16.1 Current Tax

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

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax Expenses (cont'd)

3.16.2 Deferred Tax

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17 Goods and Services Tax ("GST")

GST is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The Malaysian Government has zero rated the GST effective from 1 June 2018. This mean the GST rate on the supplier of goods or services or on the importation of goods has been revised from 6% to 0%.

The GST has been replaced with Sales and Service Tax effective from 1 September 2018. The rate for sales tax is fixed at 5% or 10%, while the rate for services tax is fixed at 6%.

3.18 Sales and Service Tax ("SST")

Expenses and assets are recognised net of the amount of SST, except:

- When the SST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of SST included.

The net amount of payable to the taxation authority is included as part of payables in the statements of financial position.

3.19 Value Added Tax

Value Added Tax ("VAT") is a consumption tax based on the value-added concept. VAT is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at applicable tax rate. Input tax that a Group and a Company pay on business purchases is offset against output tax.

Revenues, expenses and assets are recognised net of the amount of VAT except:

- where the VAT incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Contingencies

Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.21 Operating Segments

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

3.22 Related Parties

A related party is a person or entity that is related to the Group and the Company that is preparing its financial statements. A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the reporting entity if that person:-
   (i) Has control or joint control over the Group and the Company;
   (ii) Has significant influence over the Group and the Company; or
   (iii) Is a member of the key management personnel of the Group or the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-
   (i) The entity and the Group or the Company are members of the same group;
   (ii) The entity is an associate of the Group or the Company;
   (iii) Both the Group or the Company and the entity are joint ventures of the same third party;
   (iv) The Group or the Company is a joint venture of a third entity and the entity is an associate of the same third entity;
   (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or the Company for an entity related to the Group or the Company;
   (vi) The entity is controlled or jointly-controlled by a person identified in (a) above;
   (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group or the entity; or
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.23 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company.

Diluted EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Freehold buildings RM	Plant and machinery RM	Furnitures, fittings and office equipment RM	Motor vehicles RM	Telecommunication structure RM	Capital-work-in-progress RM	Total RM
Cost								
At 1 January 2021	1,975,000	971,211	73,313,231	23,133,896	6,380,656	-	7,890,541	113,664,535
Additions	-	-	1,462,418	441,165	220,020	-	577,698	2,701,301
Disposals	-	-	-	-	(428,736)	-	-	(428,736)
Written off	-	-	(33,527)	(13,690)	-	-	(522)	(47,739)
Transfer from right-of-use assets	-	-	-	-	1,276,879	-	-	1,276,879
Foreign exchange difference	-	-	-	360	798	-	-	1,158
At 31 December 2021	1,975,000	971,211	74,742,122	23,561,731	7,449,617	-	8,467,717	117,167,398
Additions	-	49,718	767,286	495,298	59,356	5,654,234	3,897,980	10,923,872
Acquisition of a subsidiary	2,651,228	-	-	37,032	-	-	-	2,688,260
Disposals	-	-	(1,474,477)	-	(756,778)	-	-	(2,231,255)
Written off	-	-	(658,638)	(101,869)	(253,566)	-	-	(1,014,073)
Reclassification	-	-	-	-	-	3,698,542	(3,698,542)	-
Transfer from right-of-use assets	-	-	-	-	252,786	-	-	252,786
Foreign exchange difference	(100,518)	-	-	(30,374)	(49,907)	30,625	31,723	(118,451)
At 31 December 2022	4,525,710	1,020,929	73,376,293	23,961,818	6,701,508	9,383,401	8,698,878	127,668,537

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

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

Group (cont'd)	Freehold land and buildings RM	Freehold buildings RM	Plant and machinery RM	Furnitures, fittings and office equipment RM	Motor vehicles RM	Telecommunication structure RM	Capital-work-in-progress RM	Total RM
Accumulated depreciation								
At 1 January 2021	201,450	454,762	58,517,485	14,829,554	6,023,242	-	-	80,026,493
Charge for the financial year	23,700	19,827	3,306,995	2,077,462	391,027	-	-	5,819,011
Disposals	-	-	-	-	(424,097)	-	-	(424,097)
Written off	-	-	(6,361)	(674)	-	-	-	(7,035)
Transfer from right-of-use assets	-	-	-	-	1,034,669	-	-	1,034,669
Foreign exchange difference	-	-	-	1,033	3,055	-	-	4,088
At 31 December 2021	225,150	474,589	61,818,119	16,907,375	7,027,896	-	-	86,453,129
Charge for the financial year	23,700	19,827	2,101,715	1,648,216	212,044	160,058	-	4,165,560
Disposals	-	-	(1,474,470)	-	(710,331)	-	-	(2,184,801)
Acquisition of a subsidiary	-	-	-	11,572	-	-	-	11,572
Written off	-	-	(658,378)	(101,834)	(253,562)	-	-	(1,013,774)
Transfer from right-of-use assets	-	-	-	-	168,524	-	-	168,524
Foreign exchange difference	-	-	-	(9,779)	(30,182)	525	-	(39,436)
At 31 December 2022	248,850	494,416	61,786,986	18,455,550	6,414,389	160,583	-	87,560,774
Accumulated impairment losses								
At 1 January 2021/31 December 2021/31 December 2022	-	-	5,563,870	353,113	-	-	-	5,916,983
Net carrying amount								
At 31 December 2022	4,276,860	526,513	6,025,437	5,153,155	287,119	9,222,818	8,698,878	34,190,780
At 31 December 2021	1,749,850	496,622	7,360,133	6,301,243	421,721	-	8,467,717	24,797,286

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

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

Company	Office equipment RM
Cost	
At 1 January 2021	20,376
Additions	2,399
At 31 December 2021/31 December 2022	22,775
Accumulated depreciation	
At 1 January 2021	577
Charge for the financial year	7,520
At 31 December 2021	8,097
Charge for the financial year	7,589
At 31 December 2022	15,686
Net carrying amount	
At 31 December 2022	7,089
At 31 December 2021	14,678

Assets pledged as securities to financial institutions

The net carrying amounts of assets pledged as securities for bank borrowings are:-

	Group 2022 RM	Group 2021 RM
Freehold land and buildings	4,276,860	1,749,850

The details of assets pledged as securities for bank borrowings are disclosed in Note 17 to the financial statements.

The cost and carrying amounts of the freehold land is not segregated from the buildings as required details is not available and unreasonable expenses would be incurred.

5. RIGHT-OF-USE ASSETS

As a lessee

The Group has a number of long term leasehold land, factory and buildings which are having leasehold period between 50 to 98 years. In addition, the Group leases a number of plant and machinery and motor vehicles that run between 5 to 10 years.

Other leases related to staff quarters, premises, motor vehicles, machinery and equipment are having the lease terms of 12 months or less. Therefore, the Group applies 'short-term lease' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

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

As a lessee (cont'd)

Group	Land on long term lease RM	Long term leasehold land, factory and buildings RM	Leasehold buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2021	11,083,319	7,702,566	14,282,833	3,955,396	3,441,373	40,465,487
Additions	-	-	3,450	-	40,560	44,010
Transfer to property, plant and equipment	-	-	-	-	(1,276,879)	(1,276,879)
At 31 December 2021	11,083,319	7,702,566	14,286,283	3,955,396	2,205,054	39,232,618
Additions	11,587	-	3,462,296	260,750	-	3,734,633
Written off	-	-	(92,000)	-	-	(92,000)
Transfer to property, plant and equipment	-	-	-	-	(252,786)	(252,786)
At 31 December 2022	11,094,906	7,702,566	17,656,579	4,216,146	1,952,268	42,622,465
Accumulated depreciation						
At 1 January 2021	3,443,691	1,128,274	5,063,671	341,582	1,952,024	11,929,242
Charge for the financial year	222,885	69,129	285,721	477,329	497,751	1,552,815
Transfer to property, plant and equipment	-	-	-	-	(1,034,669)	(1,034,669)
At 31 December 2021	3,666,576	1,197,403	5,349,392	818,911	1,415,106	12,447,388
Charge for the financial year	222,926	69,131	319,371	403,469	390,453	1,405,350
Written off	-	-	(35,735)	-	-	(35,735)
Transfer to property, plant and equipment	-	-	-	-	(168,524)	(168,524)
At 31 December 2022	3,889,502	1,266,534	5,633,028	1,222,380	1,637,035	13,648,479
Net carrying amount						
At 31 December 2022	7,205,404	6,436,032	12,023,551	2,993,766	315,233	28,973,986
At 31 December 2021	7,416,743	6,505,163	8,936,891	3,136,485	789,948	26,785,230

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

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

Assets held under lease liabilities

The net carrying amounts of assets held under lease liabilities are:-

	Group	
	2022	2021
	RM	RM
Motor vehicles	315,233	789,948
Plant and machinery	2,993,766	3,136,485
	3,308,999	3,926,433

Leased assets are pledged as securities for the related lease liabilities as disclosed in Note 18 to the financial statements.

Assets pledged as securities to financial institutions

The net carrying amounts of assets pledged as securities for bank borrowings are:-

	Group	
	2022	2021
	RM	RM
Land on long term lease	2,829,683	2,924,266
Long term leasehold land, factory and buildings	4,965,664	5,033,760
	7,795,347	7,958,026

The details of assets pledged as securities for bank borrowings are disclosed in Note 17 to the financial statements.

As a lessor

The Group has entered into operating leases on its buildings and land on long term leases with 1 year lease term. Rental income recognised by the Group is RM189,600 (2021: RM189,600).

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
- within Malaysia	299,587,175	299,587,175

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of companies	Principal place of business	Principal activities	Effective ownership interest and voting interest 2022 (%)	2021 (%)
Direct subsidiaries of the Company				
Rohas-Euco Industries Bhd. ["REI"]	Malaysia	Design and fabrication of steel structure for high tension transmission towers, microwave towers and substations structures and provision of other fabrication and installation works	100	100
HG Power Transmission Sdn. Bhd. ["HGPT"]	Malaysia	Contractor for installing electrical transmission lines and provision of other related services	78	78
Global Tower Corporation Pty. Ltd. ["GTC"]*	Cambodia	Provision of telecommunication system and infra network installation service	75	75
Subsidiaries of REI				
Galvanising Engineering and Services Sdn. Bhd. ["GES"]	Malaysia	Operation of a hot-dip galvanising plan	100	100
RT Telecom Sdn. Bhd. ["RTT"]	Malaysia	Design, supply and construction of telecommunication infrastructure	100	100
RBC Water Sdn. Bhd. ["RBC"]@	Malaysia	Contractor in the implementation of potable and water treatment projects	100	100
Hydro Haven Sdn. Bhd. ["HH"]	Malaysia	Investment holding	100	100
REI International (HK) Ltd. ["REIHK"]#	Hong Kong	Investment holding and provision of management services	100	100
PT REI International ["PTREI"]#	Republic of Indonesia	Dormant	-	100
Subsidiary of REIHK				
PT REI Abadi Indonesia ["PTRAI"]#	Republic of Indonesia	Investment holding and provision of management services	99	99
Held through HH				
PT REI Abadi Indonesia ["PTRAI"]#	Republic of Indonesia	Investment holding and provision of management services	1	1
Subsidiary of PTRAI				
PT Century Abadi Perkasa ["PTCAP"]#	Republic of Indonesia	Development and operation of hydro power plant	55	-
Subsidiaries of HGPT				
HG Power Transmission (PNG) Ltd. ["PNG"]#	Papua New Guinea	Contractor for installing electrical transmission lines and provision of other related services	100	100
IAC Electricals (M) Sdn. Bhd. ["IAC"]	Malaysia	Design and manufacture of hardware and accessories for overhead electrical transmission towers and fittings	100	100

* Audited by Grant Thornton International member firm.
# Not audited by Grant Thornton Malaysia PLT.
@ Investment pledged as security for the banking facilities granted to a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Deemed acquisition of a subsidiary

On 22 July 2022, PTRAI, a subsidiary of REI, acquired an additional 6% equity interest in PTCAP for IDR3,234,000 (equivalent to approximately RM963,733) in cash, increasing its ownership from 49% to 55%. After the acquisition, PTCAP becomes a subsidiary of PTRAI.

The remeasurement to fair value of the Group's existing 49% interest in PTCAP resulted in a gain and has been recognised in other income in the profit or loss are summarised as follows:-

	RM
Fair value of previously-held stake	14,837,700
Less: Carrying amount of previously-held equity interest	(14,694,651)
Gain on remeasurement of previously-held equity interest	143,049

The following summarises the fair value of assets acquired, liabilities assumed and net cash inflows arising from the acquisition of additional interest in PTCAP as at the date of acquisition as follows:-

	RM
Property, plant and equipment	2,676,688
Trade and other receivables	1,671,944
Contract assets	106,312,725
Cash and cash equivalents	4,529,459
Trade and other payables	(53,892,861)
Borrowings	(30,270,329)
Tax payable	(746,605)
Fair value of net identifiable assets	30,281,021
Less: Non-controlling interests' share of net identifiable assets	(13,532,709)
	16,748,312
Gain on bargain purchase	(853,130)
Deemed net assets acquired by the Group	15,895,182
Purchase consideration settled in cash	963,733
Less: Cash and cash equivalents acquired	(4,529,459)
Net cash inflows arising from acquisition of a subsidiary	(3,565,726)

Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

During the financial year, from the date of acquisition, PTCAP had contributed RM1,983,989 and RM1,431,438 to the Group's revenue and profit after tax respectively. If the contribution had taken place at the beginning of the financial year, the PTCAP's revenue and profit after tax would have been RM3,195,812 and RM2,361,312 respectively.

Strike off of a subsidiary

During the financial year, the Group struck off a wholly-owned subsidiary, namely PTREI with a gain on divestment of RM156,357 being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries

2022

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	HGPT	GTC	PTCAP	Total
Percentage of ownership interest and voting interest (%)	22%	25%	45%	
Carrying amount of NCI (RM)	21,110,600	(1,164,469)	14,212,528	34,158,659
Profit/(Loss) allocated to NCI (RM)	1,370,415	(368,175)	1,175,344	2,177,584
Total comprehensive income/(loss) allocated to NCI (RM)	1,315,469	(407,719)	679,819	1,587,569

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below:-

	HGPT RM	GTC RM	PTCAP RM	Total RM
Financial position as at 31 December 2022				
Non-current assets	16,758,730	9,347,416	96,448,337	122,554,483
Current assets	183,935,899	4,825,719	11,061,971	199,823,589
Non-current liabilities	(84,280)	-	(8,852,906)	(8,937,186)
Current liabilities	(104,353,836)	(18,831,010)	(75,168,129)	(198,352,975)
Net assets/(liabilities)	96,256,513	(4,657,875)	23,489,273	115,087,911
Summary of financial performance for the financial year ended 31 December 2022				
Revenue	222,306,444	544,551	3,607,252	226,458,247
Profit/(Loss) for the financial year	6,248,590	(1,472,701)	4,991,172	9,767,061
Total comprehensive income/(loss) for the financial year	5,998,058	(1,630,877)	3,890,005	8,257,186

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

2022 (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below (cont'd):-

	HGPT RM	GTC RM	PTCAP RM	Total RM
Summary of cash flows for the financial year ended 31 December 2022				
Net cash flows (used in)/from operating activities	(19,267,894)	(888,956)	12,485,579	(7,671,271)
Net cash flows from/(used in) investing activities	96,262	(8,868,499)	(87,328)	(8,859,565)
Net cash flows from/(used in) financing activities	16,938,381	10,498,452	(12,871,625)	4,565,188
Net cash (outflows)/inflows	(2,233,271)	740,997	(473,374)	(1,965,648)

2021

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	HGPT	GTC	Total
Percentage of ownership interest and voting interest (%)	22%	25%	
Carrying amount of NCI (RM)	19,795,131	(756,750)	19,038,381
Loss allocated to NCI (RM)	(3,987,512)	(242,829)	(4,230,341)
Total comprehensive loss allocated to NCI (RM)	(4,164,953)	(259,095)	(4,424,048)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below:-

	HGPT RM	GTC RM	Total RM
Financial position as at 31 December 2021			
Non-current assets	18,717,819	582,544	19,300,363
Current assets	186,860,714	1,948,316	188,809,030
Non-current liabilities	(145,845)	-	(145,845)
Current liabilities	(115,174,233)	(5,557,858)	(120,732,091)
Net assets/(liabilities)	90,258,455	(3,026,998)	87,231,457

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

2021 (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below (cont'd):-

	HGPT RM	GTC RM	Total RM
Summary of financial performance for the financial year ended 31 December 2021			
Revenue	144,903,178	-	144,903,178
Loss for the financial year	(18,181,587)	(971,316)	(19,152,903)
Total comprehensive loss for the financial year	(18,990,651)	(1,036,379)	(20,027,030)
Summary of cash flows for the financial year ended 31 December 2021			
Net cash flows from/(used in) operating activities	17,485,529	(3,246,112)	14,239,417
Net cash flows used in investing activities	(548,858)	(582,654)	(1,131,512)
Net cash flows (used in)/from financing activities	(2,048,400)	4,034,829	1,986,429
Net cash inflows	14,888,271	206,063	15,094,334

7. INVESTMENT IN ASSOCIATES

	Group	
	2022 RM	2021 RM
Unquoted shares outside Malaysia, at cost	47,373,184	51,640,104
Share of profit of equity-accounted associates, net of tax	4,517,736	11,586,710
Translation differences	-	(338,034)
	51,890,920	62,888,780

Details of the associates are as follows:-

Name of companies	Principal place of business	Principal activities	Effective ownership interest and voting interest 2022 (%)	 2021 (%)
Held through PTRAI				
PTCAP#	Republic of Indonesia	Development and operation of hydro power plant	-	49
Held through of RBC				
Phu My Vinh Construction And Investment Corporation ["PMV"]#	Socialist Republic of Vietnam	Operator of water treatment plants	30	30

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Included in the investment in associates is an amount of RM47,373,184 (2021: RM47,373,184) which is pledged as security for the banking facilities granted to a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

7. INVESTMENT IN ASSOCIATES (CONT'D)

Partial disposal of shares in an associate

RBC had on 28 June 2021 completed the disposal of 3,160,000 shares in PMV to a vendor, representing 10% of the total shares in PMV for a total consideration of VND85,833,333,333 (approximately RM15,510,083). The Group's remaining shareholding is 30% after disposal. The Group had further subscribed 5,250,000 shares in PMV for a total cash consideration of VND52,500,000,000 (approximately RM9,660,000) on the same day, in which the shareholding remain 30% after further subscription.

Summary of financial information of the associates, not adjusted for the proportion of ownership interest held by the Group is as follows:-

	PTCAP RM	PMV RM	Total RM
Summary of financial position as at 31 December 2022			
Non-current assets		184,397,617	184,397,617
Current assets		22,210,704	22,210,704
Non-current liabilities		(109,524,391)	(109,524,391)
Current liabilities		(15,317,923)	(15,317,923)
Net assets		81,766,007	81,766,007
Summary of financial performance for the financial year ended 31 December 2022			
Profit/Total comprehensive income for the financial year	1,690,682	8,771,125	10,461,807

Summary of financial information of the associates, not adjusted for the proportion of ownership interest held by the Group is as follows (cont'd):-

	PTCAP RM	PMV RM	Total RM
Reconciliation of net assets to carrying amount as at 31 December 2022			
Group's share of net assets		24,529,802	24,529,802
Goodwill		27,725,095	27,725,095
Unadjusted foreign translation differences		(363,977)	(363,977)
Carrying amount in the statements of financial position		51,890,920	51,890,920
Group's share of results for the financial year ended 31 December 2022			
Group's share of profit	828,433	2,631,338	3,459,771
Summary of financial position as at 31 December 2021			
Non-current assets	93,095,108	147,075,588	240,170,696
Current assets	7,555,398	42,259,187	49,814,585
Non-current liabilities	(36,099,011)	(107,715,969)	(143,814,980)
Current liabilities	(37,058,490)	(10,015,051)	(47,073,541)
Net assets	27,493,005	71,603,755	99,096,760
Summary of financial performance for the financial year ended 31 December 2021			
Profit/Total comprehensive income for the financial year	14,703,408	5,523,304	20,226,712

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

7. INVESTMENT IN ASSOCIATES (CONT'D)

	PTCAP RM	PMV RM	Total RM
Reconciliation of net assets to carrying amount as at 31 December 2021			
Group's share of net assets	13,471,572	21,481,127	34,952,699
Goodwill	-	27,725,095	27,725,095
Unadjusted foreign translation differences	157,626	53,360	210,986
Carrying amount in the statements of financial position	13,629,198	49,259,582	62,888,780
Group's share of results for the financial year ended 31 December 2021			
Group's share of profit	7,204,670	1,951,069	9,155,739

Contingent liabilities and capital commitments

The associates have no contingent liabilities in both financial years.

The capital commitments as at the reporting date are as follow:-

	Group 2022 RM	Group 2021 RM
Approved but not contracted for:-		
Capital expenditure on development of water treatment plant	-	36,047,561

8. OTHER INVESTMENTS

	Group 2022 RM	Group 2021 RM
Fair value through profit or loss		
Quoted investments, at fair value		
- within Malaysia	185,000	2,773,412

9. DEFERRED TAX ASSETS

	Group 2022 RM	Group 2021 RM
Brought forward	11,931,325	9,582,000
Recognised in profit and loss		
- current year	(1,556,462)	3,041,325
- over recognition in prior financial year	(147,000)	(692,000)
Carried forward	10,227,863	11,931,325

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

9. DEFERRED TAX ASSETS (CONT'D)

(a) The components and movement of deferred tax assets and deferred tax liabilities prior to offsetting are as follows:-

Deferred tax assets

Group	Property, plant and equipment/ Right-of-use assets RM	Unabsorbed capital allowances and tax losses RM	Accumulated impairment losses RM	Provisions RM	Others RM	Total RM
At 1 January 2021	(1,742,000)	6,536,000	1,696,000	2,382,000	1,012,000	9,884,000
Recognised in profit and loss	59,000	(122,000)	2,462,000	121,000	(472,675)	2,047,325
At 31 December 2021	(1,683,000)	6,414,000	4,158,000	2,503,000	539,325	11,931,325
Recognised in profit and loss	(413,000)	62,863	(689,000)	(1,394,000)	729,675	(1,703,462)
At 31 December 2022	(2,096,000)	6,476,863	3,469,000	1,109,000	1,269,000	10,227,863

Deferred tax liabilities

	Property, plant and equipment/ Right-of-use assets RM	Provisions RM	Others RM	Total RM
At 1 January 2021	(396,000)	85,000	9,000	(302,000)
Recognised in profit and loss	396,000	(85,000)	(9,000)	302,000
At 31 December 2021/31 December 2022	-	-	-	-

(b) Deferred tax assets (at gross) have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits therefrom.

	Group 2022 RM	Group 2021 RM
Unabsorbed capital allowances and tax losses	17,522,000	13,775,000
Other temporary differences	3,618,000	2,552,000
	21,140,000	16,327,000

Effective from year of assessment 2019 as announced in the Annual Budget 2022, the unabsorbed tax losses of the Group as at 31 December 2018 and thereafter will only be available to carry forward for a period of 10 consecutive years. Upon expiry of the 10 years terms, the unabsorbed tax losses will be disregarded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

9. DEFERRED TAX ASSETS (CONT'D)

Unabsorbed tax losses' expiry dates (at gross) for which no deferred tax assets is recognised are as follow:-

	Group 2022 RM	Group 2021 RM
Expiry dates		
2028	1,840,000	1,840,000
2029	725,000	725,000
2030	1,535,000	1,535,000
2031	3,555,000	3,169,000
2032	3,196,000	-
	10,851,000	7,269,000

10. GOODWILL ON CONSOLIDATION

	Group 2022 RM	Group 2021 RM
Brought forward/Carried forward	13,216,398	13,216,398

The aggregate carrying amount of goodwill allocated to each CGU is as follow:

	2022 RM	2021 RM
EPCC	7,544,540	7,544,540
Others	5,671,858	5,671,858
	13,216,398	13,216,398

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest cash-generating unit level within the Group at which the goodwill is monitored for internal management purposes. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGUs is determined by using value-in-use, involving cash flows projections calculations derived from the most recent financial budgets approved by management covering a five-years period, except for the goodwill arising from "others" segment which covering 15 years of business plan. For the others segment, cash flows are projected based on the services agreement with customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

10. GOODWILL ON CONSOLIDATION (CONT'D)

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGUs and management's assessment of future trends based on the following key assumptions:-

	EPCC		Others	
	2022	2021	2022	2021
	%	%	%	%
Growth rate	1.3	16.0	63.4	54.0
Gross profit margin	8.4	11.0	27.2	36.1
Discount rate	7.6	7.8	7.4	8.8

The following describes each key assumption on which the Directors have used in the cash flow projections for the purpose of impairment testing of goodwill:-

(i) Growth rate – Based on simple average of the annual revenue growth rate obtained from financial budgets approved by management.

(ii) Gross profit margin – Based on the range of forecasted margin for project/business.

(iii) Discount rate – Based on the industry weighted average cost of capital. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-current				
Other receivables:-				
Subsidiaries	-	-	50,066,156	26,332,689
Deposits	207,957	-	-	-
	207,957	-	50,066,156	26,332,689
Current				
Trade receivables:-				
Third parties	109,727,652	63,481,308	-	-
Related parties	-	450	-	-
Associate	2,625,320	-	-	-
Retention sum - third parties	44,250,812	44,510,937	-	-
- associate	5,067,397	1,392,290	-	-
	161,671,181	109,384,985	-	-
Less: Accumulated impairment losses	(5,497,518)	(5,736,650)	-	-
	156,173,663	103,648,335	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

11. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current (cont'd)				
Other receivables:-				
Third parties	10,803,377	8,529,753	-	-
Subsidiaries	-	-	10,690,755	24,822,643
Related parties	67,967	597,389	-	-
Associate	-	23,057,382	-	-
Deposits	7,802,214	7,685,070	21,000	21,000
Advances to suppliers	5,316,949	16,523,698	-	-
Prepayments	4,644,183	3,777,646	167,491	154,008
VAT claimable	-	351,373	-	-
GST receivable	54,741	1,251,639	-	-
	28,689,431	61,773,950	10,879,246	24,997,651
Less: Accumulated impairment losses	(12,700,003)	(12,538,743)	-	-
	15,989,428	49,235,207	10,879,246	24,997,651
	172,163,091	152,883,542	10,879,246	24,997,651

Trade receivables

The movement of accumulated impairment losses of trade receivables is as follows:-

	Group	
	2022	2021
	RM	RM
Brought forward	5,736,650	13,563,681
Charge for the financial year	315,686	927,024
Reversal of impairment losses	(554,818)	(565,580)
Impairment losses written off	-	(8,188,475)
Carried forward	5,497,518	5,736,650
Individually impaired	4,723,995	5,244,346
Collectively impaired	773,523	492,304
Total	5,497,518	5,736,650

The component of accumulated impairment losses of trade receivables is as follows:-

	Group	
	2022	2021
	RM	RM
Third parties	5,497,518	5,736,650

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

11. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables

The movement of accumulated impairment losses of other receivables is as follows:-

	Group	
	2022	2021
	RM	RM
Brought forward	12,538,743	9,855,216
Charge for the financial year	196,229	2,984,485
Reversal of impairment losses	(34,969)	(300,958)
Carried forward	12,700,003	12,538,743
Individually impaired	12,524,699	12,377,415
Collectively impaired	175,304	161,328
Total	12,700,003	12,538,743

The component of accumulated impairment losses of other receivables is as follows:-

	Group	
	2022	2021
	RM	RM
Third parties	5,986,325	5,839,585
Deposits	6,699,050	6,699,050
Associate	-	108
Prepayments	14,628	-
	12,700,003	12,538,743

Related parties refer to the companies in which Directors have interests.

Trade receivables

The trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. The normal credit terms granted to the customers ranged from cash terms to 180 days (2021: cash terms to 180 days). Other credit terms are assessed and approved by the management on case-by-case basis.

Other receivables

The amount due from subsidiaries, an associate and related parties represents the interest free unsecured cash advances which are receivable on demand except for an amount of RM53,180,204 (2021: RM42,505,608) which is due from subsidiaries and subject to interest ranged from 3.80% to 7.00% (2021: 3.80% to 5.50%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022	2021
	RM	RM
Non-current		
Contract assets:		
- Contract asset from a customer on concession agreement	94,173,873	-
Current		
Contract assets:		
- Contract asset from a customer on concession agreement	4,663,131	-
- Construction contracts	65,706,819	32,064,430
- Contract cost	614,827	411,372
Less: Accumulated impairment losses	(10,342,231)	(10,463,452)
	60,642,546	22,012,350
	154,816,419	22,012,350
Contract liabilities:		
- Construction contracts	(25,913,227)	(24,606,895)
- Customers deposits	(19,052,178)	(6,240,417)
- Deferred income	(1,855,000)	(1,855,000)
	(46,820,405)	(32,702,312)

The movement of the accumulated impairment losses of contract assets is as follows:-

	Group	
	2022	2021
	RM	RM
Collectively impaired		
Brought forward	10,463,452	417,286
Charge for the financial year	-	10,046,166
Reversal of impairment losses	(121,221)	-
Carried forward	10,342,231	10,463,452

Contract asset from a customer on concession agreement

The amount, being the financial asset arising from the above concession agreement represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. It carries interest at a rate of 9.92% per annum and repayable in the form of availability charge upon fulfilment of the terms and conditions in the concession agreement.

Construction contracts

Contract assets primarily relate to the rights to consideration for work completed on construction contracts but not yet billed as at the reporting date.

Contract liabilities consist of advance billings in excess of revenue recognised, typically resulting from the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

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

Contract costs

Contract costs relate to the cost generate or enhance resources of the Group that will be used in satisfying performance obligation in the future.

Customers deposits/Deferred income

Customers deposits relate to deposits made by customers for the construction projects which are partially performed or have yet to be performed by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

Deferred income represents the advance billing issued to a customer for trading of steel tower.

Contract value yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM341,654,353 (2021: RM436,543,897). The Group expects to recognise this revenue over the next 12-24 months (2021: 12-36 months).

Significant changes to the contract assets and contract liabilities balances during the financial year are as follows:-

	Group	
	2022	2021
	RM	RM
Contract liabilities at the beginning of the year recognised as revenue	19,017,827	11,471,595
Increase in revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period	62,107,368	41,656,674

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

13. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-current				
Islamic type:				
- Cash and bank balances	2,066,174	2,066,174	-	-
Current				
Islamic type:				
- Cash and bank balances	15,902,566	19,738,562	19,268	44,993
- Deposits with financial institutions	3,165,630	4,530,998	-	-
- Deposits with fund management corporations	212,877	512,591	99,299	97,145
Conventional type:				
- Cash and bank balances	24,936,330	54,560,225	100,709	109,251
- Deposits with financial institutions	11,016,576	3,383,126	-	-
- Deposits with fund management corporations	2,261	2,220	-	-
	55,236,240	82,727,722	219,276	251,389
	57,302,414	84,793,896	219,276	251,389

The Group's deposits with financial institutions amounting to RM7,772,568 (2021: RM7,914,124) are pledged to the banks to secure the banking facilities granted to the subsidiaries.

Cash and bank balances pledged as securities for banking facilities granted to a subsidiary are RM22,027,540 (2021: RM38,068,389).

14. INVENTORIES

	Group	
	2022	2021
	RM	RM
At cost		
Raw materials	48,672,653	42,067,861
Work-in-progress	6,382,955	1,588,355
Finished goods	45,774,669	37,585,684
Accessories and consumables	19,322,555	13,645,847
	120,152,832	94,887,747
At net realisable value		
Raw materials	8,579,338	4,440,884
Finished goods	1,539,994	2,956,329
	10,119,332	7,397,213
	130,272,164	102,284,960

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

14. INVENTORIES (CONT'D)

	Group 2022 RM	Group 2021 RM
Recognised in profit or loss:-		
Inventories recognised in cost of sales	162,971,842	76,125,598
Reversal of inventories written down	(2,224,936)	(758,990)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

15. SHARE CAPITAL

Group and Company	Number of ordinary shares 2022 Unit	Number of ordinary shares 2021 Unit	Amount 2022 RM	Amount 2021 RM
Issued and fully paid with no par value:-				
At beginning/end of financial year	472,657,651	472,657,651	299,484,409	299,484,409

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

16. OTHER RESERVES

	Group 2022 RM	Group 2021 RM
Non-distributable:-		
Reserve upon consolidation	(104,798,778)	(104,798,778)
Foreign currency translation reserve	(668,413)	324,427
	(105,467,191)	(104,474,351)

Foreign currency translation reserve

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

17. BORROWINGS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current				
Secured:				
Term loans				
- Islamic type	13,783,190	12,931,749	-	-
Current				
Secured:				
Term loans				
- Islamic type	23,051,542	8,165,114	-	-
Revolving credit				
- Islamic type	7,473,500	7,283,600	-	-
Bank overdraft				
- Conventional type	700,924	-	-	-
Trust receipts				
- Islamic type	6,902,719	13,785,653	-	-
- Conventional type	7,452,865	3,565,605	-	-
Unsecured:				
Bankers' acceptances				
- Islamic type	11,685,985	880,539	-	-
- Conventional type	26,203,000	16,085,000	-	-
Short term loans				
- Conventional type	-	163,043	-	-
Revolving credit				
- Islamic type	11,000,000	18,500,000	5,000,000	7,500,000
	94,470,535	68,428,554	5,000,000	7,500,000
Total	108,253,725	81,360,303	5,000,000	7,500,000

Group

The borrowings are secured by:-

(a) Certain properties of the Group as disclosed in Notes 4 and 5 to the financial statements;
(b) Joint and several guarantee of the two former Directors of a subsidiary;
(c) Corporate guarantee by the Company and a subsidiary;
(d) Charge over the shares of investment in an associate as disclosed in Note 7 to the financial statements;
(e) Debenture over fixed and floating charge of all present and future assets of a subsidiary;
(f) Charge over the shares of investment in a subsidiary as disclosed in Note 6 to the financial statements;
(g) Certain cash and bank balances and deposits with financial institutions of the Group as disclosed in Note 13 to the financial statements;
(h) First ranking legal charge on the machine, equipment and all others above the project land related to the project PLTM Lawe Sikap;
(i) Assignment of proceeds in favour of Financiers in relation to the Power Purchase Agreement ("PPA") including receivables, any amendments, supplements, extension or variation there to PPA;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

17. BORROWINGS (CONT'D)

Group (cont'd)

The borrowings are secured by (cont'd):-

(j) A first ranking charge over all the stockholders of a subsidiary;
(k) Assignment over all rights, interest and benefit of a subsidiary of all takaful/insurance(s) in relation to the project PLTM Lawe Sikap;
(l) Assignment over all rights, interest and benefit of a subsidiary of all performance/advance payment bond(s), guarantee(s), liquidated damage(s) and warranty(ies) in favor of the project PLTM Lawe Sikap;
(m) Legal Deed of Assignment over the Power Plant and Machineries finance by the Bank Muamalat;
(n) Charge over the subsidiary's Designated Accounts and the credit balances therein;
(o) Corporate guarantee by the subsidiary's Stockholder; and
(p) Irrevocable Letter of Undertaking by the Company, stated that the Company will be responsible for, include without limitation to cover cost overrun, cash deficiency, obligations to the Bank Muamalat during financing tenure.

Group and Company

The borrowings are secured by:-

(a) Corporate guarantee by a subsidiary.

18. LEASE LIABILITIES

	Group	
	2022	2021
	RM	RM
Non-current	1,064,929	1,861,643
Current	1,150,024	1,502,319
	2,214,953	3,363,962

19. RETIREMENT BENEFITS

Defined benefit plan

The defined benefit plan provided by the Group to all eligible Malaysian employees on a discretionary lump sum payment basis upon their retirement with minimum of 10 years of service being attained. The defined benefit plan is unfunded, as benefits may be payable directly by the Group to the active participants subject to final approval of the Board of Directors being obtained.

The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk as explained below:-

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

19. RETIREMENT BENEFITS (CONT'D)

Defined benefit plan (cont'd)

The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk as explained below (cont'd):-

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability.

Movement in defined benefit plan

The following is reconciliation of the Group's defined benefit obligation presented in the statements of financial position for each reporting year:-

	Group	
	2022	2021
	RM	RM
Defined benefit obligation brought forward	3,237,409	2,792,671
Current service costs	-	513,801
Net interests	-	293,904
Remeasurements effect recognised in OCI	-	182,033
Benefit paid	(422,000)	(545,000)
Defined benefit obligation carried forward	2,815,409	3,237,409

Actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate on the lump sum retirement benefit, the mortality, disability and withdrawal rates. The sensitivity analysis below has been determined based on a reasonably possible changes of the discount rates occurring at the end of the reporting year, while all other assumptions remained constant.

Group	Core assumption	Sensitivity analysis	Effect on defined benefit obligation increase	
	%		RM	%
2022				
Discount rate	4.60	1.0% decrease	293,106	10
2021				
Discount rate	4.60	1.0% decrease	287,781	9

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

19. RETIREMENT BENEFITS (CONT'D)

Defined benefit plan (cont'd)

The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk as explained below (cont'd):-

Defined benefit plan expenses

Amounts recognised in profit or loss related to the Group's defined benefit plan are as follows:-

	Group	
	2022 RM	2021 RM
Current service costs	-	513,801
Net interests	-	293,904
Total expenses recognised in profit or loss	-	807,705

Amounts recognised in other comprehensive income related to the Group's defined benefit plan are as follows:-

	Group	
	2022 RM	2021 RM
Effect of changes in demographic assumptions	-	7,163
Effect of experience adjustments	-	314,959
Effect of changes in financial assumptions	-	(140,089)
Total expense recognised in other comprehensive income	-	182,033

The net expense summarised above were included within items that will not be reclassified subsequently to profit or loss.

Other information on the defined benefit plan

The weighted average durations of the benefit obligation is 38 years (2021: 38 years). The Group did not expect to make any benefit payment in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables:-				
Third parties	63,076,860	41,983,186	-	-
Related parties	13,666,815	301,035	-	-
Retention sum	9,572,082	3,839,330	-	-
	86,315,757	46,123,551	-	-
Other payables:-				
Third parties	8,315,104	1,348,784	20,102	98,940
Subsidiaries	-	-	50,271,309	39,024,871
Related parties	18,591,444	-	96,810	-
Advance received from customers	174,771	144,109	-	-
Accruals	20,605,164	11,400,241	334,362	326,068
Provision for liquidated and ascertained damages	2,097,107	2,195,073	-	-
Deposits received	9,400	493,753	-	-
GST payable	144,400	402,180	-	-
VAT payable	104,023	-	-	-
	50,041,413	15,984,140	50,722,583	39,449,879
	136,357,170	62,107,691	50,722,583	39,449,879

Related parties refers to the companies in which Directors have interests.

Trade payables

The trade payables are non-interest bearing and the normal credit terms granted by the trade payables ranged from 7 to 90 days (2021: 7 to 90 days).

Other payables

The amount due to subsidiaries and related parties represent unsecured and interest-free cash advances which are repayable on demand except for an amount of RM18,467,479 (2021:Nil) which is due to related parties and subject to interest ranged from 3.80% to 7.50% (2021: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

21. REVENUE

	Group	
	2022	2021
	RM	RM
Primary geographical markets		
Malaysia	353,795,393	164,367,233
Bangladesh	41,390,403	42,151,211
Cambodia	544,551	-
Indonesia	3,607,252	-
India	-	44,108
Brunei	-	8,500
Vietnam	36,763,524	11,635,390
	436,101,123	218,206,442
Major product & services line		
Fabrication of towers	129,300,553	48,397,609
Engineering, Procurement, Construction and Commissioning ("EPCC")	301,962,802	166,211,737
Others	4,837,768	3,597,096
	436,101,123	218,206,442
Timing and recognition		
At a point in time	134,138,321	51,994,705
Over time	301,962,802	166,211,737
	436,101,123	218,206,442

22. FINANCE INCOME

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest income:				
- Deposits with financial institutions	558,765	358,853	110	710
- Asset management	2,154	1,748	2,154	1,748
- Contract with a customer on concession arrangement	4,471,236	-	-	-
- Subsidiaries	-	-	2,279,000	1,908,716
	5,032,155	360,601	2,281,264	1,911,174

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

23. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expenses:				
- Bank overdraft	50,033	256,833	-	-
- Bankers' acceptances	2,137,856	1,048,668	-	-
- Bank guarantees	1,653,641	2,637,587	-	-
- Lease liabilities	173,715	227,020	-	-
- Short term loans	146	25,781	-	-
- Term loans	1,505,549	1,241,139	-	-
- Revolving credit	860,688	1,158,707	179,944	344,447
- Related parties	34,718	-	-	-
- Others	418,994	162,487	-	-
	6,835,340	6,758,222	179,944	344,447

24. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Charging:-				
Auditors' remuneration:				
- Charge for the financial year	294,500	277,800	75,000	70,000
- Other auditors' remuneration	45,618	22,972	-	-
- Other services	39,053	105,167	3,700	3,500
Directors' fees	248,654	270,000	248,654	270,000
Net loss on foreign exchange:				
- Realised	1,746,941	1,248,234	-	-
Expenses relating to short-term leases	5,359,838	6,007,674	-	-
Crediting:-				
Dividend income:				
- Quoted shares in Malaysia	122,898	64,827	-	-
Net gain on foreign exchange:				
- Unrealised	1,852,090	453,212	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

25. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:				
- current tax	9,945,477	3,175,291	249,432	253,000
- over provision in prior financial year	(203,331)	(593,178)	(30,976)	(6,159)
	9,742,146	2,582,113	218,456	246,841
Deferred tax:				
- current tax	1,556,462	(3,041,325)	-	-
- over recognition in prior financial year	147,000	692,000	-	-
	1,703,462	(2,349,325)	-	-
Total tax expense	11,445,608	232,788	218,456	246,841

Malaysian income tax is calculated at statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year.

Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax	31,886,969	(15,315,304)	1,038,785	422,786
Tax at Malaysian statutory rate of 24% (2021: 24%)	7,652,873	(3,675,673)	249,308	101,469
Tax effect in respect of:-				
Non-taxable income	(4,463,237)	(2,559,014)	(116,588)	(420)
Non-allowable expenses	13,986,884	11,198,077	116,712	151,951
Movement of deferred tax assets not recognised	1,155,120	813,120	-	-
Over provision of income tax in prior financial year	(203,331)	(593,178)	(30,976)	(6,159)
Over recognition of deferred tax assets in prior financial year	147,000	692,000	-	-
Effect of change in tax rate in other countries	(8,334,097)	(5,642,544)	-	-
Effect of tax treatment on foreign source income	1,504,396	-	-	-
	11,445,608	232,788	218,456	246,841

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

26. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2022	2021
Profit/(Loss) attributable to equity holders of the Company (RM)	18,263,777	(11,317,751)
Weighted average number of ordinary shares in issue	472,657,651	472,657,651
Basic earnings per ordinary share (sen)	3.86	(2.39)

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no dilutive potential ordinary shares.

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and other emoluments	34,701,710	32,416,436	310,000	406,000
Retirement benefits	-	807,705	-	-
Defined contribution plans	2,908,501	2,278,900	-	-
	37,610,211	35,503,041	310,000	406,000

Directors' remunerations

Included in the employee benefits expenses is the Directors' remunerations as below:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors:-				
Existing Directors:				
- Salaries and other emoluments	979,885	907,555	-	-
- Defined contribution plans	41,016	91,414	-	-
Former Director:				
- Salaries and other emoluments	-	354,190	-	-
- Defined contribution plans	-	41,637	-	-
Total executive Directors' remuneration	1,020,901	1,394,796	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

27. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Directors' remunerations (cont'd)

Included in the employee benefits expenses is the Directors' remunerations as below (cont'd):-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-executive Directors:-				
Existing Directors:				
- Salaries and other emoluments	266,000	406,000	266,000	406,000
Former Directors:				
- Salaries and other emoluments	44,000	-	44,000	-
Total non-executive Directors' remuneration	310,000	406,000	310,000	406,000
	1,330,901	1,800,796	310,000	406,000

28. RELATED PARTY DISCLOSURES

Related party transactions

The significant related party transactions of the Group and of the Company are as follows:-

Group	2022 RM	2021 RM
Related parties:		
- sales	(424,454)	(84,922)
- purchases	51,760	168,200
- rental income	(156,000)	(156,000)
- rental expenses	1,159,141	1,197,125
- maintenance income	(2,509)	(2,102)
- loan	(5,600,000)	-
- loan interest	(34,718)	-
- payment made on behalf and reimbursed to	(1,231,018)	-
Associate:		
- sales	36,600,145	13,645,018
Director:		
- retirement benefit paid	-	150,000

Company	2022 RM	2021 RM
Subsidiaries:		
- interest income	(2,279,000)	(1,908,716)
- loans	12,122,554	7,131,610
- payment made on behalf and reimbursed to	(1,096,790)	(2,331,003)
- payment made on behalf and reimbursed from	11,907,455	2,959,059
Related party:		
- payment made on behalf and reimbursed to	(1,064,910)	-

Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 11 and 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

28. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel

Key management personnel is 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 and entity that provides key management personnel services to the Group and the Company.

Key management includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group and of the Company.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors:-				
Salaries and other emoluments	1,289,885	1,667,745	310,000	406,000
Defined contribution plans	41,016	133,051	-	-
Retirement benefit paid	-	150,000	-	-
Benefits-in-kind	48,030	77,305	-	-
	1,378,931	2,028,101	310,000	406,000
Other key management personnel:-				
Salaries and other emoluments	3,246,662	2,062,859	-	-
Defined contribution plans	338,403	200,640	-	-
Benefits-in-kind	57,860	9,860	-	-
	3,642,925	2,273,359	-	-
Total	5,021,856	4,301,460	310,000	406,000

29. OPERATING SEGMENT

For management purposes, the Group is organised into three business units based on their products and services, which comprises the following:-

Business segments	Business activities
Fabrication of towers - Power Transmission - Telecommunication	Involve the design and fabrication of power transmission towers and telecommunication towers.
Engineering, Procurement, Construction and Commissioning ("EPCC")	Mechanical and electrical engineering, procurement, erection/construction of power transmission towers and telecommunication towers, and water treatment, water supply and sewerage treatment plants.
Concession	Construction, operation and maintenance of infrastructure facilities under concession basis (i.e. mini-hydro power plant).
Others	Civil and infrastructure related works, fabrication services for other steel work and products, design and fabrication of substation electrical structures, operation of a hot-dip galvanising plant, and engineering design services.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

29. OPERATING SEGMENT (CONT'D)

Business segment

Group	Note	Power Transmission (Fabrication of towers)	Telecommunication (Fabrication of towers)	EPCC	Concession	Others	Group adjustments	Total
		RM	RM	RM	RM	RM	RM	RM
2022								
Revenue								
External revenue		63,331,818	65,968,735	301,962,802	3,607,252	1,230,516	-	436,101,123
Inter-segment revenue	(a)	4,399,053	11,874,760	7,676,744	-	21,023,082	(44,973,639)	-
Total revenue		67,730,871	77,843,495	309,639,546	3,607,252	22,253,598	(44,973,639)	436,101,123
Results								
Finance costs		(2,015,660)	-	(6,719,068)	(1,866,290)	(814,534)	4,580,212	(6,835,340)
Finance income		2,358,127	-	222,649	4,719,420	2,282,171	(4,550,212)	5,032,155
Depreciation of property, plant and equipment		(2,279,973)	-	(1,215,056)	(9,423)	(661,108)	-	(4,165,560)
Depreciation of right-of-use assets		(1,143,386)	-	(121,975)	-	(139,989)	-	(1,405,350)
Other non-cash income/(expenses)	(b)	4,790,547	-	2,246,800	(732,439)	(168,311)	(713,183)	5,423,414
Share of associates' results		-	-	-	-	3,459,771	-	3,459,771
Tax expense		(1,364,355)	(1,568,062)	(7,736,413)	(558,322)	(218,456)	-	(11,445,608)
Segment results	(c)	4,208,159	4,836,463	15,777,908	2,138,042	(10,310,472)	2,134,675	18,784,775
Assets								
Segment assets	(d)	317,744,767	-	292,879,727	107,510,308	403,777,564	(491,909,635)	630,002,731
Included in segment assets are:								
Investment in associates		-	-	51,890,920	-	-	-	51,890,920
Additions to non-current assets other than deferred tax assets	(e)	1,349,174	-	132,561	111,522	13,615,241	(549,993)	14,658,505
Liabilities								
Segment liabilities	(f)	63,095,980	-	173,537,512	59,489,342	75,763,957	(185,893,807)	185,992,984

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

29. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Group (cont'd)	Note	Power Transmission (Fabrication of towers)	Telecommunication (Fabrication of towers)	EPCC	Others	Group adjustments	Total
		RM	RM	RM	RM	RM	RM
2021							
Revenue							
External revenue		37,404,688	10,992,921	166,211,737	3,597,096	-	218,206,442
Inter-segment revenue	(a)	12,865,339	2,606,254	-	10,817,612	(26,289,205)	-
Total revenue		50,270,027	13,599,175	166,211,737	14,414,708	(26,289,205)	218,206,442
Results							
Finance costs		(1,614,933)	-	(7,283,131)	(1,825,440)	3,965,282	(6,758,222)
Finance income		2,142,089	-	217,249	1,936,545	(3,935,282)	360,601
Depreciation of property, plant and equipment		(3,568,523)	-	(1,580,633)	(669,855)	-	(5,819,011)
Depreciation of right-of-use assets		(1,261,374)	-	(192,975)	(98,466)	-	(1,552,815)
Other non-cash income/(expenses)	(b)	2,855,194	-	(11,492,731)	(1,481,292)	-	(10,118,829)
Share of associates' results		-	-	-	9,155,739	-	9,155,739
Tax expense		1,413,189	382,299	(2,476,432)	448,156	-	(232,788)
Segment results	(c)	(1,102,522)	(298,257)	(7,630,842)	(10,854,212)	1,579,623	(18,306,210)
Assets							
Segment assets	(d)	269,470,190	-	265,047,843	424,277,689	(479,576,266)	479,219,456
Included in segment assets are:							
Investment in associates		-	-	49,259,583	13,629,197	-	62,888,780
Additions to non-current assets other than deferred tax assets	(e)	512,295	-	825,749	11,067,267	-	12,405,311
Liabilities							
Segment liabilities	(f)	33,054,259	-	154,755,497	81,560,658	(171,323,002)	98,047,412

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

29. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment revenues are eliminated on consolidation.

(b) Other major non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:-

	Group	
	2022	2021
	RM	RM
Impairment losses on receivables and contract assets	(511,915)	(13,957,675)
Impairment losses on receivables and contract assets no longer required	711,008	866,538
Gain on remeasurement of previously-held equity interest	143,049	-
Gain on bargain purchase of a subsidiary	853,130	-
Net gain on disposal of property, plant and equipment	92,203	89,061
Net unrealised gain on foreign exchange	1,852,090	453,212
Fair value (loss)/gain on other investments	(40,880)	108,630
Gain on strike off of a subsidiary	156,357	-
Gain on partial disposal of an associate	-	2,574,882
Retirement benefits	-	(807,705)
Reversal of inventories written down	2,224,936	758,990
Deposit written off	-	(164,058)
Property, plant and equipment written off	(299)	(40,704)
Right-of-use assets written off	(56,265)	-
	5,423,414	(10,118,829)

(c) The following items are added to/(deducted from) segment loss to arrive at "profit/(loss) after tax" presented in the consolidated statements of profit or loss:-

	Group	
	2022	2021
	RM	RM
Segment profit/(loss)	18,784,775	(18,306,210)
Finance income	5,032,155	360,601
Finance costs	(6,835,340)	(6,758,222)
Share of associates' results	3,459,771	9,155,739
Profit/(Loss) after tax	20,441,361	(15,548,092)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

29. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position:-

	Group	
	2022	2021
	RM	RM
Segment assets	630,002,731	479,219,456
Goodwill on consolidation	13,216,398	13,216,398
Deferred tax assets	10,227,863	11,931,325
Tax recoverable	7,294,958	9,199,185
Total assets	660,741,950	513,566,364

(e) Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	Group	
	2022	2021
	RM	RM
Property, plant and equipment	10,923,872	2,701,301
Right-of-use assets	3,734,633	44,010
Investment in associates	-	9,660,000
Total assets	14,658,505	12,405,311

(f) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	Group	
	2022	2021
	RM	RM
Segment liabilities	185,992,984	98,047,412
Lease liabilities	2,214,953	3,363,962
Borrowings	108,253,725	81,360,303
Tax payable	1,841,562	747,176
Total liabilities	298,303,224	183,518,853

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

29. OPERATING SEGMENT (CONT'D)

Major Customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

Group	RM	%	Operating Segment
2022			
Customer B	180,881,036	41	EPCC
2021			
Customer A	94,469,260	43	EPCC
Customer B	46,208,907	21	EPCC
	140,678,167	64	

Geographical Information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:-

	Group			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
	RM	RM	RM	RM
Malaysia*	353,795,393	74,314,657	164,367,233	64,798,914
Bangladesh	41,390,403	-	42,151,211	-
Cambodia	544,551	-	-	-
Indonesia	3,607,252	2,066,507	-	13,629,197
India	-	-	44,108	-
Brunei	-	-	8,500	-
Vietnam	36,763,524	51,890,920	11,635,390	49,259,583
	436,101,123	128,272,084	218,206,442	127,687,694

The amount of non-current assets consist of property, plant and equipment, right-of-use assets, investment in associates and goodwill on consolidation.

*The Company's home country.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

30. CAPITAL COMMITMENT

	Group	
	2022	2021
	RM	RM
Capital expenditure		
Authorised and contracted for:		
- Property, plant and equipment	3,503,375	439,539

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

(a) Fair value through profit or loss designated upon initial recognition ("FVTPL"); and
(b) Amortised cost ("AC").

	FVTPL	AC
	RM	RM
2022		
Group		
Financial assets		
Trade and other receivables	-	167,672,124
Other investments	185,000	-
Cash and bank balances, deposits and placements	-	57,302,414
	185,000	224,974,538
Financial liabilities		
Trade and other payables	-	136,108,747
Borrowings	-	108,253,725
	-	244,362,472
Company		
Financial assets		
Trade and other receivables	-	60,777,911
Cash and bank balances, deposits and placements	-	219,276
	-	60,997,187
Financial liabilities		
Trade and other payables	-	50,722,583
Borrowings	-	5,000,000
	-	55,722,583

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

(a) Fair value through profit or loss designated upon initial recognition ("FVTPL"); and
(b) Amortised cost ("AC").

	FVTPL RM	AC RM
2021		
Group		
Financial assets		
Trade and other receivables	-	147,502,884
Other investments	2,773,412	-
Cash and bank balances, deposits and placements	-	84,793,896
	2,773,412	232,296,780
Financial liabilities		
Trade and other payables	-	61,705,511
Borrowings	-	81,360,303
	-	143,065,814
Company		
Financial assets		
Trade and other receivables	-	51,176,332
Cash and bank balances, deposits and placements	-	251,389
	-	51,427,721
Financial liabilities		
Trade and other payables	-	39,449,879
Borrowings	-	7,500,000
	-	46,949,879

Financial Risk Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. They have established policies and procedures to ensure effective management of credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk.

The following sections explain key risks faced by the Group, the Company and their management. Financial assets and liabilities of the Group and of the Company are summarised in Note 3.6 to financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.1 Credit Risk

Credit risk refers to the risk that a counter party will default in its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company adopt the policy of dealing with customers of appropriate standing to mitigate credit risk and customers who wish to trade on credit terms are subject to credit evaluation. Receivables are monitored on an ongoing basis to mitigate risk of bad debts. For other financial assets, the Group and the Company adopt the policy of dealing with reputable institutions.

(a) **Trade receivables, other receivables and contract assets**

Exposure to credit risk

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of financial assets recognised at reporting date summarised below:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade and other receivables	167,672,124	147,502,884	60,777,911	51,176,332
Contract assets	154,201,592	21,600,978	-	-
Carrying amount	321,873,716	169,103,862	60,777,911	51,176,332

Credit risk concentration

The Group and the Company are not exposed to any significant credit risk exposure to any single counterparty other than the following:

	Group			
	2022		2021	
	RM	%	RM	%
Trade Receivables				
Malaysia				
Top 1 (2021: 1) customer	28,966,418	18	29,276,179	27
Bangladesh				
Top 1 (2021: 1) customer	72,735,793	45	50,324,058	46
Contract Assets				
Malaysia				
Nil (2021: 1) customer	-	-	5,457,618	17
Bangladesh				
Top 1 (2021: 1) customer	23,616,516	14	13,037,688	41
Indonesia				
Top 1 (2021: Nil) customer	98,837,004	60	-	-

The Group and the Company continuously monitor credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.1 Credit Risk (cont'd)

(a) **Trade receivables, other receivables and contract assets (cont'd)**

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. The Group's debt recovery process are as follows:-

(i) Above 30 days past due after credit term, the Group will start to initiate together with treasury team a structured debt recovery process which is monitored by the sales management team; and
(ii) The Group will commence a legal proceeding against the customers who does not adhere to the restructure of the repayment scheme.

The Group uses provision matrix to measure ECLs for all the past due debts.

The Group assessed the risk of loss based on the following factors:-

(i) overall past trend payments of customers;
(ii) financial performances of each individual customers; and
(iii) base lending rate and gross domestic product rate.

None of the Group's and the Company's financial assets are secured by collateral or other credit enhancements.

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which is grouped together as they are expected to have similar risk nature:

Group	Days past due					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total
	RM	RM	RM	RM	RM	RM
2022						
Trade receivables	102,782,070	8,936,303	11,591,369	2,832,675	35,528,764	161,671,181
Individually impaired	-	-	-	-	(4,723,995)	(4,723,995)
Collectively impaired	-	(35,603)	(27,687)	(15,599)	(694,634)	(773,523)
Net balance	102,782,070	8,900,700	11,563,682	2,817,076	30,110,135	156,173,663
Contract assets	164,543,823	-	-	-	-	164,543,823
Collectively impaired	(10,342,231)	-	-	-	-	(10,342,231)
Net balance	154,201,592	-	-	-	-	154,201,592

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.1 Credit Risk (cont'd)

(a) Trade receivables, other receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which is grouped together as they are expected to have similar risk nature (cont'd):

Group (cont'd)	Days past due					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total
	RM	RM	RM	RM	RM	RM
2021						
Trade receivables	69,294,234	4,834,361	3,020,067	91,020	32,145,303	109,384,985
Individually impaired	-	-	-	-	(5,244,346)	(5,244,346)
Collectively impaired	(35,517)	(5,408)	(20,236)	(378)	(430,765)	(492,304)
Net balance	69,258,717	4,828,953	2,999,831	90,642	26,470,192	103,648,335
Contract assets	32,064,430	-	-	-	-	32,064,430
Collectively impaired	(10,463,452)	-	-	-	-	(10,463,452)
Net balance	21,600,978	-	-	-	-	21,600,978

The Group and the Company use three categories to reflect its credit risk and how the loss allowance is determined for each of those categories for financial assets other than trade receivables. A summary of the assumptions underpinning the Group's and the Company's expected credit loss model is as follows:-

Category	Definition of categories	Basis of recognising expected credit loss
Performing	Receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected credit loss
Underperforming	Receivables for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected credit loss
Non-performing	Receivables which are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.	Lifetime expected credit loss

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.1 Credit Risk (cont'd)

(a) **Trade receivables, other receivables and contract assets (cont'd)**

Recognition and measurement of impairment loss (cont'd)

Based on the above, loss allowance is derived as follows:-

(i) the likelihood that the debtor would not be able to repay during the contractual period;
(ii) the percentage of contractual cash flows that will not be collected if default happens; and
(iii) the outstanding amount that is exposed to default risk.

As at the end of reporting year, there was no indication that other receivables are not recoverable except for those that disclosed in Note 11 to the financial statements. The maximum exposure of other receivables to credit risk is represented by their carrying amounts in the statements of financial position.

(b) **Cash and cash equivalents and deposits with licensed banks**

Deposits with licensed banks and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and have no history of default. Therefore, credit risk is negligence.

(c) **Financial guarantee/Corporate guarantee**

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and customers. The maximum exposure to credit risk is disclosed in Note 31.2 to the financial statements as at the reporting date. The Group and the Company monitor on an ongoing basis the results and repayments made by the subsidiaries and customers. As at the end of the reporting year, there was no indication that the subsidiaries and customers would default on repayment.

31.2 Liquidity Risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its obligations as they fall due. The Group and the Company are exposed to liquidity risk arising from payables, lease liabilities and borrowings and they maintain a level of cash and cash equivalents and bank credit facilities deemed adequate by management to ensure it has sufficient liquidity to meet their obligations when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.2 Liquidity Risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity period

The following is a summary of the financial liabilities of the Group and of the Company according to maturity period:-

Group		Contractual cash flows		
		Current	Non-current	
	Total	Within 1 year	2 to 5 years	More than 5 years
	RM	RM	RM	RM
2022				
Non-derivative financial liabilities				
Borrowings	108,253,739	94,470,549	13,783,190	-
Lease liabilities	2,425,696	1,251,491	1,174,205	-
Trade and other payables	136,108,747	136,108,747	-	-
Total undiscounted financial liabilities	246,788,182	231,830,787	14,957,395	-
Financial guarantee*	113,296,518	113,296,518	-	-
2021				
Non-derivative financial liabilities				
Borrowings	81,368,102	68,434,040	12,934,062	-
Lease liabilities	3,706,647	1,779,257	1,927,390	-
Trade and other payables	61,705,511	61,705,511	-	-
Total undiscounted financial liabilities	146,780,260	131,918,808	14,861,452	-
Financial guarantee*	134,753,432	134,753,432	-	-

Company	Contractual cash flows Current Within 1 year RM
2022	
Non-derivative financial liabilities	
Borrowings	5,000,000
Trade and other payables	50,722,583
Total undiscounted financial liabilities	55,722,583
Financial guarantee*	27,688,937
2021	
Non-derivative financial liabilities	
Borrowings	7,500,000
Trade and other payables	39,449,879
Total undiscounted financial liabilities	46,949,879
Financial guarantee*	38,438,971

*This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting year.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.3 Interest Rate Risk

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flow of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group's and the Company's placement in fixed rate deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's borrowings at variable interest rates are exposed to the risk of change in cash flow due to changes in interest rate. Investment in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

The following tables set out the carrying amounts, the weighted average effective interest rates ["WAEIR"] of the Group's and of the Company's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier:-

Group	WAEIR	Within 1 year	2 - 5 years	More than 5 years	Total
	%	RM	RM	RM	RM
2022					
Financial asset					
Fixed rate:-					
Deposits with financial institutions	1.99	14,182,206	-	-	14,182,206
Financial liabilities					
Fixed rate:-					
Other payables	5.65	18,467,479	-	-	18,467,479
Lease liabilities	4.57	1,150,024	1,064,929	-	2,214,953
Bankers' acceptances	3.74	37,888,985	-	-	37,888,985
Trust receipts	5.92	14,355,584	-	-	14,355,584
Floating rate:-					
Bank overdraft	7.65	700,924	-	-	700,924
Term loans	6.28	23,051,542	13,783,190	-	36,834,732
Revolving credit	5.69	18,473,500	-	-	18,473,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.3 Interest Rate Risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates ["WAEIR"] of the Group's and of the Company's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier (cont'd):-

Group (cont'd)	WAEIR	Within 1 year	2 - 5 years	More than 5 years	Total
	%	RM	RM	RM	RM
2021					
Financial asset					
Fixed rate:-					
Deposits with financial institutions	1.24	7,914,124	-	-	7,914,124
Financial liabilities					
Fixed rate:-					
Lease liabilities	4.28	1,502,319	1,861,643	-	3,363,962
Bankers' acceptances	3.02	16,965,539	-	-	16,965,539
Trust receipts	6.06	17,351,258	-	-	17,351,258
Floating rate:-					
Term loans	5.72	8,165,114	12,931,749	-	21,096,863
Short term loans	4.44	163,043	-	-	163,043
Revolving credit	4.97	25,783,600	-	-	25,783,600

Company	WAEIR	Within 1 year	2 - 5 years	More than 5 years	Total
2022					
Financial asset					
Fixed rate:-					
Other receivables	4.28	3,114,048	50,066,156	-	53,180,204
Financial liability					
Floating rate:-					
Revolving credit	4.20	5,000,000	-	-	5,000,000
2021					
Financial asset					
Fixed rate:-					
Other receivables	4.37	16,172,919	26,332,689	-	42,505,608
Financial liability					
Floating rate:-					
Revolving credit	5.08	7,500,000	-	-	7,500,000

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.3 Interest Rate Risk (cont'd)

Cash flows sensitivity analysis for floating rate instruments

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Floating rate instrument				
Financial liability:-				
Borrowings	56,009,156	47,043,506	5,000,000	7,500,000
Net financial liability	(56,009,156)	(47,043,506)	(5,000,000)	(7,500,000)

The following illustrates the sensitivity of profit/equity to a reasonably possible change in interest rates of +/-25 (2021: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Effect on profit or loss/equity for the year

Increase/(Decrease)

	Group		Company	
	RM	RM	RM	RM
2022 (+/-25bp)	(140,023)	140,023	(12,500)	12,500
2021 (+/-25bp)	(117,609)	117,609	(18,750)	18,750

31.4 Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group's policy is to keep the foreign exchange exposure to an acceptable level.

The Group is exposed to transactional currency risk primarily through sales and costs of sales that are denominated in a currency other than the functional currency to which they related. The currency giving rise to this risk is primarily United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Indian Rupee ("INR"), Euro ("EUR"), Papua New Guinea Kina ("PGK") and Vietnamese Dong ("VND").

The net unhedged financial assets and financial liabilities of the Group that is not denominated in the functional currency other than those disclosed in the notes above, are as follows:-

Financial assets and liabilities held in non-functional currency:-

	Group	
	2022	2021
	RM	RM
Trade and other receivables		
USD	42,887,904	54,959,443
IDR	96,367	1,911,992
EUR	24,035,059	15,588,114
PGK	339,292	312,677
VND	8,646,142	7,837,416

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.4 Foreign Currency Risk (cont'd)

The net unhedged financial assets and financial liabilities of the Group that is not denominated in the functional currency other than those disclosed in the notes above, are as follows (cont'd):-

Financial assets and liabilities held in non-functional currency (cont'd):-

	Group	
	2022	2021
	RM	RM
Cash and bank balances, deposits and placements		
USD	16,549,650	21,073,199
IDR	546,446	71,400
EUR	4,291,088	10,636,057
PGK	46,675	43,291
VND	1,947,292	1,242,693
Trade and other payables		
USD	(24,294,432)	(13,791,548)
IDR	(14,441,302)	(106,011)
INR	(197,638)	(150,609)
EUR	(518,419)	(4,032,146)
PGK	(323,908)	(186,142)
VND	(7,006,649)	(6,686,428)
Borrowings		
USD	(3,973,500)	(7,349,205)
EUR	(6,902,719)	(13,785,653)
Contract liabilities		
USD	(6,189,224)	(4,543,338)
EUR	-	(6,948,186)
VND	(1,665,110)	(1,988,576)
Net exposure		
USD	24,980,398	50,348,551
IDR	(13,798,489)	1,877,381
INR	(197,638)	(150,609)
EUR	20,905,009	1,458,186
PGK	62,059	169,826
VND	1,921,675	405,105

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit or loss and equity with regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate, RM/IDR exchange rate, RM/INR exchange rate, RM/EUR exchange rate, RM/PGK exchange rate and RM/VND exchange rate assuming all other things being equal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.4 Foreign Currency Risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

If the RM had strengthened/weakened against the USD, IDR, INR, EUR, PGK and VND, then the impact would be as follows:-

	Effect on profit or loss /equity for the years Increase/(Decrease)	
	Group	
	2022 RM	2021 RM
RM/USD		
- Strengthened 1% (2021: 1%)	249,804	503,486
- Weakened 1% (2021: 1%)	(249,804)	(503,486)
RM/IDR		
- Strengthened 1% (2021: 1%)	(137,985)	18,774
- Weakened 1% (2021: 1%)	137,985	(18,774)
RM/INR		
- Strengthened 1% (2021: 2%)	(1,976)	(3,012)
- Weakened 1% (2021: 2%)	1,976	3,012
RM/EUR		
- Strengthened 2% (2021: 1%)	418,100	14,582
- Weakened 2% (2021: 1%)	(418,100)	(14,582)
RM/PGK		
- Strengthened 1% (2021: 1%)	621	1,698
- Weakened 1% (2021: 1%)	(621)	(1,698)
RM/VND		
- Strengthened 2% (2021: 1%)	38,434	4,051
- Weakened 2% (2021: 1%)	(38,434)	(4,051)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

31.5 Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price of quoted securities held by the Group.

A 5% (2021: 5%) increase in share price of each counter at the reporting date would have increase the Group's profit or loss and equity for the financial year by RM9,250 (2021: RM138,671). A 5% (2021: 5%) weakening in the share price of each counter would have equal but opposite effect on the Group's profit or loss/equity for the financial year.

31.6 Fair Value on Financial Instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company at reporting date approximate their fair values because they are re-priced to market rates on or near reporting date or they have a short maturity period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 December 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management (cont'd)

31.7 Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset				
Non-derivative financial assets at FVTPL	185,000	-	-	185,000
2021				
Financial asset				
Non-derivative financial assets at FVTPL	2,773,412	-	-	2,773,412

There was no transfer between Level 1, 2 and 3 in 2022 and 2021.

31.8 Net Gain or Losses Arising from Financial Instruments

	Group	
	2022 RM	2021 RM
Net (loss)/gain on:-		
Financial assets at FVTPL		
- recognised in profit or loss	(40,880)	108,630
Financial assets at AC		
- recognised in profit or loss	77,872	(3,044,971)
Contract assets		
- recognised in profit or loss	121,221	(10,046,166)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2022

32. CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group's and the Company's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future business developments. The Group and the Company fund their operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity when required.

In the management of capital risk, management takes into consideration the net debt equity ratio as well as the Group's and the Company's working capital requirement. The net debt equity ratio is calculated as net debt divided by total capital. Net debts are calculated as total liabilities less total income tax payable, deferred tax liabilities, cash and bank balances, deposits and placements. Total capital comprises share capital and reserves attributable to equity holders of the Group and of the Company.

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Net debts	239,159,248	97,977,781	55,503,307	46,698,490
Total capital	328,280,067	311,009,130	305,090,184	304,269,855
Total debts against equity ratio	0.73	0.32	0.18	0.15

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

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

Total number of issued shares : 472,657,651 ordinary shares
Voting rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	Total Shareholdings	% of Shareholdings
less than 100 shares	34	0.89	924	0.00
100 to 1,000 shares	356	9.29	212,574	0.04
1,001 to 10,000 shares	1,772	46.25	9,504,445	2.01
10,001 to 100,000 shares	1,427	37.25	49,545,284	10.48
100,001 to less than 5% of issued shares	237	6.19	149,792,706	31.69
5% and above of issued shares	5	0.13	263,601,718	55.77
Total	3,831	100.00	472,657,651	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name of Shareholders	No. of Shares	Percentage (%)
1	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Nik Anida Binti Nik Manshor	70,000,000	14.81
2	Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account - Ambank (M) Berhad for Nik Awang @ Wan Azmi Bin Wan Hamzah	68,743,531	14.54
3	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Nik Awang @ Wan Azmi Bin Wan Hamzah	55,015,210	11.65
4	Chan Liew Hoon	39,542,968	8.37
5	Sia Bun Chun	30,264,009	6.40
6	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Nik Awang @ Wan Azmi Bin Wan Hamzah (E-KPG/JRL)	16,600,000	3.51
7	Gan Kim Huat	8,695,949	1.84
8	Graceful Assessment Sdn. Bhd.	8,035,000	1.70
9	CIMSEC Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Gelombang Global Sdn Bhd (PB)	6,725,000	1.42
10	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Beneficiary: Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	6,663,700	1.41
11	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Kumpulan Wang Persaraan (Diperbadankan)(ESPG IV SC E)	4,245,200	0.90
12	Zenith Highlight Sdn Bhd	4,136,257	0.88
13	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Rakuten Trade Sdn Bhd for Wong Ah Kum	3,940,000	0.83
14	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Mohammed Rashdan Bin Mohd Yusof	3,518,000	0.74

ANALYSIS OF SHAREHOLDINGS (CONT'D)
As at 31 March 2023

No.	Name of Shareholders	No. of Shares	Percentage (%)
15	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Leong Wai Yuan	3,500,000	0.74
16	CASI Management Sdn Bhd	2,700,000	0.57
17	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Leow Kay Pin (E-SS2)	2,545,600	0.54
18	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Tan Lim Soon (E-KPG)	2,179,400	0.46
19	Zenith Highlight Sdn Bhd	2,166,100	0.46
20	Pacific & Orient Insurance Co Berhad	2,000,000	0.42
21	Chin Fook Lai	1,920,000	0.41
22	AllianceGroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Lai Cheng Kuan	1,625,000	0.34
23	Su Ming Keat	1,625,000	0.34
24	Gan Lu Ter	1,419,800	0.30
25	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Abdul Aziz bin Abu Bakar	1,320,300	0.28
26	Quek Phaik Im	1,301,700	0.28
27	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Exempt An for UBS AG Singapore (Foreign)	1,300,000	0.28
28	Choong Wen Hao	1,174,400	0.25
29	Chia Su Yen	1,155,000	0.24
30	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Kumpulan Wang Persaraan (Diperbadankan) (Nomura)	1,108,200	0.23

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest [1]	
	No. of Shares	%	No. of Shares	%
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah	[2]140,394,741	29.70	[3]70,000,000	14.81
Puan Sri Nik Anida Binti Nik Manshor	[3]70,000,000	14.81	[2]140,394,741	29.70
Chan Liew Hoon	39,542,968	8.37	30,264,009	6.40
Sia Bun Chun	30,264,009	6.40	39,542,968	8.37

Notes:

(1) **Deemed interested by virtue of shares held by his/her spouse.**
(2) **Including shares held under Amsec Nominees (Tempatan) Sdn Bhd, Public Nominees (Tempatan) Sdn Bhd and Kenanga Nominees (Tempatan) Sdn Bhd.**
(3) **Including shares held under Kenanga Nominees (Tempatan) Sdn Bhd.**

ANALYSIS OF SHAREHOLDINGS (CONT'D)
As at 31 March 2023

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Indirect Interest [1]	
	No. of Shares	%	No. of Shares	%
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah	[2]140,394,741	29.70	[3]70,000,000	14.81
Sia Bun Chun	30,264,009	6.40	39,542,968	8.37

Notes:

(1) **Deemed interested by virtue of shares held by his spouse.**
(2) **Including shares held under Amsec Nominees (Tempatan) Sdn Bhd, Public Nominees (Tempatan) Sdn Bhd and Kenanga Nominees (Tempatan) Sdn Bhd.**
(3) **Including shares held under Kenanga Nominees (Tempatan) Sdn Bhd.**

SHAREHOLDINGS HELD BY CHIEF EXECUTIVE WHO IS NOT A DIRECTOR

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Leong Wai Yuan	[1]3,500,000	0.740	-	-

Note:

(1) **Including shares held under Kenanga Nominees (Tempatan) Sdn Bhd.**

LIST OF PROPERTIES

No	Address	Description/ Existing Use	Land/ Built up Area (sq ft)	Date of acquisition /valuation	Tenure/Date of Expiry of Lease	Age of Building	Net Book Value @31/12/22	Revaluation, if any
1	Lot 12-14, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Factory and office	76,055 / 36,194	1989	66 years expiring on 08.04.2059	15 years	6,463,421	-
2	Lot 5D, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Warehouse and store	224,029 / 71,005	2014	66 years expiring on 22.03.2053	32 years	2,785,806	-
3	No 20, Bemban Industrial Estate, Jalan Bemban. 31000 Batu Gajah Perak	Factory	20,234 / N/A	1995	60 years expiring on 28.03.2055	21 years	2,935,064	-
4	Lot 11, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Warehouse and store	335,700 / 36,000	2006	66 years expiring on 08.04.2059	31 years	2,125,052	-
5	Lot 5C, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Vacant land	133,074 / N/A	2014	66 years expiring on 22.03.2053	N/A	1,054,478	-
6	Unit 3A33,3A35,3A37 & 3A39 Block A, Kelana Centre Point, Jalan SS7/19, 47301 Petaling Jaya	Office	6,297	2016	23.01.2094	N/A	2,030,600	-
7	Lot 18, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Factory	219,909 / 38,182	1996	66 years expiring on 16.09.2053	20 years	1,892,328	-
8	Lot 20D, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Factory, warehouse and office	130,680 / 45,200	1992	66 years expiring on 25.01.2060	28 years	1,566,156	-
9	Lot 10, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang	Factory, warehouse and office	217,800 / 48,420	1988	66 years expiring on 22.03.2053	35 years	1,227,030	-
10	Jalan SS 3/60, Petaling Jaya	Workers housing	3,199	2012	Freehold	47 years (reg. April 1977)	1,118,720	-

PROXY FORM

ROHAS TECNIC BERHAD

(Registration No. 199401016997 (302675-A))
(Incorporated in Malaysia)

ROHAS TECNIC

I/We,____________________NRIC No./Passport No./Company No.__________________
Address : ______________________________
Contact Number : ______________________________
being a member/members of **ROHAS TECNIC BERHAD**, hereby appoint

Full Name	NRIC No./Passport No	Proportion of Shareholdings	
		No. of Shares	(%)
Address			
E-mail Address		Contact No.	

*and/*or failing him/her (*delete as appropriate)

Full Name	NRIC No./Passport No	Proportion of Shareholdings	
		No. of Shares	(%)
Address			
E-mail Address		Contact No.	

or failing him/her/them, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Ninth Annual General Meeting of the Company to be held virtually through live streaming and online remote voting at the broadcast venue at Board Room, 15th Floor, East Wing, Rohas Tecnic, 9, Jalan P. Ramlee, 50250 Kuala Lumpur ("Broadcast Venue") on Thursday, 15 June 2023 at 10:00 a.m. or any adjournment thereof and *my/our proxy is to vote as indicated below: -

		RESOLUTION	**FOR	**AGAINST
AGENDA :-				
	Ordinary Resolutions			
1.	Re-election of Tan Sri Wan Azmi Wan Hamzah as Director	1		
2.	Re-election of Mr Sia Bun Chun as Director	2		
3.	Approval of Directors' fees and benefits payable to the Non-Executive Directors up to RM845,600.00 from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company	3		
4.	Re-appointment of Grant Thornton Malaysia PLT as Auditors and authorise the Directors to fix their remuneration.	4		
5.	Authority for Directors to issue shares	5		

**(Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion).

Dated on this____________ day of ____________2023

CDS Account No.	
No. of shares held	

____
Signature(s) / Common Seal of Shareholder(s)
* Strike out whichever is inapplicable

Notes:-

(1) The 29th AGM will be conducted virtually by way of live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

(2) The Broadcast Venue, which is the main venue of the 29th AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 83 of the Company's Constitution, which require the Chairman to be present at the main venue of the 29th AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 29th AGM.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 29th AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 29th AGM via real time submission of typed texts through a text box within the Securities Services e-Portal platform during the live streaming of the 29th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 29th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

(3) In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 June 2023 shall be eligible to attend (virtually) and vote at this Annual General Meeting ("AGM" or "Meeting"), or appoint a proxy to attend (virtually) and vote on his behalf. A proxy may but need not be a member of the Company.

(4) A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend (virtually) and vote at the same meeting. For a member who 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 the member holds.

(5) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of the member's shareholding to be represented by each proxy.

(6) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.

(7) **Appointment of proxy and registration for remote participation and voting**
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 SS E Solutions Sdn Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at https://sshsb.net.my/. All resolutions set out in this notice of meeting are to be voted by poll.
Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at https://.sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.
The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at rohastecnic.com.

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PROXY FORM

Rohas Tecnic Berhad

199401016997 (302675-A)

STAMP

The Poll Administrator

ROHAS TECNIC BERHAD
199401016997 (302675-A)

c/o SS E Solutions Sdn Bhd

Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur
Malaysia