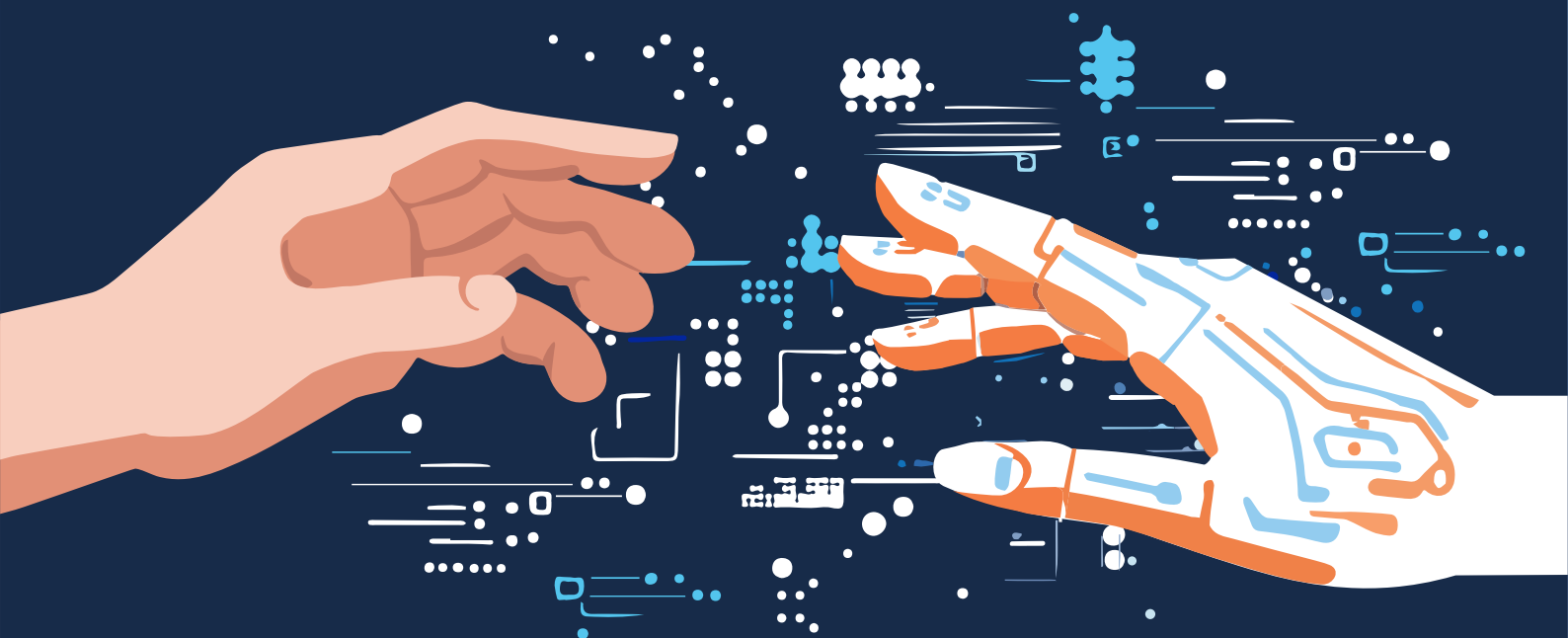


CITRA
NUSA

CITRA NUSA HOLDINGS BERHAD
198901004452 (181758-A)



TOGETHER **WE** RISE

ANNUAL REPORT 2023

TOGETHER WE RISE

"Together We Rise" embodies the idea of collective collaboration and synergy towards our common goal. By adopting this theme, we encourage the collaborative and collective effort needed to harness the full potential of people for the benefit of our stakeholders.

Navigating the AI frontier, "Together We Rise" also incorporates the idea on how AI can provide the impetus to enhance our human capabilities, rather than replace them, in order to achieve better outcomes especially in our operations, marketing and sales activities. This highlights the importance of collaboration between humans and AI systems to improve what we do: to make our work more efficient or assist us during challenging times. This is, in many ways, incredibly exciting for CNI.

It means a collaboration that includes fostering interdisciplinary partnerships and creating platforms for knowledge exchange and collaboration across our human resources, vertically and horizontally. "Together We Rise" emphasizes the importance of diversity and inclusivity as we move forward. By bringing together people from different backgrounds, perspectives, and experiences, we hope to nurture our people as creative social beings in a productive enterprise. We believe the theme truly defines the significance of collective responsibility in ensuring that our mission and vision are deployed in a way that foster positive impacts on our stakeholders and the society as a whole.



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VISION

We are a **dynamic organization** continuously striving to enrich the lives of our stakeholders through mutual experience and support.

We believe in **achieving our vision** by upholding these values - Teamwork & Partnership, Entrepreneurial Spirit, Recognition, Innovative Opportunities and Brands.

MISSION

We are more than just a business, firmly rooted in Asian values, we blend the best of East and West to deliver the highest value to help **enrich the lives** of our stakeholders.

CORPORATE PROFILE

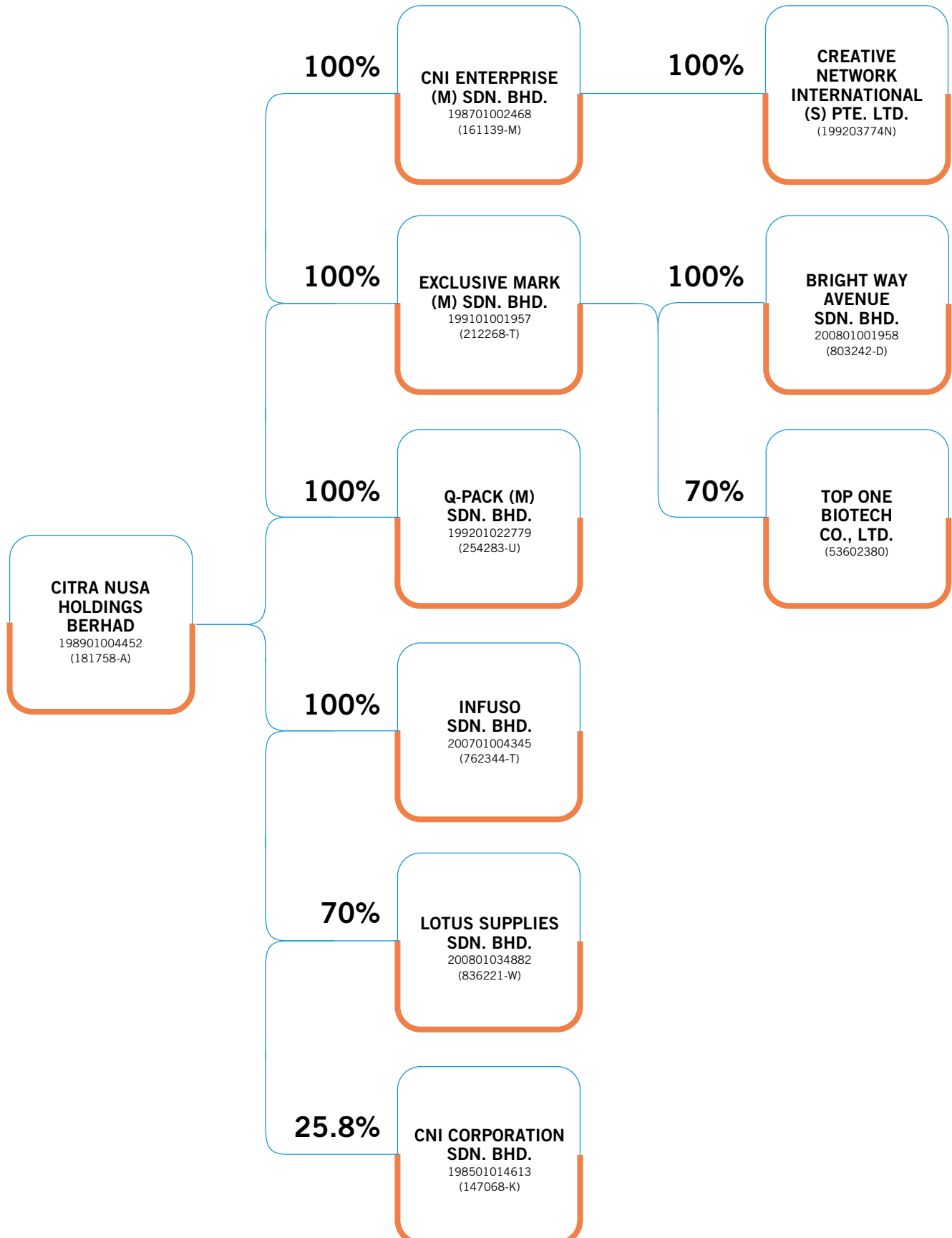
CNI Holdings Berhad was established in 1989 and listed on the Main Market of Bursa Malaysia Securities Berhad on 4 August 2005. The company has officially changed its name to Citra Nusa Holdings Berhad (“CNH”) on 25 May 2021.

CNH’s principal business involves marketing and trading, manufacturing and others. The marketing and trading segment, known as CNI, was initiated in 1987 and has since established itself into a household name offering a wide range of wellness, food & beverage, beauty, personal care and household products.

Over a period of three decades, CNI has honed its expertise in building an extensive and efficient distribution network and thereby has gained market penetration in Malaysia, Brunei and Singapore. To date, our business presence is marked by 84 branches, distribution centres and sales points nationwide.

As for the manufacturing segment, our factories take pride in being accredited with Good Manufacturing Practice (GMP) standards, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Food Safety Management System (FSSC 22000) and MS1480:2019 certifications, while research and development (R&D) activities have been carried out in collaboration with various laboratories and research institutions to further improve our products.

GROUP CORPORATE STRUCTURE



BOARD OF DIRECTORS

DATO' KOH PENG CHOR
Non-Independent Non-Executive Chairman

KOH HOW LOON
Group Chief Executive Officer

CHEW BOON SWEE
Executive Director

CAROLYN ANNE KAM FOONG KHENG
Independent Non-Executive Director

AN LI FONG
Independent Non-Executive Director

COMPANY SECRETARY

CHIN YOKE KWAI (MAICSA 7032000)
SSM Practicing Cert. No. 201908002010

AUDIT COMMITTEE

AN LI FONG
Chairman

CAROLYN ANNE KAM FOONG KHENG

DATO' KOH PENG CHOR

NOMINATION AND REMUNERATION COMMITTEE

AN LI FONG
Chairman

CAROLYN ANNE KAM FOONG KHENG

DATO' KOH PENG CHOR

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

CAROLYN ANNE KAM FOONG KHENG
Chairman

KOH HOW LOON

AN LI FONG

AUDITORS

GRANT THORNTON MALAYSIA PLT
Chartered Accountants
Level 11, Sheraton Imperial Court,
Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2692 4022
Fax: 03-2732 1010

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Wisma CNI, No.2 Jalan Perunding U1/17
Hicom-Glenmarie Industrial Park
Seksyen U1, 40150 Shah Alam, Selangor.
Tel : 03-5569 4000
Fax : 03-5569 3308
Email: info@citranusaholdings.com
Website: www.citranusaholdings.com

SHARE REGISTRAR

BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor.
Tel: 03-7890 4700 Fax: 03-7890 4670
Website: www.boardroomlimited.com
Email: bsrhelpdesk@boardroomlimited.com

PRINCIPAL BANKER

CITIBANK BERHAD

SOLICITORS

MESSRS ONG & KOK

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia
Securities Berhad on 4 August 2005
Stock Code: 5104
Stock Name: CNH

FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER	2023	2022	2021	2020 Restated	2019
Performance (RM'000)					
Revenue	61,997	77,148	74,132	67,690	66,738
(Loss) / Profit Before Taxation	(1,294)	(492)	2,062	757	(4,502)
Attributable (Loss) / Profit	(1,462)	(1,781)	657	584	(5,132)
Key Balance Sheet Data (RM'000)					
Share Capital ("Units")	720,000	720,000	720,000	720,000	720,000
Shareholders' Equity	67,582	69,296	71,382	69,158	68,415
Total Equity	68,201	70,071	72,633	70,591	69,961
Total Assets	83,514	86,679	90,043	86,420	87,492
Borrowings	2,734	2,107	2,284	2,330	2,499
Financial Ratios					
Net Earnings Per Share ("EPS") (sen)	(0.20)	(0.25)	0.09	0.08	(0.72)
Net Dividend Per Share (sen)	-	-	-	-	0.30
Net Assets Per Share ("APS") (sen)	9.39	9.62	9.91	9.61	9.59
Gearing Ratio (%)	0.40	0.30	0.31	0.33	0.36

AWARDS & RECOGNITION



CNI WINS 3RD PETAL FROM BEIM

CNH was awarded the THREE PETAL BEIM GOLD ETHICS AWARD by the Business Ethics Institute of Malaysia (BEIM) on 27 December 2023 in recognition of the appointment of a dedicated CNH Ethics Officer following its membership into BEIM and proven success in implementing a comprehensive code of ethics in its business.



CNI RECEIVES DSAM'S 30 YEARS LOYALTY AWARD

CNI was conferred the 30 Years Loyalty Award by the Direct Selling Association of Malaysia (DSAM) in conjunction with DSAM's 45th Annual Convention on 12 October 2023 in Kuala Lumpur.

CORPORATE EVENTS

UPLIFTING SAFARI

An annual outreach programme by the Board of Directors and Top Management to promote CBO engagement across Malaysia and in Brunei throughout January. The programme includes sharing on the Company's incentive plan, latest campaign, new product promotion, and CBO recognition.



CNI RECEIVES SPECIAL RECOGNITION

CNI was conferred a special recognition by the Ministry of Domestic Trade and Cost of Living for its dedicated commitment to actively promote local herbs like Tongkat Ali, Kacip Fatimah, Gamat, and Tiger Milk Mushroom Cendawan Susu Harimau and successfully penetrating the international market.



SYOKNYA RAYA 2023

A CBO engagement programme in light of Aidilfitri organised by the Company throughout May at nine selected cities in West Malaysia, Sabah, Sarawak, and Borneo. Apart from being a platform to solidify camaraderie, the event also served as a communication channel for the Company's latest updates, including the launch of three new products, namely Tap Zero, IRES Lipmatte and IRES Cleansing Balm.



JOM TAIWAN!!

After more than 3 years of restricted international travel due to the COVID pandemic, 95 pax of CBOs went on a customised 4 days trip to Taiwan for an exhilarating experience with CNI after winning the Winners' Trip 2022 travel campaign.



NEW CBO ENGAGEMENT CHANNELS

Two new engagement channels have been introduced. Wellness Nutritionist Help Desk is a dedicated WhatsApp number for CBOs and consumers to inquire about CNI's nutritional products and get a reply from our designated nutritionists within one hour during CNI business hours. CNI To You is another channel dedicated to new recruits following their successful application which consists of membership details and gift vouchers among others.



WISMA CNI HOLDS RECEPTION FOR 300 CBOS FROM CHINA

300 entrepreneurs from CNI China visited Wisma CNI on 13 September as part of their travel incentive to Malaysia. A warm reception comprising of lion dance, special dining experience, durian fest, and GMP factory visit was organised as a token of appreciation from CNI Malaysia.



CNI CBOS RECEIVE DSAM OUTSTANDING ENTREPRENEUR AWARD 2023

Three of CNI's top CBOs had been selected to receive the prestigious DSAM Outstanding Entrepreneur Award 2023 for their contribution to the nation's economic development, their entrepreneurial spirit, and for being the role model of DSAM's code of ethics. The award was conferred in conjunction with DSAM's 45th Anniversary Convention on 12 October.



ROYAL JELLY VITA C SPONSORING PROGRAMME

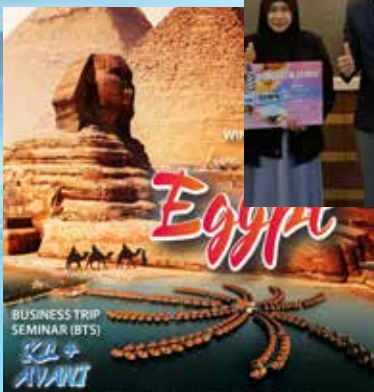
Yayasan CNI donated more than 10,000 bottles of Well3 Royal Jelly Vita C worth about RM400,000 through this one year programme. The donation went to various nonprofit institutions consisting of schools, homes, charitable events, and selected B40 groups in West Malaysia, Sabah, and Sarawak in a massive CSR drive and to create brand awareness.



FHA-FOOD & BEVERAGE 2023 EXPO

Exclusive Mark and Q-Pack, our manufacturing arm, took part in the Food and Hotel Asia (FHA)-Food and Beverage expo in Singapore on 25 - 28 April. This is part of Exclusive Mark and Q-Pack's initiative to promote its OEM facilities that is accredited with GMP standard displaying the most popular and trending products and innovations around the world.

MANAGEMENT DISCUSSION & ANALYSIS



MANAGEMENT DISCUSSION & ANALYSIS

The Board of Directors of the Company ("Board") and Management is pleased to present the Management Discussion and Analysis ("MD&A") which contains commentaries from the Management to give shareholders a better understanding of the Group's business, operations and financial position for the financial year ended 31 December 2023 ("FY2023").

The MD&A should be read in conjunction with the Audited Financial Statements of the Group and the Company for the FY2023.

OVERVIEW OF BUSINESS AND OPERATIONS

During FY2023, there were no major changes to the Group's fundamental business and focus. The growth of the Group continued to be driven by its existing businesses that can be segregated into 2 major reportable segments, comprising Marketing & Trading and Manufacturing.

Our headquarters is located at Shah Alam, Selangor which is our corporate office. The Group has a nationwide presence with branches and distribution channels across Malaysia, Singapore and Brunei. The Marketing & Trading segment's business is conducted primarily via direct selling business model. Products are sold to consumers principally through CNI Business Owners ("CBOs") who earn incentives laid down in our stipulated marketing plan. Starting its business in 1987, CNI offers an opportunity to everyone to build their business with quality products under the CNI brand. We also provide training programmes with other facilities and supporting tools for our CBOs to grow their business with us.

The Group owns 3 internationally accredited manufacturing facilities with ISO, HACCP and GMP certifications and Halal certifications from JAKIM. The manufacturing plants are located at Selangor, Malaysia and Tainan, Taiwan which primarily supply to our Marketing & Trading segment and carry out Original Equipment Manufacturer (OEM) contract manufacturing. We focus on manufacturing health food and functional beverages, household and personal care products. The Manufacturing segment exports to overseas such as China, Indonesia, Hong Kong, Thailand, Taiwan, USA, Vietnam, Philippines, Ghana, Canada, Pakistan, India and Brunei.

OVERVIEW OF MARKET PERFORMANCE

The global economy in 2023 was marked by a slow recovery, hampered by various challenges including weaker global demand and tightening fiscal policies across regional economies. Inflation remained a concern, compounded by rising commodity prices and volatile foreign exchange markets. Nevertheless, while food commodity prices were higher in the first half of the year, the situation saw a temporary improvement in the later part of 2023, with 2024 showing signs of renewed tension in key commodities such as coffee and sugar.

Malaysia showcased its resilience during the year as the nation's economic recovery continued and consumer spending was stable, supported by improving labour market conditions. This stability supported the growth of the F&B industry, although cost pressures persisted. Amid this environment, the Group forged ahead by continuing to provide relevant and accessible options for our CBOs and customers through our portfolio of extensive products and well-established brand investments.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

FY2023 proved to be another year of great uncertainty for the Group, primarily due to external factors such as uncertainties in the global political and economic environment. Generally, the Group's financial performance was disrupted by low consumer confidence in the face of high interest rates which affected the ability and willingness to spend, supply chain bottlenecks and the weakening of Ringgit Malaysia. In FY2023, the Group recorded revenue of RM62.0 million (FY2022: RM77.2 million), representing a decrease of 20% compared to the financial year ended 31 December 2022 ("FY2022"). The Marketing & Trading segment performed below par for FY2023, as the high cost of living led to a decline in discretionary spending by the CBOs. The revenue of the Manufacturing segment also declined in FY2023 by 13% compared to FY2022.

Consequently, the Group's loss before tax ("LBT") increased to RM1.3 million in FY2023 (FY2022: RM492,000). Despite implementing various cost control measures, operating leverage inevitably reversed with falling revenue. In addition, we were unable to fully pass on cost increases as we are committed to bringing real value for our CBOs and customers especially during prevailing difficult times, opting to partly absorb the impact of short-term plans for long-term business sustainability.

Maintaining a long-term focus and remaining prudent can be particularly challenging for the Board of Directors and management in the face of demand for short-term results. This is where it is important that management is supported by a strong Board of Directors that appreciates the importance of a long-term focus.

At the close of FY2023, the Group was in a net cash position of RM13.6 million (FY2022: RM13 million), backed by total assets of RM83.5 million against total liabilities of RM15.3 million. Approximately 34% of the Group's total assets comprised highly liquid financial assets, cash and cash equivalents. Total equity attributable to owners of the Company as at the end of FY2023 amounted to RM67.6 million (FY2022: RM69.3 million), representing a decrease of RM1.7 million, while net assets per share attributable to ordinary equity holders of the parent ("NA") stood at RM0.10 as at the end of FY2023.

Overall, the Group's funding arrangements are designed to keep an appropriate balance for the Group's businesses which are substantially transacted in cash and to provide flexibility to develop new businesses as and when the

opportunities arise. As the Group is in a net cash position, the Group would have sufficient financing capabilities to tap on new investment opportunities, if any.

RETURN TO SHAREHOLDERS

The Board has taken into consideration the Group and the Company's financial position, operational working capital requirements and the need to conserve cash in the current uncertain economic climate. Arising therefrom, the Board does not recommend declaring any dividend in respect of FY2023.

REVIEW OF SEGMENTAL RESULTS AND OPERATING ACTIVITIES

Marketing & Trading Segment

For FY2023, the Marketing & Trading segment delivered revenue of RM44.8 million (FY2022: RM61.5 million) and profit before tax ("PBT") of RM121,000 (FY2022: RM2.3 million). The business environment for the Marketing & Trading segment continued to be challenged by intense competition, low consumer purchasing power and the weakening of our local currency. While the financial performance of the Marketing & Trading segment for FY2023 was below our expectations, the segment remained the major contributor in terms of revenue and profit.

Multifaceted challenges and unpredictable external factors have contributed to weak CBOs and consumers' sentiment and led to reduced participation of CBOs in MLM promotional activities. The weakening purchasing power and the availability of other casual employment options such as food delivery and online businesses are additional factors hampering the recruitment and retention of CBOs. Our CBOs base has contracted considerably and the response to incentive trip campaigns and other promotional activities has been lukewarm. With social network connections increasingly playing a significant role in sales and brand loyalty, the Marketing & Trading segment has directed various initiatives towards social media to capitalize on strengthening our CBOs.

During FY2023, the Marketing & Trading segment rolled out several activities to motivate, attract, and retain CBOs.

Quality engagement remained as top priority in the Marketing & Trading segment to promote sales and revenue. We organised several online and offline hybrid activities. This initiatives allowed CBOs across Malaysia, Sabah and Sarawak to seamlessly participate all at once, thus promoting inclusivity and high engagement. We held special recognition for high achievers and rolled out several initiatives including New CBO Program, 2023 Annual Incentive Campaign, 14% Performance Bonus Achiever Double Up campaign, Network Builder Reward Campaign, Leadership Bonus Achiever know-how module, 2 Tiers Trip campaign, Young Entrepreneur Project with Institute Pengajian Tinggi, Wellness Projek Komuniti Penyayang program and IRES Beauty Business campaign. Consequently, we managed to secure sales of nearly RM12.5 million from the above initiatives.

Building upon motivational initiatives, we actively develop opportunities and create environments to facilitate entrepreneurial mindsets and groom reward-oriented entrepreneurs. The market in East Malaysia is still largely untapped with low penetration rate. Accordingly, a number of events were organized in FY2023 to strengthen our foothold in East Malaysia. During these events, we also seized the opportunity to bundle new recruitment campaigns with exclusive premiums and gifts to attract new CBOs. Our young entrepreneurship program was designed to promote the uniqueness of MLM as a business that is easy to start and grow. We introduced a recruitment package with instant rewards and a special rewards path for new members who could achieve a certain rank within a specific period. To make this program attractive to new recruits, we also offered welcome and starter kits upon them joining.

To manage the attrition rate of CBOs, we constantly review our processes and business platforms to ensure they are effective for our CBOs' success. We have enhanced marketing tools and content management, which includes increasing the number of short videos on YouTube and TikTok. Our digital platforms are upgraded and refreshed frequently with new features and contents to increase the digital adoption rate among CBOs. We focus on providing accessible product information and attractive, easy to navigate contents for an enhanced shopping experience.

Apart from the digital platform, we also strive to ensure that our physical branches and retail centres remain appealing to CBOs. We completed touch up for our centres in 2023 to enhance its appearance and product showcase area. To encourage participation in the activities held in physical branches and retail centres, we also provided free gifts for CBOs who joined such activities. This has promoted fun learning and product knowledge sharing while allowing us to gather product feedback from CBOs effectively.

Consequently, two new engagement channels have been introduced –

1. Wellness Nutritionist Help Desk, a dedicated WhatsApp number for CBOs and consumers to inquire about CNI's nutritional products and get a reply from our designated nutritionists within 1 hour during CNI's business hours; and
2. CNI to You, dedicated to new recruits following their successful application which consists of membership details and gift vouchers among others.

Product distribution in the Marketing & Trading segment throughout FY2023 primarily focused on Wellness (46%), Personal Care (25%), Food & Beverage ("F&B") (17%), Auto Care (4%), Home Care (4%), Skin Care & Cosmetic (2%) and Others (2%). This segment will continue to fine tune the right calibration between suitability, quality and affordability in our product development initiatives, taking into account the current high inflation and cost of living.

The Marketing & Trading segment's product development focus in FY2023 is on price, demand, functionality and lifestyle. However, due to the prevailing high cost of living, finding the right balance between quality products and

cost-effectiveness has proven to be more challenging than ever. Nonetheless, the Marketing & Trading segment has successfully developed and launched a total of 8 new stock keeping units ("SKUs") in FY2023.

New products launched in FY2023 included Tap Zero - an alternative sweetener and sugar replacement made from sugar cane extract and is 600 times sweeter than sugar ideal for diabetics, weight watchers, and healthier life; IRES Lipmatte - available in 6 popular addictive shades specially designed for Asian skin with squalane, vitamin C, and shea butter for beautiful, healthy lips; IRES Wash Away Cleansing Balm - skin cleanser to remove oil-based impurities and waterproof makeup with argan oil, rice bran, vitamin C, and Canadian willowherb extract for gentle, softening benefits to skin; and VIGOR+ - a Choco Chewable Tablet mixed with Black Ginger, Reishi Mushroom, Tongkat Ali, Horny Goat Weed, Goji and Maca Extract for men's health in addition to improving brain function, digestion and providing energy as a whole.

Apart from introducing new products, the Marketing & Trading segment has also taken the initiative to enhance, upgrade and rebrand our existing range of products such as Motobest Engine Oil 15W-50 1 litre bottle that was given a new and fresh look to garner new market interest.

While the recent past has been audacious for the Marketing & Trading segment, the future appears promising as consumers adjust to the new norm of heightened inflation and normalized interest rates. Nonetheless, we will remain vigilant in managing the business to ensure business sustainability.

Manufacturing Segment

The Manufacturing segment closed FY2023 with lower revenue of RM27.4 million (FY2022: RM31.5 million), mainly driven by the declined sales of house brands. Consequently, higher operating costs led to an increase in LBT to RM3.5 million (FY2022: RM3.3 million). Higher operating costs mostly arising from higher raw material costs and labour costs.

The Manufacturing segment participated in the Food Expo in Singapore to seek new OEM customers and penetrate new markets to cushion the impact of inflationary pressure in FY2023.

The Manufacturing segment is focused on new product development and formulation enhancement with support from our research laboratory and GMP plant facility to promote new scientifically proven and innovative product development.

FORWARD-LOOKING STATEMENT

Elevated inflation, higher interest rates and the weakening of Ringgit Malaysia are expected to impact consumer spending and cause households to become even more value conscious. The effects of these changes are still filtering through the economy and have contributed to a more uncertain outlook for 2024.

The strong value credentials and low-cost operating models across the Group's businesses will be vital to meet the challenges of this new environment of heightened inflation, reduced spending power and greater emphasis on value as householders stretch their shrinking disposable income amidst the rising cost of living. Whether interest rates will be raised further remains to be seen, but consumer demand is set to moderate with households struggling to deal with the various challenges.

In response to the prevailing economic uncertainties, we will continue to focus on the Group's existing businesses with the strategies:

1. Streamlining operations efficiency and strengthening existing businesses through operating excellence for cost management
2. Securing growth opportunities through fine-tuning sales incentive schemes
3. Enhancing physical outlets and digital platforms to refresh brand portfolio for a better customer experience
4. Maintaining a sustainable CBOs' base with focused group marketing activities and growth opportunities

Beyond the concrete financial position of the Group, the teamwork, agility and resilience that we have nurtured anchors our confidence in the future. The Group's strong balance sheet and cash-generative businesses give us the flexibility to respond to potential risks and capitalize on opportunities across various economic scenarios. We are confident that the Group's core strength will continue to serve us effectively in the current financial year and beyond.



BOARD OF DIRECTORS' PROFILE

DATO' KOH PENG CHOR

Non-Independent Non-Executive Chairman
Malaysian, Male,
72 years old

**Date of Appointment:**

- 11 December 1990

Qualification:

- Honorary Doctor of Philosophy in Multilevel Marketing Management by Summit University, USA
- Fellow Member of the Institute of Marketing, Malaysia

Working Experience:

- As the main founder, he has been instrumental in the development and growth of CNH

Board Committee:

- Member of the Audit Committee, Nomination Committee and Remuneration, and Investment Committee

Other Directorship:

- Nil

Family Relationship:

- He is a major shareholder of CNH. He is the father of Mr. Koh How Loon, Group CEO of CNH. He is the spouse of Datin Chuah Tek Lan, a major shareholder of CNH.

KOH HOW LOON

Group Chief Executive Officer
Malaysian, Male,
46 years old

**Date of Appointment:**

- 1 February 2012

Qualification:

- Bachelor of Administration in Supply Chain Management, University of Michigan State, USA
- Master in Business Administration, University of Victoria, Australia

Working Experience:

- He started his career with CNIE as Management Trainee in 2001. He was the Personal Assistant to the Group Chairman & CEO of CNH. He was appointed as Executive Director of CNIE in 2007 and the CEO of CNIE in 2011. He assumed his current position as the Group CEO of CNH on 1 March 2018.

Board Committee:

- Chairman of the Executive Management Committee and Investment Committee
- Member of the Risk Management and Sustainability Committee, Investor Relations & Corporate Disclosure Committee

Other Directorship:

- Nil

Family Relationship:

- He is the son of Dato' Koh Peng Chor, the Chairman and a major shareholder of CNH and Datin Chuah Tek Lan, a major shareholder of CNH.

CHEW BOON SWEE

Executive Director
Malaysian, Male,
64 years old



Date of Appointment:

- 18 September 2003

Qualification:

- Bachelor of Science, National Taiwan Chung Hsing University
- Professional member of the Malaysian Institute of Food Technologist
- International member of the Institute of Food Technologist

Working Experience:

- He started his career with Empire Food Industries Sdn Bhd and subsequently joined Fortune Lab (M) Sdn Bhd. He was appointed as the CEO of Exclusive Mark (M) Sdn Bhd ("EM") and Q-Pack (M) Sdn Bhd ("QP") in 2003. He is credited for setting up the GMP, ISO and HACCP accreditations for the manufacturing operations of EM and QP.

Board Committee:

- Member of Executive Management Committee, Investor Relations & Corporate Disclosure Committee and Investment Committee

Other Directorship:

- Nil

Family Relationship:

- Nil

CAROLYN ANNE KAM FOONG KHENG

Independent Non-Executive Director
Malaysian, Female,
60 years old



Date of Appointment:

- 25 May 2022

Qualification:

- Fellow Member of the Association of Chartered Certified Accountants, UK

Working Experience:

- She started her career in 1988 as an Audit Senior in the UK. Upon her return to Malaysia in 1992, she started as Finance & Administration Manager and progressed to Group Financial Controller in 1996. She joined Amway (Malaysia) Holdings Berhad as Financial Controller in 2001. In 2014, she assumed the position of Senior Vice President, Operations in Hong Kong. She retired in 2019 and currently involved in social communities endeavours.

Board Committee:

- Chairman of Risk Management and Sustainability Committee and Anti-Bribery Committee
- Member of the Audit Committee, and Nomination and Remuneration Committee

Other Directorship:

- Nil

Family Relationship:

- Nil

AN LI FONG

Independent Non-Executive Director
Malaysian, Male,
36 years old



Date of Appointment:

- 25 May 2023

Qualification:

- Bachelor of Commerce (Hons) Accounting and Finance, University of West of England, Bristol
- Member of the Malaysian Institute of Accountants
- Member of the Institute of Chartered Accountants England and Wales

Working Experience:

- He began his career with a big four international firm in Malaysia in 2009 in the Audit & Assurance Division. In 2015, he left and joined a big four firm in London, specializing in real estate assurance services, before returning to Malaysia and joined Foo, Lee, An & Associates where he obtained his practicing certificate in 2015 and subsequently obtained his audit license in 2016 and made partner of the firm.
- In addition to overseeing his SME accounting practice, he subsequently joined as a director in the corporate advisory division of a big five accounting firm, specialising in transaction support covering financial due diligence, valuation and mergers and acquisitions (M&A). Subsequently, he joined an international boutique M&A corporate finance firm as a principal consultant, specialising in cross border M&A, fundraising and IPO.

Board Committee:

- Chairman of Audit Committee, Nomination and Remuneration Committee
- Member of Risk Management and Sustainability Committee

Other Directorship:

- UMS Holdings Berhad

Family Relationship:

- Nil

Notes:

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of CNH, have no conflict of interest with the Company, have not been convicted of any offence within the past 5 years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023.

Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 40.

KEY SENIOR MANAGEMENT'S PROFILE

KOH HOW LOON

Group Chief Executive Officer
Malaysian, Male,
46 years old

Date of Appointment to the current position:

- 1 March 2018

Qualification:

- Bachelor of Administration in Supply Chain Management, University of Michigan State, USA
- Master in Business Administration, University of Victoria, Australia

Working experience:

- He started his career with CNIE as Management Trainee in 2001. He was the Personal Assistant to the Group Chairman & CEO of CNH. He was appointed as Executive Director of CNIE in 2007 and the CEO of CNIE in 2011. He assumed his current position as the Group CEO of CNH on 1 March 2018

Other Information:

- He is the Chairman of the Executive Management and Investment Committee
- He is a member of the Risk Management and Sustainability Committee and Investor Relations & Corporate Disclosure Committee
- He is the son of Dato' Koh Peng Chor, the Chairman of CNH and a major shareholder of CNH and Datin Chuah Tek Lan, a major shareholder of CNH

CHEW BOON SWEE

Chief Executive Officer of Manufacturing Segment
Malaysian, Male,
64 years old

Date of Appointment to the current position:

- 18 September 2003

Qualification:

- Bachelor of Science, National Taiwan Chung Hsing University
- Professional member of the Malaysian Institute of Food Technologist
- International member of the Institute of Food Technologist

Working experience:

- He started his career with Empire Food Industries Sdn Bhd and subsequently joined Fortune Lab (M) Sdn Bhd. He was appointed as the CEO of Exclusive Mark (M) Sdn Bhd ("EM") and Q-Pack (M) Sdn Bhd ("QP") in 2003. He is credited for setting up the GMP, ISO and HACCP accreditations for the manufacturing operations of EM and QP

Other Information:

- He is a member of the Executive Management Committee, Investment Committee and Investor Relations & Corporate Disclosure Committee

Notes:

Save as disclosed, the above Key Senior Management have no family relationship with any Director and/or major shareholder of CNH, have no conflict of interest with the Company, have not been convicted of any offence within the past 5 years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023.

SUSTAINABILITY STATEMENT

Citra Nusa Holdings Berhad (“CNH”) or the Group is pleased to present its Annual Sustainability Statement (“the Statement”) for 2023. This Statement provides an overview of the Group’s sustainability performance during the period 1 January 2023 to 31 December 2023 (“2023”), unless stated otherwise.

Scope and Basis of Scope

This Statement covers the Group’s sustainability performances and progress of our business operations in Malaysia and Brunei. We excluded the operations in Singapore and Taiwan from our reporting scope as they have minimal impact on the Group’s overall sustainability performance and progress.

We will strive to include all significant geographical areas in which we operate, in our future reports.

Reporting Framework and Standards

This Statement has been developed according to Bursa Malaysia’s Listing Requirements, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). Our approach encompasses the incorporation of various frameworks and standards, either fully or partially, including Global Reporting Initiative (“GRI”) Standards, Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations, Sustainability Accounting Standards Board (“SASB”) Standards and the International Sustainability Standards Board (“ISSB”) Standards.

Sustainability Governance

The Group’s sustainability governance structure is integrated into our corporate governance framework. As the Group looks to ensure sustainability is embedded across all aspects of our organization, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors is ultimately responsible for the Group’s strategic direction on sustainability while being supported by the respective Board Committees by virtue of delegation.

Our Corporate Management assists the Board Committees with strategic management of the organisation material sustainability matters. The Corporate Management is represented by the Group CEO and senior management from our diversified subsidiaries.

Under the purview of the Corporate Management is the working group, represented by the members from management across our operating units. The working group is responsible for the day-to-day implementation of the organisation’s strategies and plans. They coordinate the Group’s efforts and performance (including undertaking the materiality assessment process).

The Board of Directors strive to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic capacity-building programmes. The Board is also cognizant of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen board leadership and oversight of sustainability matters.

Stakeholder Engagement

CNH has a broad range of stakeholder groups that have an effect on or are affected by the Group and our activities. Our key stakeholder groups include CBO, employees, vendors & suppliers, certification & regulatory bodies, shareholders & investors and local communities. They were identified based on their different levels of influence over and dependence on our business.

As a Group, we aim to maintain constructive channels of communication with all our key stakeholder groups. Thus, regular engagements are held through both formal and informal channels. These interactions help us to identify relevant material issues and provide insights into emerging opportunities and risks whilst responding to their needs more effectively.

Stakeholder Group	Engagement Approach	Focus Area
CNI Business Owners (“CBOs”)	<ul style="list-style-type: none"> Marketing and promotions Incentive trip campaigns Training and workshops Events and seminars Feedback and survey forms Social media marketing 	<ul style="list-style-type: none"> Enhancement of distribution platform Market demand for CNI products Product quality and pricing Product development and innovation Entrepreneurship
Employees	<ul style="list-style-type: none"> Town hall gathering Engagement events (in-house talks, training, development programmes and social events) Performance appraisal 	<ul style="list-style-type: none"> Career development and goals Work-life balance Employee benefits Employee health and safety

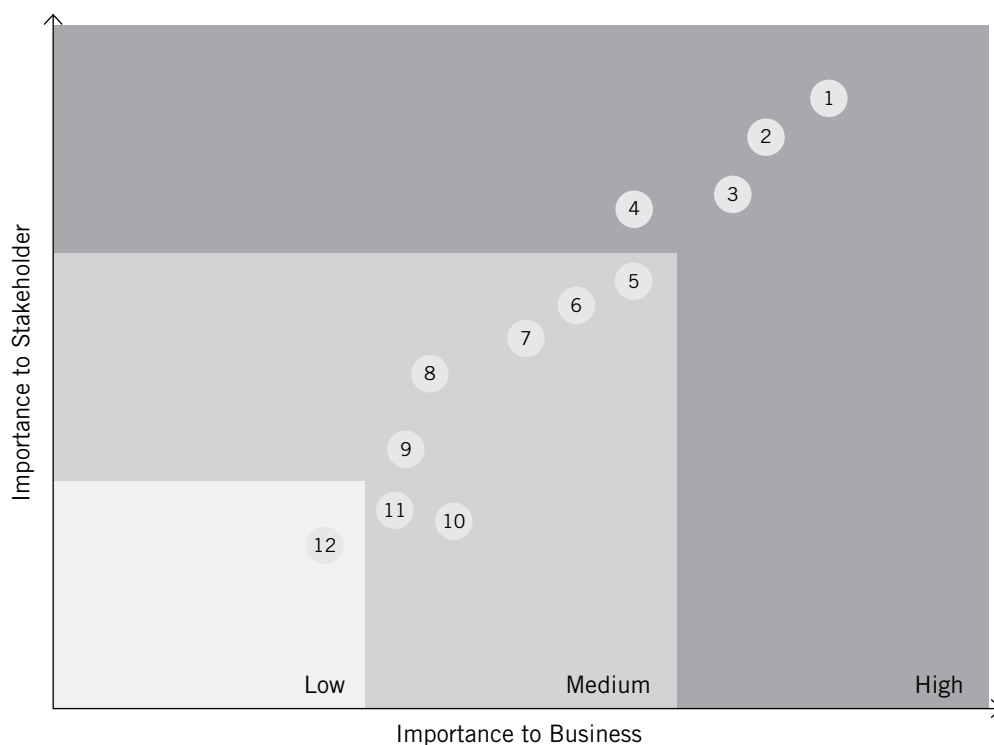
Stakeholder Group	Engagement Approach	Focus Area
Vendor & Suppliers	<ul style="list-style-type: none"> Audits and evaluations Meetings and trade fairs Factory visits Negotiation 	<ul style="list-style-type: none"> Food safety Product quality and branding Customer service and complaints resolution Pricing and promotion
Certification & Regulatory Bodies	<ul style="list-style-type: none"> Meetings and consultations Training programmes and dialogues Audits and verification 	<ul style="list-style-type: none"> Regulatory compliance Standards and certifications Approval and permits
Shareholders & Investors	<ul style="list-style-type: none"> Annual Report Annual General Meeting Financial report Media releases Investor relations page on our website 	<ul style="list-style-type: none"> Business goals and performance Regulatory compliance Ethical business conduct Internal control and risk management
Local Communities	<ul style="list-style-type: none"> Sales, marketing and promotions Corporate Social Responsibility activities Social media Direct selling industry engagement 	<ul style="list-style-type: none"> Community investment, development and impact

Material Sustainability Matters

As an organization, we are cognizant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. A materiality assessment was conducted in 2023 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed. Our material matters influence our business strategy and decision on allocation of resources to material sustainability issues.

This year through our limited-scale materiality review, we concluded that all our 12 material matters are aligned with CNH's strategies, priorities and stakeholder expectations. They were also benchmarked against our local and regional peers as well as considered emerging risks and relevant framework which are Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and GRI Standards.

Materiality Matrix 2023



CNH's Material Matters	
1. Anti-Corruption 2. Health & Safety 3. Customer Satisfaction 4. Supply Chain Management 5. Data Privacy & Security 6. Employee Management	7. Human Rights 8. Diversity, Equity & Inclusion 9. Community Investment 10. Climate Change 11. Waste Management 12. Water Management
Note: 1. Energy management and emission management are collectively managed under "Climate Change". 2. Labour practices and standards are managed under "Employee Management" and "Human Rights".	

Our Materiality Matrix renews our focus on material matters which forms the basis of this report, while the respective indicators facilitate the monitoring and measurement of our sustainability performance.

Sustainability Framework

CNH's sustainability framework has been refined to align with our business strategy. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Delivering Excellence, Responsible Supply Chain, Nurturing People and the Community, and Caring for Environment. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we are able track our progress and ensure that we are making continuous improvement towards these targets.

Our Focus Areas			
Delivering Excellence Creating value for our stakeholders while upholding transparency and accountability	Responsible Supply Chain Ensuring ethical, social and environmental standards are met throughout our supply chain	Nurturing People and Community Fostering an inclusive and diverse culture, promoting employee wellness, and supporting local community	Caring for Environment Reducing carbon footprint and minimizing environment impacts of our operations
Anti-Corruption	Human Rights		Climate Change
Customer Satisfaction	Supply Chain Management	Health & Safety	Waste Management
Data Privacy & Security		Employee Management	Water Management
		Diversity, Equity & Inclusion	
		Community Investment	

In alignment to:



Performance Scorecard

Below are our key targets:

Material Matters	Targets
Anti-Corruption	Achieve a minimum of 90% of employees who have received training on anti-corruption by each employee category from the 2023 baseline by 2025
Health & Safety	Zero work-related fatality annually
	Achieve a minimum of 90% of employees trained on health and safety standards from the 2023 baseline by 2025
Customer Satisfaction	Achieve a minimum of 80% for Customer Satisfaction Survey (“CSS”) score annually
	Zero incident of level 1 product recall annually
Data Privacy & Security	Zero substantiated complaints concerning breaches in customer privacy or data loss annually
Human Rights	Zero substantiated complaints concerning human rights violations annually
Employee Management	Increase the total hours of training by employees by 10% from the 2023 baseline by 2025
Waste Management	Reduce waste sent to landfill by 5% from 2023 baseline by 2025

Anti-Corruption

CNH upholds high standards of business ethics and compliance across the Group as reflection of our core values. This is crucial for us to protect the interest of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in us.

The Board remains committed to conducting business with integrity, guided by our Code of Business Ethics (“CBE”). The CBE governs various areas of ethical business conduct and practices, including anti-bribery and anti-corruption, avoiding and managing conflict of interest situations, abuse of power, insider trading, anti-money laundering, and others.

All employees were briefed on the CBE and they are required to provide written acknowledgement of their understanding and commitment to adhere to the CBE. Employees are also required to declare any arising conflict of interest situations they have with the Group or the Group’s key stakeholders.

The Group’s zero-tolerance stance against corruption is outlined in our Anti-Bribery and Anti-Corruption Policy (“ABC Policy”), which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.

Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as entailed within the ABC Policy. All suppliers sign a declaration indicating their agreement to abide by the guidelines and policies set forth by CNH in their business dealings.

CNH has established a dedicated whistle-blowing channel under the Whistle-Blowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group made our CBE, ABC Policy and Whistle-Blowing Policy available on our corporate website to ensure they are accessible to all stakeholders.

Corruption-related training	
Majority of employees have completed the necessary annual training in 2023.	
Employee Category	Completion Rate (%) 2023
Management	77
Executive	79
Non-Executive/Technical Staff	93
General Workers	100

Corruption risk assessment	
This year we have not undertaken the corruption risk assessment	
Corruption incidents	
As of 31 December 2023, we recorded zero incidents of corruption across CNH's business operations.	
2023	
Number of confirmed corruption incidents	0

Health and Safety

We prioritise the health and safety of our employees in our business operations and workplaces. By ensuring a healthy, safe and conducive workplace, we aim to prevent injuries and illnesses among those working within our premises, which ultimately leads to increased efficiency and output.

We have established the Occupational Health and Safety Management System ("OHSMS") which conforms to the Occupational Safety and Health Act 1994 and ISO 45001: 2018 Occupational Health and Safety Management System standards. It aims to fulfill the requirements of all OSH laws and regulations. It can contribute to the protection of employees and stakeholders from hazards through the elimination of work-related injuries, disabilities, ill health, diseases and fatalities.

The Safe Quality Management System Committee (SQMS) is present in our factories and quarterly meetings are conducted with representatives from the Management to ensure that performance and directions are discussed at all levels.

We provide health and safety training on-the-job and regular refresher training to employees. Our training programmes include both knowledge-based and skills-based training covering topics such as emergency response, hazard and risk management, as well as health & safety awareness. These programmes are reviewed on a regular basis to ensure their relevance.

Health and safety trainings	
In 2023, a total of 153 participants were given various training on health and safety standards.	
2023	
Number of employees trained on health and safety standards	153
Work-related injuries	
CNH's ultimate goal is to ensure that all workers return home safely at the end of the day, which is why we strive to maintain zero fatalities annually by preventing and minimizing workplace incidents. We had zero fatality in 2023.	
2023	
Total Hours Worked	338,688
Number of Fatalities	0
Number of Lost Time injuries	4
Lost Time Incident Rate (LTIR)	2.36

Customer Satisfaction

The Group acknowledges that customer satisfaction and loyalty are key factors in achieving long-term success and maintaining our reputation as one of the leading direct selling companies and service providers in the market. With this in mind, we strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across all our products and services.

We are committed to enhancing our customers' experience by engaging with them through multi-faceted channels, including obtaining periodic feedback and conducting our annual Customer Satisfaction Survey. These efforts enable us to gain insights into our customer needs and expectations and enhance our products and services offerings. The Customer Satisfaction Survey covers a range of topics, including but not limited to

- a) Service support & response
- b) Product knowledge & satisfaction
- c) Delivery services
- d) Product quality & specification
- e) Pricing/value
- f) Channels service level
- g) Social media

Furthermore, we provide customer support platforms such as our hotline, email and Whatsapp for customers to lodge their feedback or complaints. Upon identifying areas for improvement, we discuss potential solutions and task our internal team with addressing the underlying causes of dissatisfaction. We have also enhanced our customer-centric culture and complaint handling procedures through periodic employee training, ensuring that the complaints are handled in a timely manner.

Customer Satisfaction Survey

At CNH, we aim to maintain a minimum average Customer Satisfaction score of 80% annually.

Year	Marketing & Trading	Manufacturing
2023	95	83

The Group diligently ensures the integrity of its product safety processes and controls to safeguard the consumers of its food products. As a preventive and remedial control, we have a product recall level 1 and relevant SOPs to facilitate an effective and efficient product recall process. This will enable us to contain and mitigate any negative impacts, in the event there is a problematic product that needs to be recalled. The process is developed in alignment with recall procedures prescribed by the NPRA and is subject to regular review.

During the financial year under review, there were no incidents of product recall level 1 (Target: Zero incidents of product recall level 1).

Product and Manufacturing Certifications

Product and manufacturing certifications serve as additional assurance for our business, our partners and customers.

Our manufacturing segment adheres to product quality and safety regulations such as Good Manufacturing Practice (GMP), Quality Management Systems (ISO 9001:2015), Environmental Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001: 2018), Food Safety Management System (Food Safety System Certification FSSC 22000), Hazard Analysis and Critical Control Point (MS1480:2019) & Good Manufacturing Practice (GMP) for Food (MS1514:2009) certifications.

Our products are certified Halal and comply with the guidelines stipulated by the Department of Islamic Development Malaysia (JAKIM) and the State Department of Religious Affairs (JAIN)/ Islamic Religious Affairs Councils (MAIS).

Our Testing Laboratory is a SAMM accredited laboratory by Standard Malaysia and fulfills the requirement of MS ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories.

We also comply with the GUIDELINES FOR CONTROL OF COSMETIC PRODUCTS IN MALAYSIA and the Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 (USECHH Regulations).

To maintain these certifications, independent audits are carried out periodically to ensure continuous implementation of practices according to the said standards.

Supply Chain Management

CNH is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by incorporating sustainability elements throughout our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to small and medium enterprises (SMEs) suppliers, improving their livelihood. We ensure that our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include contractors, service providers and consultants.

Cognisant of our operational needs, we prioritise procuring products and services from local suppliers to the best extent possible, as we believe that we are not only contributing positively to the local economy but also our carbon footprint.

All of our suppliers are required to adhere to the Purchasing Policy which encompasses our principles and guidance for sustainable procurement practices. This policy entails suppliers' adherence to the Group's ethical business practices, including zero corruption, minimizing environmental impacts and safeguarding employees' and workers' rights.

We are committed to ensuring that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers. Our procurement processes embed sustainability elements throughout, starting from the registration stage up to the annual supplier performance assessment. In 2023, all new and existing suppliers are expected to address our set of sustainability requirements, which focuses on suppliers' practices relating to ethical dealings, health and safety, environmental management and human rights principles.

Local Suppliers	
In 2023, out of RM34,521,218 spent on procurement, 77% was spent on local suppliers.	
	2023
Proportion of spending on local suppliers	77%

Data Privacy and Security

In recent years, we have seen the acceleration of various trends revolving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. Consequently, we have a responsibility to manage the growing threat of cyber-attacks on CNH, including protecting our customers' sensitive information, to prevent any leaks, threats or loss of customer information.

In this regard, we have policies and processes to govern the security of IT infrastructure supporting business operations. These include our IT Security Access Policy for controlling and restricting user access on core systems, which is complemented by the Group's Employee Handbook governing employees' proper use of IT assets, systems and data.

The Group endeavours to maintain high standards and implement strict procedures in the handling and protection of data of our employees, CBOs, customers, suppliers and business associates.

Our Data Privacy Policy and the corresponding standards and procedures define our principles for collecting, processing and storing personal data in line with the Personal Data Protection Act 2010. We obtained consent from our employees, CBOs and customers when we collect their personal data and inform them on how we would process their personal data.

The Group reviews the regulatory best practices to manage vigorous data privacy control and evaluate the effectiveness of these measures on a regular basis. Our Privacy notice is publicly available on our website at www.cni.my.

As of 31 December 2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.	
	2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0

Employee Management

CNH believes that our employees are our most valuable assets and are the driving force for our success and growth. We are committed to recruiting, developing and retaining high-performing employees while providing a work environment that is both conducive and empowering. On top of that, we invest significantly in development programmes to ensure our employees remain competitive, progressive and future ready.

It is our objective to foster a skilled, resilient and agile workforce that can thrive in an ever-changing market landscape, amidst technological advances and emerging trends. To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

In 2023, we remain committed to investing in training and development programmes, utilising both physical and online channels. Our training and development programmes include the following:

- 1) Food quality & safety training
- 2) Workplace safety
- 3) Waste Management
- 4) Customer Oriented Development
- 5) Deferred Tax, Corporate Tax and Reporting
- 6) Accounts Payable, Receivable and Cash Management
- 7) Train the trainer
- 8) Code of Ethics
- 9) Anti-bribery
- 10) Risk Management

At CNH, we firmly hold onto our principles of being result-driven, accountable, collaborative and shared success to drive individual and team performance. In promoting a high-performance culture, we have implemented a systematic performance review process and measurement system which includes employees' Objectives and Key Results (OKRs). At the beginning of each year, we ensure expectations setting conversations are initiated. We conduct a year-end performance review for all employees, providing them with the opportunity to self-assess, provide feedback, engage in competency discussions and receive necessary coaching and support.

We recognize the achievements through bonuses and promotions. We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talents.

The following are amongst the benefits provided to our employees:

Leaves: Annual leaves, sick or hospitalization leave, marriage leave, 98 days' maternity and 7 days' paternity leave. Compassionate leave, study and examination leave.

Medical: Insurance coverage, medical coverage such as outpatient medical reimbursement, Group Hospitalization and Surgical and Group Term Life.

Flexi-work arrangement: Work from home or so called CNI Mobile Workforce ("CMW") that is CNI's version of work anywhere and anytime program. It provides flexibility for an individual to determine where and when to work to deliver the best productivity for themselves along with other colleagues and for the company.

Other benefits: staff purchase of CNI products, monthly staff promotion, free parking allocated for employees within HQ building, lunch subsidy and some monetary subsidy for staff engagement events. Other facilities include payroll deduction for PTPTN study loan, zakat and Tabung Haji.

We intensify our talent management efforts by identifying individuals who are capable of taking on critical roles for succession planning.

We undertake various employee engagement initiatives to improve camaraderie and address employee concern. Amongst employee engagements conducted in 2023 are as follows:

1. Annual town hall with the Group CEO
2. Employee appreciation programmes such as long service awards
3. Festive celebration throughout the year
4. Staff morning gathering

Employee training hours

In 2023, we spent 4,278 hours on training, investing RM47,775 in internal and external learning and development programmes.

Employee Category	Total hours of training 2023
Management	668
Executive	646
Non-Executive/Technical Staff	1,214
General Workers	1,750
Total	4,278
Overall average training hours per employee (hours)	15

Employee retention and attrition

CNH is proud to have a highly engaged workforce, which is reflected in the longevity of our employees' tenure. 71% of our employees stay with us for 5 years and above.

Employee Category	Total number of new hires 2023
Management	5
Executive	11
Non-Executive/Technical Staff	9
General Workers	16
Total	41

Employee Category	Total number of employee turnover 2023
Management	6
Executive	14
Non-Executive/Technical Staff	10
General Workers	4
Total	34

In 2023, CNH had a voluntary turnover rate of approximately 12%

	2023
New hires rates (%)	15
Turnover rates (%)	12

Human Rights

As a responsible organization, CNH is committed to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment improves productivity and promotes a healthy working culture.

We adhere to applicable laws and regulations in all our operating countries which include but are not limited to Malaysia's Employment Act 1955. We also adhere to the Minimum Wage Order 2023, resulting in a minimum wage of RM1,500 per month.

Our Code of Business Ethics ("COBE") also outlines our expectations to all our employees and external stakeholders in approaching human rights matters while conducting business with CNH. This code discloses fair labour practices, zero-tolerance for child labour and any form of forced labour, protection against discrimination and harassment, freedom of association and collective bargaining and grievance mechanisms.

We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. Our Whistleblowing channels offer employees a safe and confidential way to report anonymously any violation of labour practices, disputes and inappropriate behaviours. We guarantee the protection of the whistleblower's identity throughout the investigation and all reports will be taken seriously.

Given the fact that manufacturing is a labour-intensive industry, our manufacturing segment is conscious of the need to devote our utmost attention to managing labour rights issues. Our workers, including foreign workers are provided with fair wages and compensation, decent living quarters and adequate training to perform their job safely and effectively.

We will intensify our efforts to manage human rights in order to achieve the target of zero substantiated complaints regarding human rights violations.	
	2023
Number of substantiated complaints concerning human rights violations	0

Diversity, Equity and Inclusion

Diversity and inclusivity at work give us a competitive edge through accumulation of and ability to tap into a wide range of knowledge, perspectives and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination by actively encouraging diversity of gender, race, religion, age and nationality.

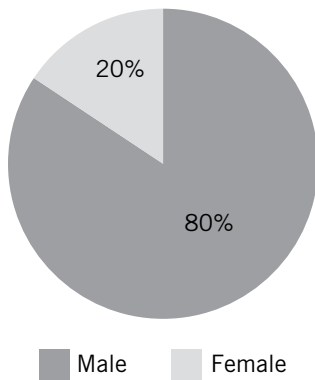
We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. We promote a culture that respects and values differences, advocates for equality and encourages growth and development to help individuals reach their full potential.

We are dedicated to maintaining fair employment practices and consistently reviewing our recruitment process to ensure equality from the beginning in alignment with our policy and procedures. At CNH, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

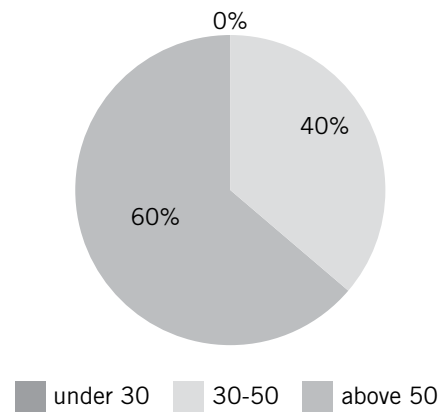
We advocate for equitable gender representation on our Board and Management to ensure a minimum of 30% women representation at the Board and Management level. CNH has the women participation in the management roles of more than 30% in 2023. The Board has 20% women directors. The Board will take necessary efforts to close the gap to achieve 30% women directors on our Board in the near future.

Several initiatives were undertaken in 2023 to continue fostering mutual respect among our employees. Our commitment to providing a safe and inclusive work environment, free from discrimination based on backgrounds, beliefs or abilities is further reinforced through our Code of Business Ethics and grievance mechanisms. These measures reflect our dedication to ensuring that every individual feels respected and protected from any form of harassment.

Board Diversity by Gender



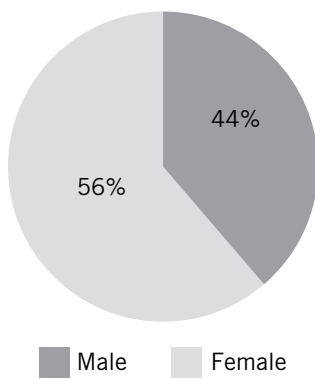
Board Diversity by Age



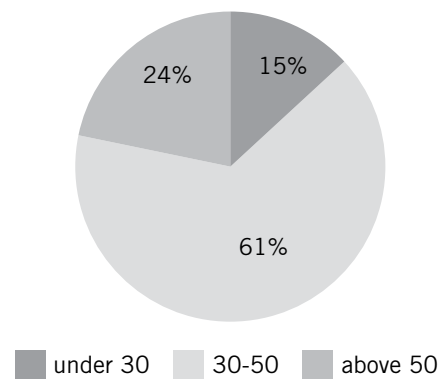
Workforce Profile

Total employees of 280 in 2023

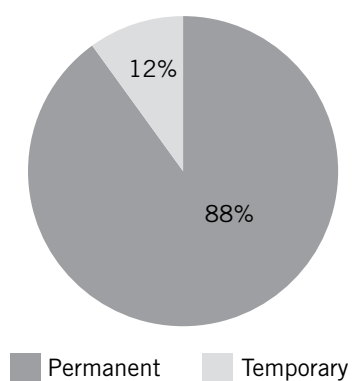
Gender Diversity



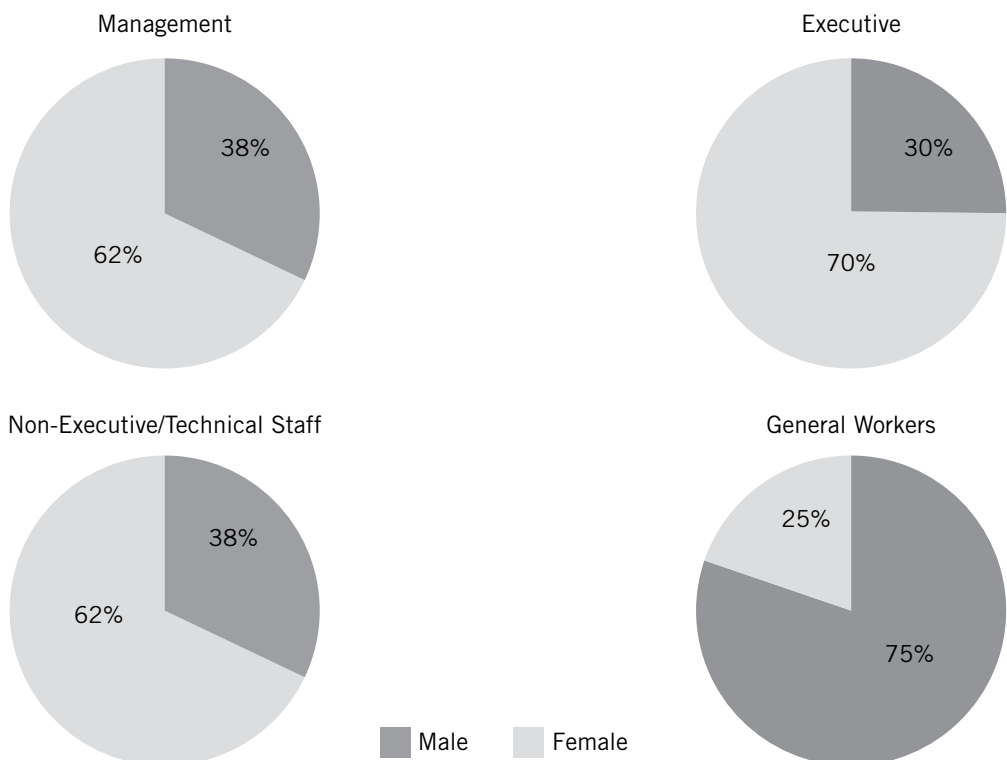
Age Diversity



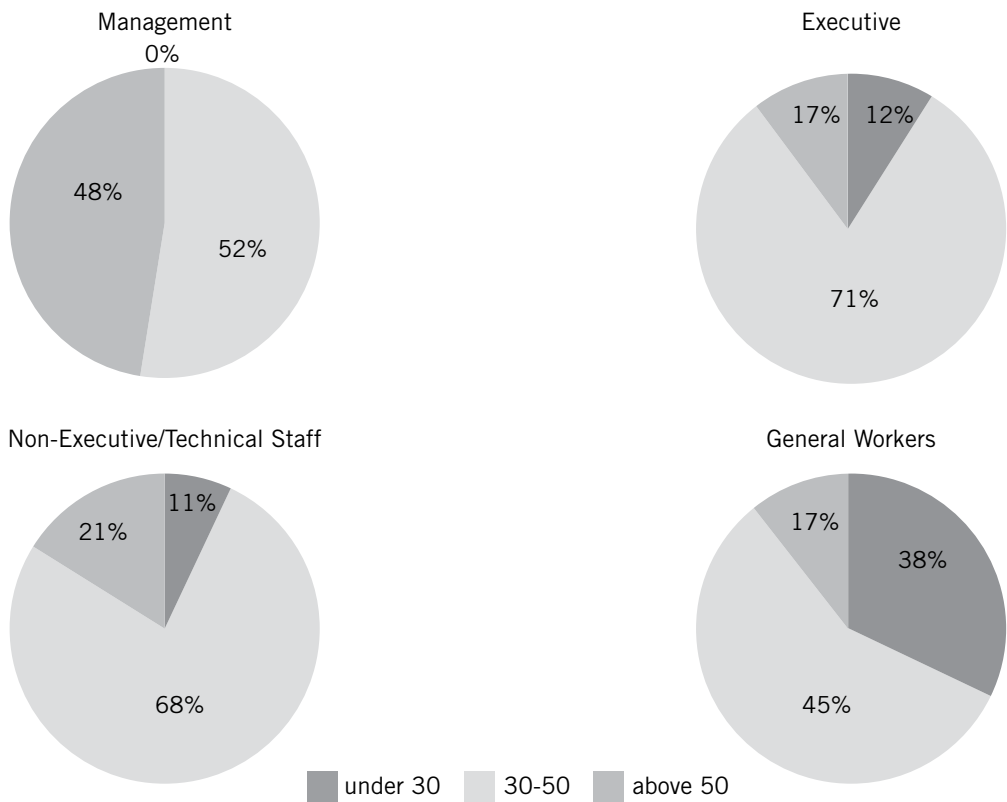
Employee Composition



Gender Diversity by Employee Category



Age Diversity by Employee Category



Community Investment

We firmly believe that fostering a positive relationship between businesses and communities promotes better social inclusion and creates tangible and favourable outcomes in the long run. At CNH, we strive to be a responsible corporate citizen by giving back to the local communities in which we operate, through our community engagement and impact programmes with a focus on education and social welfare. By investing in education, we aim to nurture local talents to provide them with opportunities to reach their full potential. We are confident that by empowering and supporting exceptional individuals within the communities, we will contribute to forming a high-quality talent pool that will not only benefit CNH in the near term but also serve as future leaders of organisations. Additionally, we are convinced that our contributions towards the betterment of local communities through welfare-related initiatives will strengthen our relationship with them.

CNH's corporate social responsibility ("CSR") activities are spearheaded by the Yayasan CNI which was set up in 1998 that aims to reach out to communities in need and contribute to the promotion of healthcare, educational and cultural causes.

CNH has contributed RM235,292 worth of monetary and non-monetary donations to charities, non-profit organisations ("NGO") and educational institutions across the regions where we operate. Non-monetary donations include but are not limited to food packs, basic necessities, and groceries.

We are convinced that CSR must be done in good faith despite all the efforts, in order to create shared value between the business and society while building continuous engagement with the community.

Children Education Incentive

The objective of the Children Education Incentive, which was first launched in 2004, is to encourage academic performance amongst the children of our CBOs and employees and, at the same time, recognize the hard work of dedicated and committed parents. The Education Incentive 2023 was granted to a total of 57 children.

Young Entrepreneurs Apprentice Program (YEAP)

The objective of YEAP is to give students the opportunity to gain industrial experience and appreciate the value of business ethics. This is the state or national support initiative in reducing the unemployment rate and improving the economy of the community. In 2023, we received 110 students from UUM Kedah, UITM Merbok, Politeknik PTSS, UITM Perlis under YEAP.

Children's health Awareness & Boost Immunity against Covid-19 and similar threats

We sponsored a total of 8,862 bottles of RJ Vita C and other essentials to promote health awareness and boost the immunity of children against COVID-19 and similar threats in schools and local community projects.

Some of the projects are:

- Famine 30 MVP 2023
- Taiwan Malaysia Young Children Literature Award 2023
- Pusat Jagaan Kanak-Kanak Vivekananda Rembau Negeri Sembilan
- Program Kesihatan Kanak-Kanak at SK Padang Maksirat, Langkawi
- Program Kesihatan Kanak-Kanak at SK Dato' Wan Kemara
- Program Kesihatan Kanak-Kanak at SK Kota Masai

Persatuan Kasih Sehati (Great Heart Charity Association)

Yayasan CNI, in collaboration with Persatuan Kasih Sehati (Great Heart Charity Association) distributed 800 bottles of Simanis Juices to orphanages, old folks homes and the needy for a joyous year end festive celebration.

We believe that the spirit of volunteerism among employees is vital in contributing to the success of CNH's community impact programmes. In 2023, we started monitoring and tracking employees' participation in community impact programmes. Furthermore, as a form of encouragement, we actively support employees participation in these activities by allowing them to take approved leave of absence, separate from their annual leaves.

	2023
Total amount invested where the target beneficiaries are external to CNH	RM235,292
Total number of beneficiaries of the investment in communities	1,996
Number of employees participated in community impact programmes	10
Total hours spent on community impact programmes	200

Climate Change

The Group acknowledges that our energy consumption and GHG emission contribute to climate change impacts. We recognize that as a corporate citizen, it is our responsibility to reduce our carbon footprint while embracing opportunities that unfold amidst making the transition to a low-carbon economy.

CNH aims to reduce its carbon footprint and establish operational resilience to deliver long-term value to our business, stakeholders and communities.

We continuously strive to improve our energy use and efficiency through the following initiatives:

Key Initiative	Description
Retrofit office building	We have replaced traditional lighting with energy-saving LED lights and install new inverter-type air conditioners for our offices
Centralised cooling system	Our centralized cooling system is designed to meet the cooling load demand during both peak and off-peak hours, aligning with our operating hours

Energy consumption

This year, the total energy consumption recorded was 2,358MW.

2023

Total energy consumption (MW)	2,358
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We will start using renewable energy this year by gradually installing solar panels on our HQ and factory to reduce the dependency on electricity generated from fossil fuels.

Carbon emissions

In 2023, our total emissions for the year amounted to 40 tCO2-e for Scope 1 and 1,787 tCO2-e for Scope 2.

Additionally, our Manufacturing segment has started tracking and monitoring our Scope 3 emissions, specifically for business travel and employee commuting. This year, these emissions amounted to 121 tCO2-e. Our Marketing & Trading segment will start the tracking and monitoring for Scope 3 emission in 2024. We will establish a target for our Scopes 1, 2 and 3 emissions once we have further refined our emissions data for all our operations.

Total Emission by Scope (tCO2-e)	Manufacturing 2023	Marketing & Trading 2023
Scope 3	121	No tracking
Scope 2	1,120	667
Scope 1	27	13

Waste Management

At CNH, we prioritise proper waste management to reduce our environmental impact and benefit the surrounding communities, especially in relation to our manufacturing business. We generate different types of waste, including hazardous waste categorized as scheduled waste, as well as non-hazardous such as manufacturing waste and recyclable waste. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality, soil contamination and heightened risks of hazardous material exposure for both our employees and the surrounding communities in the areas where we operate. Recognising the severity of these potential impacts, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

Our actions are guided by the UN Sustainable Development Goals (SDGs) that outlines how to minimize waste by reducing the amount of materials used in our operations, adopting the 3R approach – reduce, reuse and recycle and raising employees' awareness on the significance of sustainable waste management. We target to reduce 5% of our waste to landfill compared to our 2023 baseline by 2025.

In adhering to environmental regulations in relation to manufacturing waste management including scheduled waste, we are guided by local regulatory laws and jurisdiction guidance. Our Malaysian entities refer to guidelines set under the Environment Quality (Scheduled Wastes) (Amendment) Regulations 2007 and the Electronic Scheduled Waste Information System by the Department of Environment.

We ensure that our manufacturing waste is properly segregated by categories (scheduled waste and non-scheduled waste) for subsequent treatment. Our scheduled waste is managed on site through periodic monitoring and data recording. Additionally, we make sure that all of our scheduled waste is properly stored and managed from its collection point to its final disposal by appointed licensed contractors.

We promote waste reduction and recycling among employees by encouraging them to reuse items such as paper, plastics and aluminum. Recyclable waste is processed at recycling centers, while non-recyclable waste is sent to landfills. Moving forward, CNH aims to reduce the amount of waste sent to landfills by exploring circular economy principles and implementing innovative solutions for waste management.

In 2023, our manufacturing generated a total of 39.43 MT of hazardous and non-hazardous waste, of which 51.72% was reused or recycled. While hazardous waste is categorized as scheduled waste, non-hazardous waste includes manufacturing scrap and general waste.

The Group targets to achieve a 5% reduction in the amount of waste sent to landfills by 2025. In order to ensure the achievement of this target, we will intensify our efforts by enhancing the efficiency of raw material and resources utilised in our daily operations.

	Manufacturing 2023
Total waste generated (MT)	39.43
Waste Generated by Manufacturing (MT)	
	2023
Waste Diverted From Disposal	20.39
Waste Directed to Disposal	19.04

Water Management

The issue of water scarcity is becoming increasingly alarming due to several factors such as climate change, poor water management and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

Our water consumption primarily stems from manufacturing activities such as equipment and machinery cooling, site cleaning, compaction, irrigation as well as from our owned office buildings. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises. The initiatives include:

- Reduce water wastage through regular checking and scheduled maintenance of toilets, pantries, etc
- Install modified water taps with lower flow rates at our offices and factories
- Raise awareness among employees through campaign and reminders on water saving habits at our office premises

This year, the total water consumption recorded was 18.63 Megalitres.	
	2023
Total volume of water used (Megalitres)	18.63

Statement of Assurance

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

Subject matter

The subject matters covered by the internal review include the following indicators:

- a) Anti-Corruption
- b) Health & Safety
- c) Customer Satisfaction
- d) Employee Management
- e) Diversity, Equity & Inclusion
- f) Water Management

Scope

The boundary of the internal review includes the company's key subsidiaries operating in Malaysia.

Bursa Malaysia ESG Reporting Platform Performance Data Table

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	77.00
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	77.00
Executive	Percentage	79.00
Non-executive/Technical Staff	Percentage	93.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	235,292.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,996
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	52.00
Management Above 50	Percentage	48.00
Executive Under 30	Percentage	12.00
Executive Between 30-50	Percentage	71.00
Executive Above 50	Percentage	17.00
Non-executive/Technical Staff Under 30	Percentage	11.00
Non-executive/Technical Staff Between 30-50	Percentage	68.00
Non-executive/Technical Staff Above 50	Percentage	21.00
General Workers Under 30	Percentage	38.00
General Workers Between 30-50	Percentage	45.00
General Workers Above 50	Percentage	17.00
Gender Group by Employee Category		
Management Male	Percentage	38.00
Management Female	Percentage	62.00
Executive Male	Percentage	30.00
Executive Female	Percentage	70.00
Non-executive/Technical Staff Male	Percentage	38.00
Non-executive/Technical Staff Female	Percentage	62.00
General Workers Male	Percentage	75.00
General Workers Female	Percentage	25.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	40.00
Above 50	Percentage	60.00

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2023
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,358.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.36
Bursa C5(c) Number of employees trained on health and safety standards	Number	153 *
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	668
Executive	Hours	646
Non-executive/Technical Staff	Hours	1,214
General Workers	Hours	1,750
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Executive	Number	14
Non-executive/Technical Staff	Number	10
General Workers	Number	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	18.630000

Internal assurance External assurance No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Citra Nusa Holdings Berhad (“CNH” or “the Company”) present this statement to provide shareholders and investors with an overview of the corporate governance (“CG”) practices of the Company during the financial year 2023. This overview takes guidance from the three (3) key CG principles and the practices as set out in the Malaysian Code of Corporate Governance (“MCCG”) which are:

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

This statement is prepared in compliance with Bursa Malaysia Securities Main Market Listing Requirements (“MMLR”) and it is to be read together with the CG Report 2023 of the Company (“CG Report”) which is available on the Company’s website. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2023.

In building a sustainable business and discharging its regulatory role, the Board is mindful of its accountability to the shareholders and various stakeholders of CNH. Towards this, the Board is committed to ensuring that it provides effective leadership and promotes uncompromising ethical standards in the organisation. One of the ways in which the Board achieves this is by requiring that good governance principles and practices are adhered to throughout the Company.

To ensure the Company adopts the best CG practices, regular reviews of the internal practices are conducted with reference to the MCCG and other relevant guidelines issued by the regulators as well as the international standards on CG and Sustainability. In its review, the Board was always mindful of the need to embrace the best practices in form as well as in substance, to further strengthen the CG culture in the Company.

As at 31 December 2023, CNH complied in all material aspects with the principles as set out in the MCCG except:

- Practice 1.4: The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee
- Practice 5.2: At least half of the board comprises independent directors
- Practice 5.9: The board comprised at least 30% women directors
- Practice 5.10: The board discloses in its annual report the company’s policy on gender diversity for the board and senior management

A summary of the CG practices of CNH as well as the Board’s key focus areas and future priorities in relation to the CG practices are described below under each CG principle.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

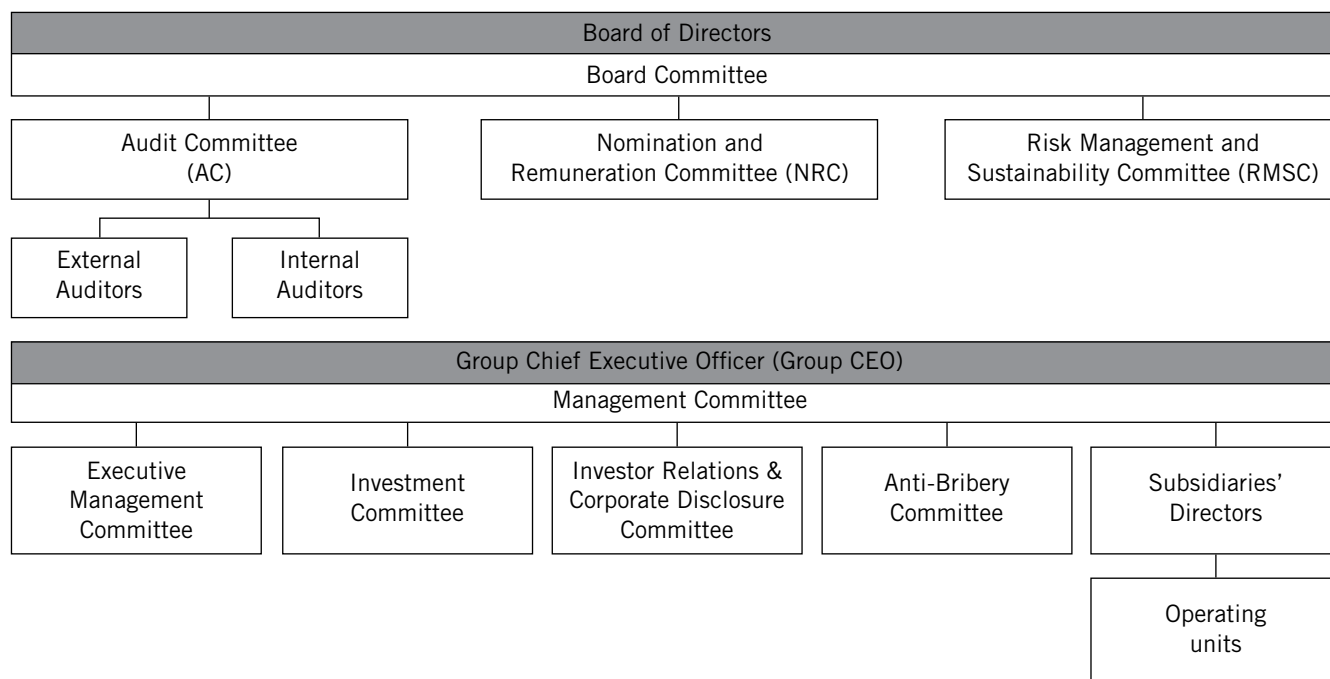
The Board is mindful of its responsibilities to the Company’s shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Company’s businesses, in pursuing the objectives and goals of CNH.

For the foregoing, the Board determines the strategic objectives and policies of the Group for delivery of such long-term value. It ensures effective leadership through oversight on management and monitoring of the activities, performance, conformance capabilities and control in the organisation. In setting the strategic direction, the Board also ensures that there is an appropriate balance between promoting long-term growth and delivering short-term objectives.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has in place a model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Group Chief Executive Officer (“Group CEO”).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The model for CNH Group is as depicted below:



In 2023, the members of the Committees of the Board had discharged their roles and responsibilities in accordance with the Terms of Reference ("TOR") of the respective Committees. The attendances of the Directors and Board Committee members at the meetings of the Company during the year are set out in the table below:

Name	Board of Directors*	AC**	NRC	RMSC
Executive Directors				
Koh How Loon	5/5			4/4
Chew Boon Swee	5/5			
Non-Independent Non-Executive Directors				
Dato' Koh Peng Chor	5/5	5/5	2/2	
Independent Non-Executive Directors				
Lim Lean Eng ⁽¹⁾	1/5	2/5	2/2	1/4
Carolyn Anne Kam Foong Kheng ⁽²⁾	5/5	5/5	2/2	4/4
An Li Fong ⁽³⁾	4/5	3/5	0/0	3/4

 Chairman

 Member

Notes:

- (1) Retired as INED of CNH at the 34th AGM on 25 May 2023 and accordingly, ceased to be AC Chairman and NRC and RMSC member respectively on the same date
- (2) Re-designated as AC member w.e.f. 29 February 2024
- (3) Appointed as INED of CNH w.e.f. 25 May 2023, and appointed as NRC Chairman, AC and RMSC member respectively w.e.f. 25 May 2023. Re-designated as AC Chairman w.e.f. 29 February 2024

* 2 private meetings were held between the AC and the external auditors, Grant Thornton Malaysia PLT on 27 February 2023 and 23 August 2023.

In 2023, the TOR of the RMSC was reviewed to reflect the RMSC's oversight of the sustainability agenda, strategy and other Economic, Environmental and Social (EES) risks in line with best practices or applicable requirements.

Board Leadership

In fostering a strong CG culture in the organisation, the Board has strived for the highest standard of CG practices in the Company. The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance.

The position of the Chairman and CEO are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of CNH ("Board Charter"). The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter also sets out the roles and responsibilities of the Board and the individual Directors. It can be found at the Company's website at www.citranusaholdings.com.

Board Administration

The Board members have full access to the Company Secretary, who is suitably qualified, experienced and competent. The Company Secretary ensures the Directors are provided with sufficient information and time to prepare for Board meetings. To this, the meeting materials are made accessible to the Directors within reasonable periods prior to the meeting. The Company Secretary also prepares minutes of meetings in a timely manner and provides advisory services to the Board on corporate administration and governance matters including compliance with the relevant laws, rules and regulations.

Promoting Good Business Conduct

CNH takes a stance against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the organisation by ensuring there are adequate policies and procedures which are implemented appropriately in line with the principles under the Guidelines for Adequate Procedures pursuant to Section 17A(5) of the MACC Act 2009.

In this respect, the Board has in place the Code of Business Ethics ("CBE") for Directors and employees, to affirm its commitment to practice the highest level of integrity and ethics.

CNH has zero tolerance on any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics as described in the CBE or conflict of interest and/or any fraudulent act as may be described in the Anti-Bribery and Anti-Corruption ("ABC") Policy and other relevant documents. To this, CNH has in place the Whistleblower Policy, to facilitate the exposure of any violations or improper conduct or wrongdoing within the Group.

The above CBE, ABC Policy and Whistleblower Policy for the Group would ensure that good standards of behaviour permeate throughout all levels of the organisation, and strengthen the integrity, governance and anti-corruption framework for CNH. These policies serve as control measures to address and manage the risk of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Company. The CBE, ABC Policy and Whistleblower Policy for the Group are published on the Company's website at www.citranusaholdings.com.

The Board has established the Directors' Fit and Proper Policy ("FPP") to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner.

Governing Sustainability

The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of CNH and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.

The TOR of the Risk Management and Sustainability Committee ("RMSC") explicitly provides the RMSC's responsibilities in overseeing the Group's various risks including sustainability risks. The CEO through Corporate Management is responsible for the strategic management of material sustainability matters of CNH Group.

The Company's sustainability strategies, priorities and targets as well as performance against these targets are developed after a careful review of outcome from the materiality assessment exercise and engagement with key internal and external stakeholders. The comprehensive description of CNH's stakeholder groups, engagement and targets as well as the performance against these targets are as set out in the Sustainability Statement on pages 20 to 38 of this Annual Report.

Board Size, Composition and Diversity

The Board believes that a diverse and inclusive Board will leverage the differences of its members, to achieve effective stewardship and in turn, retain its competitive advantage. In this respect, the Board through its Nomination and Remuneration Committee (“NRC”) conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company’s objectives and strategic goals.

The Board consisted of 5 members with the retirement of Mr. Lim Lean Eng as an Independent Non-Executive Director (“INED”) in accordance with the 12-year tenure limit for the INEDs and appointment of a new INED, Mr. An Li Fong at the 34th Annual General Meeting of the Company on 25 May 2023. Currently, the Board has 20% women directors. The Board will take necessary efforts to close the gap to achieve 30% women directors on our Board in the near future.

Board Succession Planning and Appointment

The NRC is responsible for the Board succession planning to ensure the Board continues to be effective with the right composition, which would enable it to be better equipped to respond to challenges that may arise and deliver value.

The appointment of Directors to the Board is subject to a formal, rigorous and transparent process. In this process, the NRC reviews the existing Board composition such as the optimum size and diversity in terms of skills, experience, age, ethnicity and gender. Based on this review, the NRC determines the selection criteria for the new appointment with the view to close any gap or to strengthen the Board composition. The NRC then reviews the candidates who are sourced from internal and external/independent sources, and shortlist the potential candidate(s) with reference to the agreed selection criteria. The NRC conducts engagement sessions with the shortlisted candidate(s) as well as the fit and proper assessment, before submitting its final recommendation to the Board.

With the impending retirement of INEDs at the 34th AGM in accordance with the 12-year tenure limit for the INEDs, one of the key focus areas during the year was executing the Board succession plan. In the process of appointment of new Directors, the NRC had determined the selection criteria for the new INED who must have the skills and experience in financial leadership. The NRC considered the pool of potential candidates guided by these selection criteria and finally, it identified a suitably qualified candidate from an independent source. In May 2023, the Board approved the recommendation of the NRC for the appointment of the new INED, Mr. An Li Fong and the appointment took effect on 25 May 2023. The induction programme for the new INED was conducted on 18 July 2023.

During the year, the NRC also conducted the fit and proper assessment on the Directors who were proposed for re-election at the AGM of the Company, the proposed new INED and the Directors who were identified for re-election had also submitted to the Company their fit and proper declaration in the prescribed forms.

During the year, the NRC also reviewed the composition of the Board Committees having regard to the membership in the Terms of Reference (“TOR”) of each committee. In May 2023, the Board approved the recommendation of the NRC on the proposed composition of the AC, RMSC and NRC.

Board Effectiveness

The Board, through the NRC and facilitated by the Company Secretary, had carried out the annual assessment to evaluate the performance of the Board, its Board Committees and each individual Director during the financial year under review. The assessment for the year under review was conducted through a questionnaire which included a combination of open-ended questions and close-ended questions.

In order to encourage open and frank evaluation, the evaluation process was managed by the Company Secretary, who had forwarded the questionnaire to each Director, as well as collated that duly completed forms from each Director. A summary of the results and all feedback received were tabled to the NRC deliberation before appropriate action plans were recommended to the Board for further discussion and approval.

The results of the assessment were properly documented, summarised and reported to the Board. The results of the annual assessment for the year under review revealed that the Board and Board Committees had carried out their duties well and amicably with most of the questions rated positively. The Board agreed that it had performed well in these challenging times and was satisfied with its overall performance, with some areas identified for improvements.

The NRC concluded that the Board and Board Committees were satisfied with their existing composition and were of the view that with the current mix of skills, knowledge, experience and strength of the Directors, the Board, respective Board Committees and Directors were able to discharge their duties effectively. Hence, the Board will continue to focus on the identified areas for improvement.

Directors' Training

The Board acknowledges that continuous education is essential for its members to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

The following are the training programmes, seminars, workshops and briefings attended by Directors during the financial year 2023:

Name	Conference/Seminar/Workshop
Executive Directors	
Koh How Loon	<ul style="list-style-type: none"> Industry Insights – APAC – Retail Market Outlook: A Panoramic Perspective
Chew Boon Swee	<ul style="list-style-type: none"> Food & Hotel Asia (FHA) – Food & Beverage Singapore Expo
Non-Executive Directors	
Dato' Koh Peng Chor	<ul style="list-style-type: none"> Securities Commission's Audit Oversight Board Conversation with Audit Committee
Carolyn Anne Kam Foong Kheng	<ul style="list-style-type: none"> Securities Commission's Audit Oversight Board Conversation with Audit Committee
An Li Fong	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Technical Update 2023 on IFRS Accounting Standards including IFRS Sustainability Standards MPERS Financial Reporting – What to Look Out For Accounting for Business Combinations – The Basics

Remuneration Policy

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

The NRC conducts the Board remuneration review on an annual basis internally, to ascertain the competitiveness of the Board remuneration. The NRC also took into consideration the demands, complexities and performance of the Group particularly, the core activities and responsibilities of the Board as well as having regard to the responsibilities and contribution levels of individual members in terms of statutory duties, fiduciary duties, risk, intensity/complexity of work, time commitment and effort.

The Board approved the NRC's recommendation to seek the shareholders' approval that the Directors' benefits payable to the Non-Executive Directors shall remain the same amount as the previous year at RM80,000 from 7 June 2024 until the next AGM of the Company in accordance with Section 230 of the Companies Act, 2016 and Paragraph 7.24 of the MMLR of Bursa Securities.

The detailed remuneration of the individual Directors during the financial year ended 31 December 2023 are set out in the table below:

	Fees (RM)	Salaries & Bonuses (RM)	Other Emoluments ⁽¹⁾ (RM)	Benefits- in-kind (RM)	Total (RM)
Group					
Executive Directors					
Koh How Loon	-	543,579	72,856	23,065	639,500
Chew Boon Swee	-	352,800	14,855	13,325	380,980

	Fees (RM)	Salaries & Bonuses (RM)	Other Emoluments ⁽¹⁾ (RM)	Benefits- in-kind (RM)	Total (RM)
Group					
Non-Executive Directors					
Dato' Koh Peng Chor	204,000	-	7,789	14,814	226,603
Lim Lean Eng ⁽²⁾	20,000	-	2,000	-	22,000
Carolyn Anne Kam Foong Kheng	48,000	-	4,000	-	52,000
An Li Fong ⁽³⁾	28,903	-	2,500	-	31,403
Total	300,903	896,379	104,000	51,204	1,352,486
Company					
Executive Directors					
Koh How Loon	-	129,998	16,040	-	146,038
Non-Executive Directors					
Dato' Koh Peng Chor	204,000	-	7,789	14,814	226,603
Lim Lean Eng ⁽²⁾	20,000	-	2,000	-	22,000
Carolyn Anne Kam Foong Kheng	48,000	-	4,000	-	52,000
An Li Fong ⁽³⁾	28,903	-	2,500	-	31,403
Total	300,903	129,998	32,329	14,814	478,044

(1) Other Emoluments include meeting allowance, insurance coverage, employer's Employees Provident Fund, SOCSO and Employment Insurance System contributions.

(2) Retired as Non-Executive of CNH at the 34th AGM on 25 May 2023

(3) Appointed as Non-Executive of CNH on 25 May 2023

The detailed remuneration on a named basis of the key Senior Management is set out in the table below:

	Fees (RM)	Salaries & Bonuses (RM)	Other Emoluments ⁽¹⁾ (RM)	Benefits- in-kind (RM)	Total (RM)
Koh How Loon	-	543,579	72,856	23,065	639,500
Chew Boon Swee	-	352,800	14,855	13,325	380,980

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee of the Company ("AC") comprises three (3) members, all of whom are Non-Executive Directors, two (2) being INEDs. None of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the TOR of the AC.

The AC is chaired by an INED who is distinct from the Chairman of the Board. All members of the AC are financially literate, whilst the current Chairman of the AC is a member of the Institute of Chartered Accountants England and Wales (ICAEW) and the Malaysia Institute of Accountants (MIA). The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the AC Report of this Annual Report 2023.

The AC had assessed the suitability, objectivity and independence of the Company's external auditors, Grant Thornton Malaysia PLT ("GTM") and recommended to the Board for shareholders' approval to be sought for the re-appointment of GTM at the forthcoming AGM in 2024.

Having regard to the outcome of the assessment of GTM, the Board approved the AC's recommendation that shareholders' approval be sought at the forthcoming AGM for the re-appointment of GTM as external auditors of the Company for the financial year ending 31 December 2024.

Risk Management and Internal Control Framework

The Risk Management and Sustainability Committee of the Company ("RMSC") comprises three (3) members, two (2) being INEDs and one of whom is the Group CEO. The RMSC is chaired by an INED. The RMSC is responsible for overseeing the Company's risk management framework and policies and the sustainability agenda, strategy and other EES risks.

The AC is responsible to assist the Board in ensuring the adequacy and effectiveness of internal controls. The Board is of the view that the system of internal control and risk management in place during 2023, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement of Internal Control and Risk Management on pages 46 to 49 of this report.

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

Communication with Stakeholders

The Company ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. CNH also actively engages all its stakeholders through various platforms including the announcement via Bursa LINK, disclosures on its website and engagement through the investor relations function. In 2023, a number of events were held during the year to maintain an open communication with the investors, shareholders, regulators, employees and other communities. Details of the stakeholder engagements in 2023 are provided on pages 20 to 21 of the Sustainability Statement in this report.

Conduct of General Meeting

The Company had conducted a virtual 34th AGM which was held on 25 May 2023 at the Diamond Hall of the Wisma CNI (Broadcast Venue) by leveraging technology in accordance with Section 327 of the Companies Act 2016, Article 72 of the Constitution of the Company and the SC's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers. The Group CEO and Executive Director of the Company were physically present at the Broadcast Venue together with the Company Secretary and the Senior Manager, Corporate Finance and Treasury. The other members of senior management were in attendance virtually via video conferencing.

The notice of the 34th AGM was issued 28 days before the AGM date. At the same time, shareholders were advised to take advantage of the remote participation and voting ("RPV") facilities as a precautionary measure in view of the country entering into the "Transition to Endemic" phase. To further encourage engagement between the Directors and shareholders, shareholders were also invited to ask questions during the meeting in relation to the agenda items for the 34th AGM.

The shareholders, corporate representatives and proxies attended the 34th AGM via RPV facilities which were available on the Company's website. The proceedings of the 34th AGM at the Broadcast Venue included the Group CEO's presentation of the Company's operating and financial performance for 2023 and a Questions & Answers session during which the Chairman invited the shareholders to ask questions during the meeting, pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.

The Scrutineers verified and announced the poll results for each resolution, which include votes in favour and against, upon which the Chairman of the 34th AGM declared that all the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders. The Minutes of the 34th AGM (including all the Questions raised at the meeting and the Answers thereto) were also made available on the Company's website at www.citranusaholdings.com.

This Statement was approved by the Board of Directors on 8 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to the 15.26 (b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the Board of Directors (Board) is pleased to provide the Statement of Risk Management and Internal Control for the financial year ended 31 December 2023 which was prepared in accordance with Practice 9.1 and 9.2 of the Malaysia Code of Corporate Governance (MCCG) and the “Statement of Risk Management and Internal Control – Guidelines for Directors of Listed Issuers”.

BOARD'S RESPONSIBILITY

The Board is committed to maintaining a sound system of internal controls and has instituted a risk management framework, as well as, good corporate governance measures to monitor the effectiveness in safeguarding shareholders' investments and the assets.

The system of internal control covers governance, risk management, financial, operational, and regulatory and compliance matters. The Board is responsible for determining key strategies and policies for significant risks and control issues, whereas functional management is responsible for the effective implementation of the Board's policies by way of identifying, monitoring and managing risks. However, as any system of internal controls will have its inherent limitations, the system has been designed to manage risks rather than provide absolute assurance against any material misstatement, fraud or loss.

The Board has reviewed and received assurance from the Group CEO and the Senior Manager, Corporate Finance and Treasury that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review.

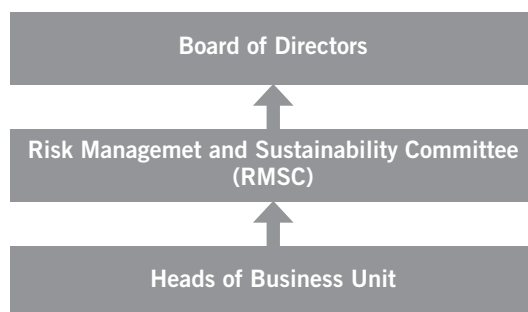
RISK MANAGEMENT

The Board has established an Enterprise Risk Management (ERM) framework to pursue a disciplined, comprehensive and integrated approach to risk management. By adopting a proactive risk management culture and with the appropriate tools, the Board aims to manage business risks effectively and mitigate its risk exposures.

The Group's ERM framework is based on the internationally recognised COSO (Committee of Sponsoring Organizations). Risk factors are incorporated into the risk register and individually rated as High, Significant, Moderate or Low risk. The rating process is guided by a matrix of “likelihood” and “impact”, of which both financial and non-financial consequences are duly considered. The Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, monitor and report risks and to design and implement relevant controls in response to the risks.

To achieve this, a Risk Management and Sustainability Committee (“RMSC”) has been established by the Group. The Board has empowered the Risk Management and Sustainability Committee (RMSC) to review and ensure the ERM framework is carried out within the Group. The members of RMSC comprises three (3) members, two (2) of which are Independent Non-Executive Directors and one (1) is an Executive Director.

The reporting structure of the risk management of the Group is illustrated as follows:



The RMSC reports to the Board of Directors of the Company. The RMSC performs risk oversights and reviews the risk profile of the group and the inherent risks arising from the business operations.

During the financial year, four RMSC meetings were conducted. In the RMSC meeting, the RMSC invites the head of business units/risk owners to deliberate on the key and new risks identified and to update on the status and management action plans. The outcomes of the RMSC meeting were presented to the Board accordingly.

RISK MANAGEMENT PROCESS

The Group had implemented an on-going risk management process as illustrated below, to manage potential risk exposure which may affect the achievement of the Group's corporate and business objectives:



1. Risk Identification

The RMSC prioritises risk management strategies and coordinates with the risk owners of the respective business units to identify the key business risks towards achieving the business objectives and strategies.

2. Risk Assessment

The assessment of risks within the group is classified into High, Significant, Moderate or Low according to the risk impact and likelihood matrix.

3. Risk Treatment

For each of the risks identified, the risk owner is assigned to ensure appropriate action plans are carried out in a timely manner.

4. Risk Monitoring & Review

Management actions plans and status updates would be discussed and reviewed by the RMSC. The outcomes of the RMSC meetings were documented and reported to the Board accordingly.

KEY ELEMENTS OF INTERNAL CONTROL

Internal control is embedded in the Group's operations as follows:

1. The group has clearly defined lines of responsibilities and authorization for day-to-day operations and accountability. A Delegated Authority Policy has been established and adopted within the Group to promote better control, accountability and corporate governance over operational, strategic and investment decisions.
2. Annual result planning and budget of respective units are submitted to the Board for approval.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. The Group's Executive Management Committee conducts periodic meetings with the Head of Divisions/Subsidiaries to review the business performance of the Group. Business objectives and financial performance are reviewed and monitored in the meeting. Explanation is provided for any major variances and action plan is formulated to increase likelihood of achieving the budgeted financial performance. Potential business risks and opportunities were highlighted and discussed in the meetings.
4. The Board oversees the conduct of the Group's operations through various management meetings and reporting mechanisms. Management Meeting and financial reports are prepared by the Management and reported to the Group CEO for review and decision-making purposes.
5. The Board reviews the Group's financial performance against the budget on a quarterly basis with detailed explanation of any major variances.
6. Manufacturing segment of the Group are governed by the Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001: 2018), Food Safety Management System (Food Safety System Certification FSSC 22000), Hazard Analysis & Critical Control Point (MS 1480:2019) and Good Manufacturing Practice (GMP) for food (MS 1514:2023) to ensure consistency of the product quality produced.
7. Employees are briefed on Code of Business Ethics during induction. They are required to sign and adhere to the Code of Business Ethics, which sets out the policy stand on the conduct of business and the standards of behaviour / ethical conduct expected of the employees.
8. The Employee's Performance Appraisal System is linked to their OKR (Objectives and Key Results) which are aligned to the company's business goals and financial targets respectively.
9. The Human Resource Management has arranged and facilitated regular internal and external training programmes for its employees in relation to their respective areas of work.
10. The Group has established a Crisis Communication Plan with the objective of handling effectively the flow and dissemination of communication to the external parties such as media, government agencies and the Group's other stakeholders during a crisis.
11. The Board has adopted a whistle-blower policy which provides an avenue for any persons namely employees, directors or external parties to report any improper conduct, including fraud, corruption, bribery or blackmail, criminal offences against any employee or director, in a safe and confidential manner.
12. The Board has adopted the Anti-Bribery & Anti-Corruption Policy in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC). The Policy and guidelines set out the Group's stance on areas relevant to fraud, bribery and corruption; business associates and employees are expected to adhere to the highest levels of integrity and ethics.

Internal Audit

Pursuant to Paragraph 15.27 of MMLR, the Board has established an internal audit function which reports directly to the Audit Committee.

The Internal Audit function undertakes regular reviews of the Group's operations, risk management and the systems of internal control. Regular reviews are carried out on the business processes to examine and evaluate the adequacy and efficiency of financial and operating control during the year. Significant risks and non-compliance impacting the Group are highlighted and where applicable, recommendations are provided to improve on the effectiveness of risk management, internal control system and governance processes. The internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and management responses were presented to the Audit Committee. Further details of the internal audit department are set out in the Audit Committee Report on page 50 to 52 of this Annual Report.

Associate Company

The Board does not regularly review internal control systems of the associate company as the Board does not have direct control over their operations. Notwithstanding the above, the Group interest is served through representation on the Board of the associate company and review of the management accounts and enquiries thereon. Such representation also provides the Board with information for decision-making on the continuity of the Group's investments based on the performance of the associate company.

Conclusion

The Board is of the opinion that that system of internal control and risk management processes are adequate and effective for the financial year under review, and up to the date of approval of this Statement, for identifying, evaluating and managing the significant risks faced by the Group and this process is regularly reviewed by the Board to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board, in striving for continuous improvement, will put in place appropriate action plans, where necessary, to further enhance the Group's risk management and internal control system.

During the current financial year, there were no major weaknesses of internal control which result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Review of the Statement by External Auditors

Pursuant to Paragraph 15.23 of MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report and have reported to the Board that nothing has come to their attention that causes them to believe this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

This Statement was approved by the Board of Directors on 8 April 2024.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee (“AC”) comprises three members, all of whom are Non-Executive Directors (“NEDs”); two being Independent NEDs. All of the Independent NEDs satisfy the test of independence under Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC meets the requirements of paragraph 15.09(1)(a) and (b) of the Listing Requirements of Bursa Securities.

The AC Chairman, Mr. An Li Fong is a member of the Institute of Chartered Accountants England and Wales (ICAEW) and the Malaysia Institute of Accountants (MIA). Accordingly, the Company complies with the requirements of paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

ATTENDANCE AND MEETINGS

The AC members and their attendance at the AC meetings held during the financial year ended 31 December 2023 are as follows:

Members	Number of Meetings Attended
An Li Fong ⁽¹⁾ Chairman, Independent Non-Executive Director	3/5
Carolyn Anne Kam Foong Kheng ⁽²⁾ Member, Independent Non-Executive Director	5/5
Dato’ Koh Peng Chor Member, Non-Independent Non-Executive Director	5/5

Notes:

⁽¹⁾ Appointed as INED of CNH w.e.f. 25 May 2023, and appointed as AC member w.e.f. 25 May 2023. Re-designated as AC Chairman w.e.f. 29 February 2024

⁽²⁾ Re-designated as AC member w.e.f. 29 February 2024

The AC held five (5) meetings in 2023 without the presence of other Directors and employees, except in situations when the AC requested for their attendance. The Group Chief Executive Officer (CEO) was invited to all AC meetings to facilitate direct communication and provide clarification on audit issues and the Group’s operations. The Head of Internal Audit Department (IAD) attended all AC meetings to table the Internal Audit (IA) reports. The relevant responsible Management members of the respective auditees were invited to brief the AC on specific issues arising from the audit reports or on any matters of specific interest.

As part of the AC’s efforts to ensure the reliability of the Company’s quarterly financial statements and their compliance with applicable Financial Reporting Standards, the External Auditors, Grant Thornton Malaysia PLT were engaged to conduct a limited review of the Company’s quarterly financial statements before their presentation to the AC for review and recommendation for the Board’s approval and adoption.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. In 2023, the AC Chairman conveyed to the Board matters of significant concern including those raised by the External Auditors or Internal Auditors in the respective quarterly financial presentations.

SUMMARY OF WORK

The AC’s work during 2023 comprised the following:

Financial Reporting

1. Reviewed the quarterly unaudited financial results of the Group to ensure compliance with the Listing Requirements, applicable approval accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors;
2. Reviewed the audited financial statements of the Group to ensure compliance with the applicable approval accounting standards and other statutory and regulatory requirements with the External Auditors prior to submission to the Board for their consideration and approval;
3. Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.

External Audit

During the year, the AC together with the External Auditors:

1. Reviewed 2023 audit plan and scope of work for the Group;
2. Reviewed the audit fees, the number of experience of audit staff assigned to the audit engagement, resources and effectiveness of the External Auditors;
3. Reviewed the performance of External Auditors, their suitability, independence and objectivity;
4. Discussed on audit report and evaluation of the systems of the internal controls;
5. Reviewed major audit findings and reservations arising from the interim and final audits, significant accounting issues and any matter the External Auditors may wish to discuss;
6. Reviewed the results of the audit of the financial statements and their report as well as the management's responses.

During the year, the AC had assessed the External Auditors, Grant Thornton Malaysia PLT ("GTM") by considering their qualification, credentials, reputation and experience prior to official engagement. Subsequently, the AC recommended to the Board for approval for the re-appointment of GTM as the External Auditors of the Company for the financial year ending 31 December 2024.

In 2023, the AC had 2 private meetings with the External Auditors without the presence of the CEO, Management and Internal Auditors. The AC enquired about the Management's and staff's co-operation with the External Auditors, their sharing of information and the proficiency and adequacy of resources in financial reporting functions. The AC viewed coordination and sharing of information and feedback amongst the External Auditors, Finance and Internal Audit personnel would continuously improve and maximise efficiency in audits. The AC Chairman also reiterated to the External Auditors to contact him at any time should they be aware of incidents or matters in the course of their audits or reviews that needs his attention or that of the AC or the Board.

The External Auditors had in their presentation of the External Auditors' report to the AC provided a written assurance that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statement of the Group for the financial year 2023.

The External Auditors' non-audit service fees and the statutory audit fees are available on page 136 of this Annual Report.

Internal Audit ("IA")

During the year, the AC:

1. Reviewed and approved the risk-based annual audit plan to ensure adequate scope and coverage on the activities of the Company and the Group;
2. Reviewed and deliberated on the IA reports and to monitor / follow-up on remedial action;
3. Reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately addressed on timely basis;
4. Reviewed the adequacy of resource requirements and competencies of staff within IAD function to execute the annual audit plan and the results of the work;
5. Reviewed the effectiveness of IA processes and the resources allocated to IAD;
6. Reviewed the AC Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report; and
7. Reviewed the Anti-Bribery and Anti-Corruption Policy and procedures in compliance with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009.

Related Party Transactions

1. Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature prior to recommending it for the Board's approval;
2. Monitored the related party transactions entered by the Company and the Group pursuant to the shareholders' mandate obtained at the Annual General Meeting held on 25 May 2023; and
3. Reviewed the related party transactions entered by the Company and the Group as well as the disclosure and the procedures relating to related party transactions.

INTERNAL AUDIT FUNCTION

Para 15.27 Listing Requirement states that a listed issuer must establish an internal audit function which is independent of the activities and reports to the AC. In compliance to that, an in-house IA function has been established and the scope, responsibilities and authority of the IA activity are defined in the IA Charter approved by the AC.

The IAD is led by the Head of Internal Audit, which reports to the AC. The Head of Internal Audit is a Chartered Accountant of Malaysian Institute of Accountants (MIA) and a Certified Internal Auditor. She is also a Chartered Member of The Institute of Internal Auditor Malaysia.

The principal objective of IAD is to undertake regular and systematic review of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the Group.

The IA personnel are free from any relationships or conflicts of interests which could impair their objectivity and independence in carrying out the function. IA personnel are able to access information to enable it carry out its functions effectively. The AC is satisfied that the Internal Auditors' independence has been maintained as adequate.

IAD adopts a risk-based methodology in planning and conducting audits by focusing on key risk areas and activities that are aligned with the Group's strategic plans. IA function is carried out according to the International Professional Practices Framework (IPPF) where applicable. The IA Plan 2023 was reviewed and approved by the AC.

During the year, IAD has completed and issued the IA reports based on approved annual audit plan and ad hoc request from the AC and Management. The audit assignments covered various operations management of the selected subsidiaries and risk management review within the Group. The reports are issued to the AC, Executive Directors and the respective operations management, incorporating audit recommendations and Management's responses with regards to any audit finding on the weaknesses in the systems and controls of the operations.

The AC received quarterly reports and status of management actions from the IAD on audit reviews carried out, management's response to the findings and progress status in rectifying the identified issues. The management were made responsible and ensured that corrective actions on the control deficiencies were taken within the required time frame. IAD conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.

The total costs incurred for the IA function for the financial year ended 31 December 2023 was approximately RM160,524. The AC reviewed and approved the IAD budget and human resource requirements to ensure that the function is adequately resourced.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 (Act) to prepare financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), the IFRS Accounting Standards, the requirements of the Act in Malaysia, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services whilst those of its subsidiaries are disclosed in Note 7 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 RM	Company RM
(Loss)/Profit for the financial year	<u>(1,622,865)</u>	<u>7,215,347</u>
Attributable to:-		
Owners of the Company	(1,462,410)	
Non-controlling interests	<u>(160,455)</u>	
	<u>(1,622,865)</u>	

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

During the financial year ended 31 December 2023, the Company repurchased 300,000 of its issued shares from the open market for a total consideration paid, including transaction costs of RM17,000. The average price paid for the shares repurchased was approximately RM0.057 per share and was financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016.

As at 31 December 2023, the Company held 1,000,000 treasury shares out of the total 720,000,000 issued ordinary shares. Further relevant details are disclosed in Note 15 to the financial statements.

RESERVES AND PROVISIONS

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

HOLDING COMPANY

The Directors regard Marvellous Heights Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia, as the holding company.

DIRECTORS

The name of the Directors of the Company and its subsidiaries 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:

Dato' Koh Peng Chor
Carolyn Anne Kam Foong Kheng
An Li Fong (appointed on 25 May 2023)
Lim Lean Eng (retired on 25 May 2023)

Directors of the Company and its subsidiaries:

Chew Boon Swee
Koh How Loon

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:-

Koh Tiah Siew
Koh Teng Kiat
Soo Wei Huey
Thong Lai Yeen
Chu Yang Ang
Chan Kok Liang

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, 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:-

	<u>No. of ordinary shares</u>			
	At <u>1.1.2023</u>	<u>Bought</u>	<u>Sold</u>	At <u>31.12.2023</u>
Company				
Direct interests				
Dato' Koh Peng Chor	5,028,680	-	-	5,028,680
Chew Boon Swee	1,128,614	-	-	1,128,614
Koh How Loon	1,679,180	-	-	1,679,180
Deemed interests				
Dato' Koh Peng Chor*	373,983,483	-	-	373,983,483
Chew Boon Swee**	6,534,120	-	-	6,534,120
Koh How Loon***	370,671,643	-	-	370,671,643
Lim Lean Eng**	62,520	-	-	62,520
Holding company				
Direct interests				
Dato' Koh Peng Chor	71,660	-	-	71,660
Chew Boon Swee	7,902	-	-	7,902

DIRECTORS' INTERESTS IN SHARES (CONT'D)

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, 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 (cont'd):-

	<u>No. of ordinary shares</u>		
	<u>At</u> <u>1.1.2023</u>	<u>Bought</u>	<u>Sold</u> <u>At</u> <u>31.12.2023</u>
Deemed interests			
Dato' Koh Peng Chor****	137,989	-	- 137,989
Koh How Loon****	137,989	-	- 137,989

(*) Deemed interest by virtue of shares held by spouse, children, Marvellous Heights Sdn. Bhd. and PC Marketing Sdn. Bhd..

(**) Deemed interest by virtue of shares held by spouse.

(***) Deemed interest by virtue of shares held by Marvellous Heights Sdn. Bhd. and PC Marketing Sdn. Bhd..

(****) Deemed interest by virtue of shares held by PC Marketing Sdn. Bhd..

By virtue of Koh How Loon's and Dato' Koh Peng Chor's interests in the shares of the Company, they are also deemed interested in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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:-

	<u>Incurred by</u> <u>the Company</u> RM	<u>Incurred by the</u> <u>subsidiaries</u> RM	<u>Total</u> RM
Fees	300,903	-	300,903
Salaries and other emoluments	147,446	776,580	924,026
Defined contribution plan	14,881	61,472	76,353
	463,230	838,052	1,301,282
Benefits-in-kind	14,814	36,390	51,204
	478,044	874,442	1,352,486

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.

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 making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (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 the amounts written off for 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 RM14,000 respectively.

SIGNIFICANT EVENT

The significant event is disclosed in Note 35 to the financial statements.

AUDITORS

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

The total amount of fees payable to the Auditors, Grant Thornton Malaysia PLT by the Company and its subsidiaries for the financial year ended 31 December 2023 amounted to RM236,000 and RM66,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

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

.....)	
KOH HOW LOON)	
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)	DIRECTORS
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.....)	
CHEW BOON SWEE)	

Kuala Lumpur
8 April 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 63 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and 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.

.....
KOH HOW LOON

.....
CHEW BOON SWEE

Kuala Lumpur
8 April 2024

STATUTORY DECLARATION

I, Foong Lai Kwan, being the Officer primarily responsible for the financial management of Citra Nusa Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 63 to 133 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)
8 April 2024)

.....
FOONG LAI KWAN
(MIA No: CA 29637)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITRA NUSA HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No: 198901004452 (181758 - A)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Citra Nusa Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of 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 summary of material accounting policy information, as set out on pages 63 to 133.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most 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.

Inventories valuation net

The risk

Referring to Note 10 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 their adequacy due to risk such as inventories are 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.

Impairment losses on trade receivables

The risk

Referring to Note 11 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. The key associate risk is the recoverability of trade receivables due to management judgement is required in determining the completeness of the provision for trade receivables and in assessing their adequacy through considering the expected recoverability.

Report on the Audit of the Financial Statements (cont'd)**Our response**

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current year against the prior years. Besides, we have assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses through examination of subsequent collections.

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. As at the date of our report, except for the Directors' Report, the remaining other information has not been made available to us for our reading and accordingly we are unable to report in this regard.

However, if after reading the other information when available and we conclude there is a material misstatement therein, we will communicate same to the Directors of the Company.

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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:- (cont'd)

- 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 7 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)

FOO LEE MENG
(NO: 03069/07/2025(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
8 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	28,852,971	29,437,995	32,161	73,386
Investment properties	4	6,854,000	5,104,000	1,980,000	1,980,000
Intangible assets	5	629,228	856,409	2,502	3,473
Other investments	6	2,142,973	2,142,973	1	1
Investment in subsidiaries	7	-	-	76,006,029	68,914,003
Investment in associates	8	-	-	-	-
Deferred tax assets	9	407,000	-	-	-
Total non-current assets		38,886,172	37,541,377	78,020,693	70,970,863
Current assets					
Inventories	10	11,078,928	14,095,664	-	-
Trade receivables	11	3,641,343	7,371,135	104,506	98,219
Other receivables	12	3,458,711	4,169,922	17,853	11,976
Other investments	6	12,753,847	10,482,994	6,107,613	4,485,852
Tax recoverable		119,531	-	-	-
Cash and bank balances and deposits	13	13,575,604	13,018,097	1,094,583	2,542,784
Total current assets		44,627,964	49,137,812	7,324,555	7,138,831
Total assets		83,514,136	86,679,189	85,345,248	78,109,694
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:					
Share capital	14	72,000,000	72,000,000	72,000,000	72,000,000
Treasury shares	15	(58,266)	(41,266)	(58,266)	(41,266)
Foreign currency translation reserve	16	(436,611)	(201,753)	-	-
Legal capital reserve	17	178,989	178,989	-	-
(Accumulated losses)/Retained earnings		(4,102,421)	(2,640,011)	13,203,194	5,987,847
		67,581,691	69,295,959	85,144,928	77,946,581
Non-controlling interests	7	619,485	775,396	-	-
Total equity		68,201,176	70,071,355	85,144,928	77,946,581

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group		Company	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	1,114,131	1,078,502	-	-
Deferred tax liabilities	9	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total non-current liabilities		1,114,131	1,078,502	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Current liabilities					
Trade payables	19	3,540,595	4,237,814	-	-
Other payables	20	9,033,330	10,097,386	200,320	163,113
Lease liabilities	18	1,429,257	1,028,650	-	-
Borrowing	21	190,679	-	-	-
Tax payable		4,968	165,482	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities		14,198,829	15,529,332	200,320	163,113
		<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities		15,312,960	16,607,834	200,320	163,113
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		83,514,136	86,679,189	85,345,248	78,109,694
		<hr/>	<hr/>	<hr/>	<hr/>

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	22	61,996,548	77,147,567	1,518,451	1,543,094
Cost of sales		(32,094,004)	(35,558,933)	(11,818)	(4,076)
Gross profit		29,902,544	41,588,634	1,506,633	1,539,018
Other income		428,804	143,955	363,055	188,703
Distribution expenses		(21,439,502)	(27,626,991)	-	-
Administration expenses		(9,789,666)	(10,627,258)	(1,813,549)	(1,876,998)
Other expenses		(1,271,411)	(2,720,990)	(123,559)	(609,344)
(Net impairment loss on non-financial assets)/ Reversal of impairment loss on non-financial assets		(312,703)	691,436	7,092,026	(12,732,527)
Reversal of impairment loss on financial assets/ (Net impairment loss on financial assets)		311,307	(1,202,683)	29,221	(126,613)
Operating (loss)/profit		(2,170,627)	246,103	7,053,827	(13,617,761)
Finance income	23	712,463	368,882	161,520	108,338
Finance costs	24	(137,112)	(88,299)	-	-
Share of profit/(loss) of equity-accounted associates	8	300,963	(1,018,225)	-	-
(Loss)/Profit before tax	25	(1,294,313)	(491,539)	7,215,347	(13,509,423)
Tax expense	26	(328,552)	(1,747,906)	-	(101,162)
(Loss)/Profit after tax		(1,622,865)	(2,239,445)	7,215,347	(13,610,585)
<i>Other comprehensive income, net of tax:</i>					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Foreign currency translation for foreign operations		(230,314)	(281,095)	-	-
Total other comprehensive (loss)/income		(230,314)	(281,095)	7,215,347	(13,610,585)
Total comprehensive (loss)/income for the financial year		(1,853,179)	(2,520,540)	7,215,347	(13,610,585)
(Loss)/Profit after tax attributable to:-					
Owners of the Company		(1,462,410)	(1,780,559)	7,215,347	(13,610,585)
Non-controlling interests		(160,455)	(458,886)	-	-
		(1,622,865)	(2,239,445)	7,215,347	(13,610,585)
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(1,697,268)	(2,045,091)	7,215,347	(13,610,585)
Non-controlling interests		(155,911)	(475,449)	-	-
		(1,853,179)	(2,520,540)	7,215,347	(13,610,585)
Earnings per share attributable to owners of the Company (sen):-					
- Basic/Diluted	27	(0.20)	(0.25)		

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Attributable to owners of the Company									
Note	Group	Non-distributable		Distributable		Foreign currency		Non-controlling interests	
		Share capital	Treasury shares	Legal capital reserve	translation reserve	Accumulated losses	Total	Total	RM
		RM	RM	RM	RM	RM	RM	RM	RM
	At 1 January 2022	72,000,000	-	178,989	62,779	(859,452)	71,382,316	1,250,845	72,633,161
	Loss after tax	-	-	-	-	(1,780,559)	(1,780,559)	(458,886)	(2,239,445)
	Other comprehensive loss	-	-	-	(264,532)	-	(264,532)	(16,563)	(281,095)
	Total comprehensive loss for the financial year	-	-	-	(264,532)	(1,780,559)	(2,045,091)	(475,449)	(2,520,540)
15	Transaction with owners: Own shares acquired	-	(41,266)	-	-	-	(41,266)	-	(41,266)
	At 31 December 2022	72,000,000	(41,266)	178,989	(201,753)	(2,640,011)	69,295,959	775,396	70,071,355
	Loss after tax	-	-	-	-	(1,462,410)	(1,462,410)	(160,455)	(1,622,865)
	Other comprehensive loss	-	-	-	(234,858)	-	(234,858)	4,544	(230,314)
	Total comprehensive loss for the financial year	-	-	-	(234,858)	(1,462,410)	(1,697,268)	(155,911)	(1,853,179)
15	Transaction with owners: Own share acquired	-	(17,000)	-	-	-	(17,000)	-	(17,000)
	At 31 December 2023	72,000,000	(58,266)	178,989	(436,611)	(4,102,421)	67,581,691	619,485	68,201,176

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

		Attributable to owners of the Company			
		Distributable			
Company	<u>Note</u>	Share <u>capital</u> RM	Treasury <u>shares</u> RM	Retained <u>earnings</u> RM	Total <u>equity</u> RM
At 1 January 2022		72,000,000	-	19,598,432	91,598,432
Total comprehensive loss for the financial year		-	-	(13,610,585)	(13,610,585)
Transaction with owners:					
Own shares acquired	15	-	(41,266)	-	(41,266)
At 31 December 2022		72,000,000	(41,266)	5,987,847	77,946,581
Total comprehensive income for the financial year		-	-	7,215,347	7,215,347
Transaction with owners:					
Own shares acquired	15	-	(17,000)	-	(17,000)
At 31 December 2023		72,000,000	(58,266)	13,203,194	85,144,928

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM	RM	RM	RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(1,294,313)	(491,539)	7,215,347	(13,509,423)
Adjustments for:-					
Amortisation of intangible assets		245,026	310,014	971	1,056
Bad debts written off		15,012	112,178	227	-
Depreciation of property, plant and equipment		2,659,376	2,659,314	44,221	43,782
Dividend income		(19,550)	-	(5,100)	-
Fair value changes on other investments		(325,325)	1,650,777	(280,204)	502,736
Gain on disposal of other investments		(28,025)	(2,640)	(9,000)	-
Gain on disposal of property, plant and equipment		(117,318)	(9,886)	-	-
Impairment loss on intangible assets		9,888	239,599	-	-
Impairment loss on property, plant and equipment		1,852	87,190	-	-
(Reversal of impairment loss)/Impairment loss on investment in subsidiaries		-	-	(7,092,026)	12,732,527
Interest expenses		137,112	88,299	-	-
Interest income		(712,463)	(368,882)	(161,520)	(108,338)
Intangible assets written off		2,609	1	-	-
Inventories written down		166,131	965,388	-	-
Inventories written off		81,346	191,136	-	-
Loss allowance on receivables		300,173	1,251,954	21,772	137,137
Property, plant and equipment written off		54,597	39,192	3	139
Reversal of loss allowance on receivables		(611,480)	(49,271)	(50,993)	(10,524)
Reversal of inventories written down		(536,795)	(669,401)	-	-
Reversal of inventories written off		(30,965)	(1,481)	-	-
Impairment loss/(Reversal of impairment loss) on investment in an associate		300,963	(1,018,225)	-	-
Share of (profit)/loss of equity-accounted associates		(300,963)	1,018,225	-	-
Unrealised gain on foreign exchange		(204,549)	(225,300)	(2,710)	(29,270)
Operating (loss)/profit before working capital changes		(207,661)	5,776,642	(319,012)	(240,178)

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

	Group		Company	
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
OPERATING ACTIVITIES				
Adjustments for (cont'd):-				
Changes in working capital:-				
Inventories	3,369,804	(232,111)	-	-
Receivables	2,902,915	(906,242)	46,182	795,127
Payables	(1,843,512)	(802,860)	41,138	(43,609)
	<u>4,221,546</u>	<u>3,835,429</u>	<u>(231,692)</u>	<u>511,340</u>
Income tax paid, net of refund	(1,015,597)	(1,479,438)	-	(101,162)
Interest received	83,326	45,306	8,544	6,786
Interest paid	(5,871)	(5,606)	-	-
	<u>3,283,404</u>	<u>2,395,691</u>	<u>(223,148)</u>	<u>416,964</u>
Net cash from/(used in) operating activities				
	<u>3,283,404</u>	<u>2,395,691</u>	<u>(223,148)</u>	<u>416,964</u>
INVESTING ACTIVITIES				
Dividends received	19,550	-	5,100	-
Proceeds from disposal of other investments	626,525	2,329,188	219,000	-
Purchase of other investments	(2,544,028)	(3,591,723)	(1,551,557)	(1,533,141)
Interest received	629,137	201,670	152,976	101,552
Purchase of property, plant and equipment	A (324,366)	(595,548)	(2,999)	(2,520)
Purchase of intangible assets	(31,703)	(33,193)	-	-
Proceeds from disposal of property, plant and equipment	144,574	15,066	-	-
Proceeds from redemption of other investments	-	3,450,000	-	-
Proceeds from disposal of intangible asset	1,361	-	-	-
Advance to holding company	(150)	-	(150)	-
Repayments from/(Advances to) related parties	327,899	20,464	-	(1,894)
(Advances to)/Repayments from subsidiaries	-	-	(26,492)	2,770,427
(Advances to)/Repayments from an associate	(89,446)	(14,834)	-	3,000
	<u>(1,240,647)</u>	<u>1,781,090</u>	<u>(1,204,122)</u>	<u>1,337,424</u>
Net cash (used in)/from investing activities				
	<u>(1,240,647)</u>	<u>1,781,090</u>	<u>(1,204,122)</u>	<u>1,337,424</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		RM	RM	RM	RM
FINANCING ACTIVITIES					
Repayments to subsidiaries		-	-	(3,931)	(13,172)
Purchase of treasury shares		(17,000)	(41,266)	(17,000)	(41,266)
Advances from related parties		140,995	67,583	-	-
Interest paid		(131,241)	(82,693)	-	-
Repayments to an associate		(194,787)	(143,148)	-	-
Repayments to a Director		(100,000)	(100,000)	-	-
Repayments of lease liabilities		(1,396,442)	(1,170,525)	-	-
		<u>(1,698,475)</u>	<u>(1,470,049)</u>	<u>(20,931)</u>	<u>(54,438)</u>
Net cash used in financing activities					
CASH AND CASH EQUIVALENTS					
Net changes		344,282	2,706,732	(1,448,201)	1,699,950
Effect of exchange rate fluctuations on bank balances		22,546	44,753	-	-
Brought forward		<u>13,018,097</u>	<u>10,266,612</u>	<u>2,542,784</u>	<u>842,834</u>
Carried forward	B	<u>13,384,925</u>	<u>13,018,097</u>	<u>1,094,583</u>	<u>2,542,784</u>

NOTES TO THE STATEMENTS OF CASH FLOWS

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT				
Total purchase of property, plant and equipment	2,126,983	1,563,010	2,999	2,520
Less: Acquisition by means of lease liabilities	(1,802,617)	(967,462)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash paid	<u>324,366</u>	<u>595,548</u>	<u>2,999</u>	<u>2,520</u>

B. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Deposits with financial institutions	70,451	1,066,023	-	-
Cash and bank balances	13,505,153	11,952,074	1,094,583	2,542,784
	<hr/>	<hr/>	<hr/>	<hr/>
	13,575,604	13,018,097	1,094,583	2,542,784
Less: Bank overdraft	(190,679)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	<u>13,384,925</u>	<u>13,018,097</u>	<u>1,094,583</u>	<u>2,542,784</u>

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January <u>2023</u>	Cash flows <u>movement</u>	Purchase of property, plant and <u>equipment</u>	Unrealised foreign <u>exchange</u>	31 December <u>2023</u>
Group	RM	RM	RM	RM	RM
Amount due to a Director	1,583,333	(100,000)	-	-	1,483,333
Amount due to related parties	88,200	140,995	-	-	229,195
Amount due to associates	309,023	(194,787)	-	-	114,236
Lease liabilities	<u>2,107,152</u>	<u>(1,396,442)</u>	<u>1,802,617</u>	<u>30,061</u>	<u>2,543,388</u>

	1 January <u>2023</u>	Cash flows <u>movement</u>	31 December <u>2023</u>
Company	RM	RM	RM
Amount due to subsidiaries	<u>4,929</u>	<u>(3,931)</u>	<u>998</u>

	1 January <u>2022</u>	Cash flows <u>movement</u>	Purchase of property, plant and <u>equipment</u>	Unrealised foreign <u>exchange</u>	31 December <u>2022</u>
Group	RM	RM	RM	RM	RM
Amount due to a Director	1,683,333	(100,000)	-	-	1,583,333
Amount due to related parties	20,617	67,583	-	-	88,200
Amount due to associates	452,171	(143,148)	-	-	309,023
Lease liabilities	<u>2,283,967</u>	<u>(1,170,525)</u>	<u>967,462</u>	<u>26,248</u>	<u>2,107,152</u>

	1 January <u>2022</u>	Cash flows <u>movement</u>	31 December <u>2022</u>
Company	RM	RM	RM
Amount due to subsidiaries	<u>18,101</u>	<u>(13,172)</u>	<u>4,929</u>

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. GENERAL INFORMATION

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

The registered office and the principal place of business of the Company are both located at Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services whilst those of its subsidiaries are disclosed in Note 7 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 Directors regard Marvellous Heights Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia, as the ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 April 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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"), IFRS Accounting Standards 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 investment properties, debt and 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 and by the Company.

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:-

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

The Group and the Company have established control framework in respect of measurement of fair values of financial instruments. The Board has overall responsibility for overseeing all significant fair value measurements. The Board regularly reviews significant unobservable inputs and valuation adjustments.

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.

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 New Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2023.

Initial application of the amendments/improvements to MFRSs did not have material impact on the financial statements of the Group and of the Company, except for disclosed below:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.4.2 Standards Issued but Not Yet Effective

The 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 financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16*#	Lease - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*#	Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 107*# and MFRS 7*#	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued but Not Yet Effective (cont'd)

Effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121*	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Amendments to MFRSs - effective date deferred indefinitely:-

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
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* Not applicable to the Company

Not applicable to the Group

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

2.5 The Use of Estimates and Judgements

The preparation of financial statements in conformity with MFRSs and IC Interpretations require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. It also requires the management and Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the managements' and Directors' best knowledge of current events and actions, actual results may defer from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below:-

Climate-Related Matters

The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates. Assumptions used by the Group are subject to uncertainties relating to regulatory changes (eg. green taxes adopted by governments), new environmental commitments made by the Group meet its carbon reduction goals, development of new technologies, depletion of natural resources used to produce telecommunication hardware, etc. Due to these uncertainties, the figures reported in the Group's future financial statements could differ from the estimates established at the time these financial statements were approved.

Useful Lives of Depreciable Assets

Management estimates the useful lives of the depreciable assets to be within 5 to 50 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2023, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. 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 and the Company's assets.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 The Use of Estimates and Judgements (cont'd)

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.

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

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letter of credit and other forms of credit insurance).

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.

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.

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.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 The Use of Estimates and Judgements (cont'd)

Inventories

The Group writes down its obsolete or slow-moving inventories based on assessment of their estimated net selling price, the expiry dates, condition and movements of the inventories and applies certain percentage of write down. 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.

Fair Value of Investment Properties

The Group recognises its investment property at fair value with changes in fair value being recognised in profit or loss. Significant judgement is required to determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluated based on Directors' estimation with reference to past experience and reliance on the work of specialists.

Fair Value of Other Investments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Classification Between Investment Property and Owner-occupied Properties

The Group and the Company determine whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independently of the other assets held by the Group and by the Company.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group and the Company account for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Deferred Tax on Investment Properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using fair value model, the management of the Group and the Company review the investment properties and concluded that the Group's and the Company's investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time. Therefore, in making judgement, the management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through over time. Accordingly, the Group and the Company recognised deferred taxes in respect of the changes in fair value of investment properties. The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the investment properties subsequently be disposed rather than consumed substantially all of the economic benefits embodied over time.

3. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold land		Buildings		Plant and machinery, and laboratory equipment		Motor vehicles	Office equipment, furniture and fittings, renovation, electrical installation and computer hardware		Capital work-in- progress	Right-of-use- Lease of premises	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2022	4,621,097	35,670,278	25,971,902	2,876,574	14,530,734	1,428,771	2,238,833	87,338,189				
Additions	-	-	597,220	-	384,045	63,883	517,862	1,563,010				
Expired leases	-	-	-	-	-	-	(609,418)	(609,418)				
Disposals	-	-	(40,000)	-	(14,880)	-	-	(54,880)				
Written off	-	-	(310,164)	-	(265,812)	-	-	(575,976)				
Transfer	-	-	-	-	877,671	(877,671)	-	-				
Exchange differences	-	(68,616)	(64,414)	-	(3,812)	-	58,706	(78,136)				
At 31 December 2022	4,621,097	35,601,662	26,154,544	2,876,574	15,507,946	614,983	2,205,983	87,582,789				
Additions	-	-	73,460	572,795	144,720	3,392	1,332,616	2,126,983				
Expired leases	-	-	-	-	-	-	(679,129)	(679,129)				
Disposals	-	(17,939)	(13,140)	(175,497)	(582,809)	(391,779)	-	(1,181,164)				
Written off	-	-	(98,024)	(6,754)	(262,677)	(1)	-	(367,456)				
Transfer	-	-	184,710	-	-	(184,710)	-	-				
Exchange differences	-	58,762	55,162	-	33,164	-	94,961	242,049				
At 31 December 2023	4,621,097	35,642,485	26,356,712	3,267,118	14,840,344	41,885	2,954,431	87,724,072				

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

Group	Accumulated depreciation									
	Freehold land	Buildings	Plant and machinery, and laboratory equipment	Motor vehicles	Office equipment, furniture and fittings, renovation, electrical installation and computer hardware	Capital work-in-progress	Right-of-use-leases	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2022	-	16,273,340	23,971,267	2,022,148	12,954,020	-	1,010,226	56,231,001		
Charge for the financial year	-	807,889	468,618	206,545	363,703	-	812,559	2,659,314		
Expired leases	-	-	-	-	-	-	(609,418)	(609,418)		
Disposals	-	-	(39,999)	-	(9,701)	-	-	(49,700)		
Written off	-	-	(296,616)	-	(238,353)	-	-	(534,969)		
Exchange differences	-	(65,511)	(58,564)	-	(8,134)	-	33,116	(99,093)		
At 31 December 2022	-	17,015,718	24,044,706	2,228,693	13,061,535	-	1,246,483	57,597,135		
Charge for the financial year	-	686,404	353,887	282,863	389,918	-	946,304	2,659,376		
Expired leases	-	-	-	-	-	-	(679,129)	(679,129)		
Disposals	-	(17,939)	(12,668)	(175,496)	(556,027)	-	-	(762,130)		
Written off	-	-	(79,383)	(3,884)	(229,592)	-	-	(312,859)		
Exchange differences	-	57,972	52,070	-	27,780	-	64,854	202,676		
At 31 December 2023	-	17,742,155	24,358,612	2,332,176	12,693,614	-	1,578,512	58,705,069		

	Freehold land	Buildings	Plant and machinery, and laboratory equipment	Motor vehicles	Office equipment, fittings, renovation, electrical installation and computer hardware	Capital work-in-progress	Right-of-use-Lease of premises	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Accumulated impairment loss								
At 1 January 2022	-	-	-	-	69,591	391,778	-	461,369
Impairment loss for the financial year	-	17,840	69,769	-	(419)	-	-	87,190
Written off	-	-	-	-	(1,815)	-	-	(1,815)
Exchange differences	-	(603)	(2,356)	-	3,874	-	-	915
At 31 December 2022	-	17,237	67,413	-	71,231	391,778	-	547,659
Impairment loss for the financial year	-	-	-	-	1,852	-	-	1,852
Disposal	-	-	-	-	-	(391,778)	-	(391,778)
Exchange differences	-	790	3,092	-	4,417	-	-	8,299
At 31 December 2023	-	18,027	70,505	-	77,500	-	-	166,032
Net carrying amount								
At 31 December 2023	4,621,097	17,882,303	1,927,595	934,942	2,069,230	41,885	1,375,919	28,852,971
At 31 December 2022	4,621,097	18,568,707	2,042,425	647,881	2,375,180	223,205	959,500	29,437,995

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

	<u>Motor vehicles</u>	<u>Office equipment, furniture and fittings</u>	<u>Computer hardware</u>	<u>Total</u>
	RM	RM	RM	RM
Company				
Cost				
At 1 January 2022	396,500	7,400	74,147	478,047
Additions	-	-	2,520	2,520
Written off	-	-	(10,731)	(10,731)
At 31 December 2022	396,500	7,400	65,936	469,836
Additions	-	2,999	-	2,999
Written off	-	(394)	(4,935)	(5,329)
At 31 December 2023	396,500	10,005	61,001	467,506
Accumulated depreciation				
At 1 January 2022	303,981	4,242	55,037	363,260
Charge for the financial year	39,650	559	3,573	43,782
Written off	-	-	(10,592)	(10,592)
At 31 December 2022	343,631	4,801	48,018	396,450
Charge for the financial year	39,652	602	3,967	44,221
Written off	-	(398)	(4,928)	(5,326)
At 31 December 2023	383,283	5,005	47,057	435,345
Net carrying amount				
At 31 December 2023	13,217	5,000	13,944	32,161
At 31 December 2022	52,869	2,599	17,918	73,386

Recognition and Measurement

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

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

Depreciation

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:-

Buildings	2%
Plant & machinery & laboratory equipment	10% - 12.50%
Motor vehicles	10% - 20%
Office equipment, furniture & fittings, renovation, electrical installation and computer hardware	2% - 20%

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.

Impairment Loss on Property, Plant and Equipment

Impairment loss on property, plant and equipment of the Group had been recognised due to recoverable amounts of property, plant and equipment are lower than the carrying amounts.

Included in motor vehicles, plant and machinery and laboratory equipment of the Group are right-of-use assets as follows:

	<u>Motor vehicles</u> RM	<u>Plant and machinery, and laboratory equipment</u> RM	<u>Total</u> RM
Group Cost			
At 1 January 2022	883,159	1,181,352	2,064,511
Additions	-	449,600	449,600
Transfer to property, plant and equipment	(154,700)	(356,525)	(511,225)
At 31 December 2022	728,459	1,274,427	2,002,886
Additions	564,690	-	564,690
Transfer to property, plant and equipment	(393,365)	-	(393,365)
At 31 December 2023	899,784	1,274,427	2,174,211
Accumulated depreciation			
At 1 January 2022	362,650	326,755	689,405
Charge for the financial year	115,364	92,643	208,007
Transfer to property, plant and equipment	(65,748)	(111,660)	(177,408)
At 31 December 2022	412,266	307,738	720,004
Charge for the financial year	175,882	127,443	303,325
Transfer to property, plant and equipment	(368,780)	-	(368,780)
At 31 December 2023	219,368	435,181	654,549
Net carrying amount			
At 31 December 2023	680,416	839,246	1,519,662
At 31 December 2022	316,193	966,689	1,282,882

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

Recognition and Measurement

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

Depreciation

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:-

Motor vehicles	10% - 20%
Plant and machinery, and laboratory equipment	10% - 12.5%

Lease and Non-lease Components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Recognition Exemption

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

As a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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.

4. INVESTMENT PROPERTIES

	Right-of-use - Leasehold land and buildings RM	Freehold building RM	Total RM
Group			
At fair value			
At 1 January 2022/31 December 2022	2,604,000	2,500,000	5,104,000
Addition	-	1,750,000	1,750,000
At 31 December 2023	2,604,000	4,250,000	6,854,000
Company			
At fair value			
At 1 January 2022/ 31 December 2022/ 31 December 2023	1,980,000	-	1,980,000

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise.

Income and expenses recognised in profit or loss:

	Group		Company	
	<u>2023</u> RM	<u>2022</u> RM	<u>2023</u> RM	<u>2022</u> RM
Rental income	183,500	150,000	120,000	120,000
Direct operating expenses				
- Income generating	70,737	10,336	11,818	4,076
- Non-income generating	-	28,001	-	-

The operating lease payments to be received are as follows:-

	Group		Company	
	<u>2023</u> RM	<u>2022</u> RM	<u>2023</u> RM	<u>2022</u> RM
Within 1 year	226,400	120,000	50,000	120,000
Between 1 and 2 years	118,200	50,000	-	50,000
Total undiscounted lease payments	344,600	170,000	50,000	170,000

Fair Value Basic of Investment Properties

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller on an arm's length basis at the reporting date.

The fair values of the Group's and the Company's investment properties have been arrived at on the basis of valuations carried out by a firm of independent professional valuers on 31 December 2023 who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair values of the investment properties were determined using the Comparison Method.

4. INVESTMENT PROPERTIES (CONT'D)

Fair Value Basic of Investment Properties (cont'd)

The Comparison Method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market condition and other relevant characteristics. There has been no changes to the valuation technique during the financial year.

Fair Value

Fair value measurement of the investment properties were categorised as follows:-

	Group		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	RM	RM	RM
2023			
Recurring fair value measurement:-			
Leasehold land and buildings	-	1,980,000	624,000
Freehold building	-	4,250,000	-
	<hr/>	<hr/>	<hr/>
2022			
Recurring fair value measurement:-			
Leasehold land and buildings	-	1,980,000	624,000
Freehold building	-	2,500,000	-
	<hr/>	<hr/>	<hr/>
	Company		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	RM	RM	RM
2023			
Recurring fair value measurement:-			
Leasehold land and buildings	-	1,980,000	-
	<hr/>	<hr/>	<hr/>
2022			
Recurring fair value measurement:-			
Leasehold land and buildings	-	1,980,000	-
	<hr/>	<hr/>	<hr/>

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable properties.

Level 3 fair value of the land and buildings was estimated based on Director's valuation with reference from a valuation report prepared by an independent professional qualified valuer.

4. INVESTMENT PROPERTIES (CONT'D)

Fair Value Basic of Investment Properties (cont'd)

Fair Value (cont'd)

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

Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The fair values are determined based on the techniques supported by available inputs comprising precedent transactions for similar properties in the area and arriving at the opinion of value after taking consideration of location, size, shape, physical characteristics, legal and other restrictions on the subject property and other factors, that generally have influence on property values.	Average price per square foot (2023 and 2022: RM1,095).	The estimated fair value would increase if the price per square foot higher.

Strata Title yet to Issue

The strata title of buildings of subsidiaries with net carrying amount of RM4,874,000 (2022: RM3,124,000) are yet to issued by the relevant authorities.

5. INTANGIBLE ASSETS

	<u>Goodwill</u>	Computer <u>software</u>	<u>Trademark</u>	<u>Total</u>
	RM	RM	RM	RM
Group				
Cost				
At 1 January 2022	946,709	2,174,289	428,722	3,549,720
Additions	-	17,384	15,809	33,193
Written off	-	(520)	-	(520)
Exchange differences	-	-	(21,301)	(21,301)
At 31 December 2022	946,709	2,191,153	423,230	3,561,092
Additions	-	31,703	-	31,703
Disposal	-	(7,100)	-	(7,100)
Written off	-	(114,820)	-	(114,820)
Exchange differences	-	-	18,485	18,485
At 31 December 2023	946,709	2,100,936	441,715	3,489,360

5. INTANGIBLE ASSETS (CONT'D)

	<u>Goodwill</u> RM	<u>Computer software</u> RM	<u>Trademark</u> RM	<u>Total</u> RM
Group (cont'd)				
Accumulated amortisation				
At 1 January 2022	-	1,096,320	128,796	1,225,116
Charge for the financial year	-	249,255	60,759	310,014
Written off	-	(519)	-	(519)
Exchange differences	-	-	(8,142)	(8,142)
At 31 December 2022	-	1,345,056	181,413	1,526,469
Charge for the financial year	-	244,596	430	245,026
Disposal	-	(5,739)	-	(5,739)
Written off	-	(112,211)	-	(112,211)
Exchange differences	-	-	7,867	7,867
At 31 December 2023	-	1,471,702	189,710	1,661,412
Accumulated impairment loss				
At 1 January 2022	946,709	-	-	946,709
Impairment loss for the financial year	-	-	239,599	239,599
Exchange differences	-	-	(8,094)	(8,094)
At 31 December 2022	946,709	-	231,505	1,178,214
Impairment loss for the financial year	-	6	9,882	9,888
Exchange differences	-	-	10,618	10,618
At 31 December 2023	946,709	6	252,005	1,198,720
Net carrying amount				
At 31 December 2023	-	629,228	-	629,228
At 31 December 2022	-	846,097	10,312	856,409

5. INTANGIBLE ASSETS (CONT'D)

Company	Computer software RM
Cost	
At 1 January 2022/31 December 2022/31 December 2023	<u>35,271</u>
Accumulated amortisation	
At 1 January 2022	30,742
Charge for the financial year	<u>1,056</u>
At 31 December 2022	31,798
Charge for the financial year	<u>971</u>
At 31 December 2023	<u>32,769</u>
Net carrying amount	
At 31 December 2023	<u>2,502</u>
At 31 December 2022	<u>3,473</u>

Recognition and Measurement

Goodwill

Goodwill arising on the acquisition of a subsidiary, being the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Software

Software is recognised as intangible assets when the software is not an integral part of the related hardware. All software is initially recorded at cost. The cost of an item of software is recognised as an asset if, and only if, it is possible that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Trademarks

Trademarks are stated at cost and is amortised using the straight-line basis over its estimated useful life. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

5. INTANGIBLE ASSETS (CONT'D)

Amortisation

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually.

Software

Software, considered to have finite useful life, is stated at cost less any accumulated impairment losses and is amortised using the straight-line basis over its estimated useful life of 10 years.

Trademarks

Trademarks are stated at cost less any accumulated impairment losses and is amortised using the straight-line basis over its estimated useful life of 10 years.

Impairment Loss Review of Goodwill on Consolidation, Computer Software and Trademark

Impairment loss on intangible assets of the Group had been recognised due to recoverable amounts of intangible assets are lower than the carrying amounts.

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. The goodwill pertains to a subsidiary experiencing losses due to its poor performance. Consequently, the associated goodwill had been fully impaired.

6. OTHER INVESTMENTS

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Non-current assets				
Fair value through profit or loss				
Unquoted shares				
- Within Malaysia	142,973	142,973	1	1
Redeemable convertible preference shares	2,000,000	2,000,000	-	-
	<u>2,142,973</u>	<u>2,142,973</u>	<u>1</u>	<u>1</u>
Current assets				
Fair value through profit or loss				
Quoted shares				
- Within Malaysia	542,925	-	190,500	-
Investment in money market funds	12,210,922	10,482,994	5,917,113	4,485,852
	<u>12,753,847</u>	<u>10,482,994</u>	<u>6,107,613</u>	<u>4,485,852</u>
	<u>14,896,820</u>	<u>12,625,967</u>	<u>6,107,614</u>	<u>4,485,853</u>

The fair values of unquoted share and redeemable convertible preference shares are determined based on the valuation techniques supported by available inputs comprising precedent transaction for similar financial instruments.

The fair values of quoted shares and money market funds are determined based on quoted bid prices in an active market.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	<u>2023</u>	<u>2022</u>
	RM	RM
Unquoted shares, at cost	83,321,374	83,321,374
Less: Accumulated impairment loss		
At 1 January	14,407,371	1,674,844
Addition	800,000	12,732,527
Reversal	(7,892,026)	-
31 December	7,315,345	14,407,371
Net carrying amount	<u>76,006,029</u>	<u>68,914,003</u>

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

The recoverable amount of the investment in subsidiaries are assessed by reference to the value-in-use or fair value less cost to sell of the respective subsidiaries, whichever is higher.

In prior financial year, estimating a value-in-use requires significant judgements and estimates by using cash flow projections based on financial budgets approved by the management covering a five-year period. The discount rates applied to the cash flow projections is 7.4% based on the weighted average cost of capital of the Company.

At the reporting date, the net assets of a subsidiary, Exclusive Mark (M) Sdn. Bhd. were higher than the Company's net carrying amount of investment, determined using fair value less costs of disposal which resulted in a reversal of impairment losses recognised accordingly.

Details of the Level 3 fair value method used in obtaining the recoverable amount are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Details of the subsidiaries are as follows:-

<u>Name of company</u>	<u>Principal place of business</u>	<u>Principal activities</u>	<u>Effective interest</u>	
			<u>2023</u>	<u>2022</u>
CNI Enterprise (M) Sdn. Bhd.	Malaysia	Sale and distribution of health care and consumer products.	100%	100%
Exclusive Mark (M) Sdn. Bhd.	Malaysia	Manufacturing, trading and packaging of all kinds of foodstuffs and beverages.	100%	100%
Q-Pack (M) Sdn. Bhd.	Malaysia	Manufacturing, trading and packaging of household and personal care products.	100%	100%

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of company	Principal place of business	Principal activities	Effective interest	
			2023	2022
Infuso Sdn. Bhd.	Malaysia	Supply of food and beverage and investment holding.	100%	100%
Lotus Supplies Sdn. Bhd.	Malaysia	Import and distribution of food ingredients, pharmaceutical and healthcare goods, cosmetic and beauty products.	70%	70%
Subsidiary of CNI Enterprise (M) Sdn. Bhd.				
Creative Network International (S) Pte. Ltd. *	Singapore	Sale and distribution of health care and consumer products.	100%	100%
Subsidiaries of Exclusive Mark (M) Sdn. Bhd.				
Bright Way Avenue Sdn. Bhd.	Malaysia	Marketing and distributing coffee and other related beverage products.	100%	100%
Top One Biotech Co., Ltd.*	Taiwan	Manufacturing, sales and distribution of foodstuffs and groceries products.	70%	70%

* Not audited by Grant Thornton Malaysia PLT

The subsidiaries of the Group that have non-controlling interests ("NCI")

	Lotus Supplies Sdn. Bhd. RM	Top One Biotech Co., Ltd. RM	Total RM
2023			
NCI percentage of ownership and voting interest (%)	30%	30%	
Carrying amount of NCI	643,393	(23,908)	619,485
Profit/(Loss) for the financial year allocated to NCI	5,253	(165,708)	(160,455)
Total comprehensive income/(loss) for the financial year allocated to NCI	5,253	(161,164)	(155,911)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries of the Group that have non-controlling interests ("NCI") (cont'd)

	Lotus Supplies <u>Sdn. Bhd.</u> RM	Top One Biotech Co., <u>Ltd.</u> RM	<u>Total</u> RM
2022			
NCI percentage of ownership and voting interest (%)	30%	30%	
Carrying amount of NCI	638,140	137,256	775,396
Profit/(Loss) for the financial year allocated to NCI	53,897	(512,783)	(458,886)
Total comprehensive income/(loss) for the financial year allocated to NCI	53,897	(529,346)	(475,449)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have NCI

	Lotus Supplies <u>Sdn. Bhd.</u> RM	Top One Biotech Co., <u>Ltd.</u> RM
2023		
Financial position		
Non-current assets	152,374	-
Current assets	2,123,553	264,862
Non-current liabilities	-	-
Current liabilities	(131,283)	(344,555)
Net assets/(liabilities)	2,144,644	(79,693)
Summary of financial performance for the financial year		
Revenue	4,210,190	426,031
Profit/(Loss) for the financial year	17,511	(552,360)
Total comprehensive income/(loss)	17,511	(537,213)
Summary of cash flows for the financial year		
- Net cash from/(used in) operating activities	225,133	(30,139)
- Net cash (used in)/from investing activities	(6,000)	17,808
- Net cash used in financing activities	(53,785)	-
Net cash inflows/(outflows)	165,348	(12,331)
Other information		
Dividends paid to non-controlling interests	-	-

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have NCI (cont'd)

	Lotus Supplies Sdn. Bhd. RM	Top One Biotech Co., Ltd. RM
2022		
Financial position		
Non-current assets	169,318	-
Current assets	2,188,044	479,884
Non-current liabilities	(39,249)	-
Current liabilities	(190,980)	(22,364)
Net assets	2,127,133	457,520
Summary of financial performance for the financial year		
Revenue	5,869,897	31,865
Profit/(Loss) for the financial year	179,656	(1,709,277)
Total comprehensive income/(loss)	179,656	(1,764,487)
Summary of cash flows for the financial year		
- Net cash from/(used in) operating activities	183,015	(19,709)
- Net cash from/(used in) investing activities	95	(15,766)
- Net cash used in financing activities	(69,178)	-
Net cash inflows/(outflows)	113,932	(35,475)
Other information		
Dividends paid to non-controlling interests	-	-

8. INVESTMENT IN ASSOCIATES

	Group		Company	
	<u>2023</u> RM	<u>2022</u> RM	<u>2023</u> RM	<u>2022</u> RM
Unquoted shares				
At cost	4,866,282	4,866,282	4,866,282	4,866,282
Share of post-acquisition reserves				
At 1 January	(4,866,282)	(3,848,057)	-	-
Addition	300,963	(1,018,225)	-	-
At 31 December	(4,565,319)	(4,866,282)	-	-
Less: Accumulated impairment loss				
At 1 January	-	1,018,225	(4,866,282)	(4,866,282)
Addition	(300,963)	-	-	-
Reversal	-	(1,018,225)	-	-
At 31 December	(300,963)	-	(4,866,282)	(4,866,282)
	-	-	-	-

8. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates are as follows:

<u>Name of company</u>	<u>Principal place of business</u>	<u>Principal activities</u>	<u>Effective interest</u>	
			<u>2023</u>	<u>2022</u>
CNI Corporation Sdn. Bhd.*	Malaysia	Investment holding and provision of management service and commission agent	25.80%	25.80%
Held by CNI Corporation Sdn. Bhd.				
CNI Venture Sdn. Bhd.*	Malaysia	Research and development on healthcare products	25.80%	25.80%
CNI Enterprise (India) Pvt. Ltd. *	India	Dormant	25.80%	25.80%
CNI VN Co. Ltd. *	Vietnam	Direct selling	25.80%	25.80%

* Not audited by Grant Thornton Malaysia PLT

Impairment loss

In prior financial year, reversal of impairment loss amounting to RM1,018,225 has been recognised in profit or loss to offset against the share of results of associate up to the cost of investment of the associate which is specified under Equity Method Accounting.

During the financial year, an impairment amounting to RM300,963 has been recognised due to the recoverable amounts of the investment in associates is lower than the carrying amounts.

Details of the Level 3 fair value method used in obtaining the recoverable amount are as follows:-

<u>Valuation method and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Relationship of unobservable inputs and fair value</u>
Adjusted net asset method which derives value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

8. INVESTMENT IN ASSOCIATES (CONT'D)

Impairment loss (cont'd)

Summary of financial information of the associates, not adjusted for the proportion of ownership interest held by the Group is as follows:

	<u>2023</u>	<u>2022</u>
	RM	RM
Summary of financial position		
Non-current assets	206,542	248,601
Current assets	3,034,330	1,725,367
Non-current liabilities	(1,241,848)	(1,189,619)
Current liabilities	(5,820,059)	(6,583,685)
Net liabilities	<u>(3,821,035)</u>	<u>(5,799,336)</u>
Summary of financial performance for the financial year		
Revenue	4,050,735	4,329,169
Profit/(Loss) for the financial year	1,435,770	(4,215,855)
Other comprehensive income/(loss) for the financial year	542,531	(1,827,227)
Total comprehensive income/(loss) for the financial year	<u>1,978,301</u>	<u>(6,043,082)</u>
Reconciliation of net liabilities to carrying amount at the end of the financial year		
Group's share of net liabilities	(654,376)	(955,339)
Goodwill	955,339	955,339
Impairment loss	(300,963)	-
Carrying amount in the statements of financial position	<u>-</u>	<u>-</u>
Group's share of results for the financial year end		
Profit/(Loss) for the financial year	370,429	(1,087,690)
Other comprehensive income/(loss) for the financial year	139,973	(471,425)
Total comprehensive income/(loss) for the financial year	<u>510,402</u>	<u>(1,559,115)</u>
Other information		
Dividends received	<u>-</u>	<u>-</u>

Contingent liabilities and capital commitments

The associates have no contingent liabilities and capital commitments in both financial years.

Unrecognised share of losses

The Group has not recognised loss and other comprehensive loss related to CNI Corporation Sdn. Bhd., totalling RMNil and RM331,452 (2022: RM69,465 and RM471,425) and cumulatively RMNil and RM331,452 (2022: RM69,465 and RM471,425), since the Group has no obligation in respect of these losses.

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
At 1 January	-	78,002	-	-
Transferred from profit or loss	407,000	-	-	-
Transferred to profit or loss	-	(77,808)	-	-
Exchange differences	-	(194)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	<u>407,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Presented after appropriate offsetting as follows:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Deferred tax assets	407,000	-	-	-
Deferred tax liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>407,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

The components of deferred tax assets and liabilities that are recognised during the financial year are as follows:

Deferred tax assets

	Property, plant and equipment	Investment properties	Unabsorbed tax losses	Unabsorbed capital allowances	Accumulated impairment loss	Inventories	Unutilised reinvestment allowances	Others	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
At 1 January 2022	(2,236,770)	(77,645)	1,208,988	26,712	1,041,920	-	-	114,797	78,002
Recognised in profit and loss	2,236,770	77,645	(1,208,794)	(26,712)	(1,041,920)	-	-	(114,797)	(77,808)
Exchange differences	-	-	(194)	-	-	-	-	-	(194)
At 31 December 2022	-	-	-	-	-	-	-	-	-
Recognised in profit and loss	-	-	-	-	-	407,000	-	-	407,000
At 31 December 2023	-	-	-	-	-	407,000	-	-	407,000

Deferred tax liabilities

	Property, plant and equipment	Intangible assets	Unabsorbed capital allowances	Inventories	Accumulated impairment loss	Unabsorbed tax losses	Total
	RM	RM	RM	RM	RM	RM	RM
Group							
At 1 January 2022	(1,065,077)	78,000	468,000	(90,000)	270,000	339,077	-
Recognised in profit and loss	66,077	(12,000)	188,000	(103,000)	200,000	(339,077)	-
At 31 December 2022	(999,000)	66,000	656,000	(193,000)	470,000	-	-
Recognised in profit and loss	122,440	(10,000)	(144,440)	123,000	(86,000)	(5,000)	-
At 31 December 2023	(876,560)	56,000	511,560	(70,000)	384,000	(5,000)	-

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

The components of deferred tax assets and liabilities that are recognised during the financial year are as follows (cont'd):

Deferred tax liabilities (cont'd)

	Property, plant and equipment	Impairment	Unabsorbed capital allowances	Unabsorbed tax losses	Total
	RM	RM	RM	RM	RM
Company					
At 1 January 2022	(36,000)	-	32,000	4,000	-
Recognised in profit and loss	-	4,000	-	(4,000)	-
At 31 December 2022	(36,000)	4,000	32,000	-	-
Recognised in profit and loss	5,000	(1,000)	1,000	(5,000)	-
At 31 December 2023	(31,000)	3,000	33,000	(5,000)	-

The amounts of deferred tax assets (at gross) that are not recognised in the statements of financial position are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unabsorbed capital allowances	486,000	-	-	-
Unabsorbed tax losses	27,978,000	25,736,000	10,094,000	9,903,000
Unabsorbed tax losses- overseas	3,682,000	3,687,000	-	-
	<u>32,146,000</u>	<u>29,423,000</u>	<u>10,094,000</u>	<u>9,903,000</u>

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 Group and the Company can utilise the benefits therefrom.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unabsorbed tax losses of the Group as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years terms, the unabsorbed tax losses will be disregarded.

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

The expiry terms of the unabsorbed tax losses are as follow:-

Year of assessment	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
2028	18,832,000	18,284,000	9,029,000	9,029,000
2029	3,652,000	3,652,000	370,000	370,000
2030	1,631,000	1,631,000	166,000	166,000
2031	1,876,000	1,876,000	268,000	268,000
2032	293,000	293,000	70,000	70,000
2033	1,694,000	-	191,000	-
	<u>27,978,000</u>	<u>25,736,000</u>	<u>10,094,000</u>	<u>9,903,000</u>

Where investment properties are carried at their fair values, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amounts of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

10. INVENTORIES

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Raw materials	4,540,371	5,347,118
Work-in-progress	96,912	80,738
Consumables	367,824	448,969
Packaging materials	1,683,938	2,055,481
Finished goods	670,782	1,074,802
Goods for resale	3,719,101	5,088,556
	<u>11,078,928</u>	<u>14,095,664</u>
Recognised in profit or loss		
Inventories recognised as cost of sales	23,297,359	24,588,958
Inventories written down	166,131	965,388
Reversal of inventories written down	(536,795)	(669,401)
Reversal of inventories written off	(30,965)	(1,481)
Inventories written off	<u>81,346</u>	<u>191,136</u>

Inventories are stated at the lower of cost and net realisable value adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories. The cost of inventories is calculated using the weighted average method.

10. INVENTORIES (CONT'D)

When inventories are sold and revenue is recognised, the carrying amount of those inventories is recognised as cost of goods sold. Write-down to net realisable value 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.

Inventories are written down based on the experience and judgment of the management team on the basis that they reflect expected net realisable value for such inventories. Expired inventories are written off.

The Group's practise is to reverse the amount of inventories written down in prior year and reassess the inventories written down for current year.

11. TRADE RECEIVABLES

	Group		Company	
	<u>2023</u> RM	<u>2022</u> RM	<u>2023</u> RM	<u>2022</u> RM
External parties	4,714,622	8,283,305	-	-
Amount due from holding company	508	-	-	-
Amount due from related parties	1,601	25,008	-	-
Amount due from associates	137,666	706,485	-	-
Amount due from subsidiaries	-	-	115,596	116,572
	<u>4,854,397</u>	<u>9,014,798</u>	<u>115,596</u>	<u>116,572</u>
Less: Allowance for expected credit losses				
- External parties				
At 1 January	1,643,663	403,358	-	-
Additions	288,641	1,247,104	-	-
Reversal	(281,995)	(6,799)	-	-
Written off	(437,255)	-	-	-
At 31 December	<u>1,213,054</u>	<u>1,643,663</u>	<u>-</u>	<u>-</u>
- Subsidiaries				
At 1 January	-	-	18,353	-
Additions	-	-	10,375	18,353
Reversal	-	-	(17,638)	-
At 31 December	<u>-</u>	<u>-</u>	<u>11,090</u>	<u>18,353</u>
	<u>1,213,054</u>	<u>1,643,663</u>	<u>11,090</u>	<u>18,353</u>
	<u>3,641,343</u>	<u>7,371,135</u>	<u>104,506</u>	<u>98,219</u>

11. TRADE RECEIVABLES (CONT'D)

The details of allowance for expected credit losses is as below:

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Individually impaired	1,213,054	1,641,002	11,090	18,353
Collectively impaired	-	2,661	-	-
	<u>1,213,054</u>	<u>1,643,663</u>	<u>11,090</u>	<u>18,353</u>

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Deferred receivable balance is disclosed as follows:		
Present value of trade receivables		
Within one year	1,037,254	2,792,560
More than one year less than two years	-	-
	<u>1,037,254</u>	<u>2,792,560</u>
Less: Fair value adjustment	-	-
	<u>1,037,254</u>	<u>2,792,560</u>
Representing:		
Current asset	1,037,254	2,792,560
Non-current asset	-	-
	<u>1,037,254</u>	<u>2,792,560</u>

The reconciliation of movements in fair value adjustment is as follows:

	Group	
	<u>2023</u>	<u>2022</u>
Brought forward	-	(121,906)
Fair value adjustment during the financial year	-	121,906
	<u>-</u>	<u>-</u>
Carried forward	-	-

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair value on initial recognition. Interest is charged on overdue accounts at the rates ranging from 1.50% (2022: 1.50%) per month.

The credit terms of trade receivables of the Group and of the Company range from cash term to 180 days (2022: cash term to 180 days).

Included in trade receivables of the Group is an amount of RM80,561 (2022: RM1,059,991) which are secured by security deposits.

11. TRADE RECEIVABLES (CONT'D)

Related parties refer to the companies in which Directors have interests.

Trade receivables denominated in currencies other than the functional currency are as follows:

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
United States Dollar	946,344	940,983	-	15,542
Singapore Dollar	323,288	18,353	46,078	34,755

12. OTHER RECEIVABLES

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
External parties	2,200,396	2,209,795	4,025	40,958
Advances to suppliers	14,773	121,275	-	-
Amounts due from holding company	150	-	150	-
Amounts due from subsidiaries	-	-	162,069	188,561
Amounts due from associates	168,386	78,940	-	-
Amounts due from related parties	3,560	331,459	-	-
Deposits	558,104	1,451,751	1,881	2,019
Prepayments	650,345	618,045	15,526	5,152
	3,595,714	4,811,265	183,651	236,690
Less: Allowance for expected credit loss				
- External parties				
At 1 January	641,343	678,965	36,958	45,588
Additions	11,532	4,850	4,032	1,894
Reversal	(329,485)	(42,472)	-	(10,524)
Written off	(186,387)	-	(36,958)	-
At 31 December	137,003	641,343	4,032	36,958
- Subsidiaries				
At 1 January	-	-	187,756	70,866
Addition	-	-	7,365	116,890
Reversal	-	-	(33,355)	-
At 31 December	-	-	161,766	187,756
	137,003	641,343	165,798	224,714
	3,458,711	4,169,922	17,853	11,976

12. OTHER RECEIVABLES (CONT'D)

The details of allowance for expected credit losses is as below:

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Individually impaired	132,971	641,343	161,766	224,714
Collectively impaired	4,032	-	4,032	-
	<u>137,003</u>	<u>641,343</u>	<u>165,798</u>	<u>224,714</u>

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

The amounts due from associates and related parties are unsecured, non-interest bearing and subject to 30 days (2022: 30 days) credit terms.

Included in deposits of the Group is an amount of RM3,200 (2022: RM3,200) received from a related party.

Other receivables denominated in currencies other than the functional currency are as follows:

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Thai Baht	-	149,210	-	-
United States Dollar	-	36,958	-	36,958
Singapore Dollar	<u>165,941</u>	<u>187,757</u>	<u>161,767</u>	<u>188,262</u>

13. CASH AND BANK BALANCES AND DEPOSITS

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Fixed deposits placed with licensed banks	70,451	1,066,023	-	-
Cash and bank balances	<u>13,505,153</u>	<u>11,952,074</u>	<u>1,094,583</u>	<u>2,542,784</u>
	<u>13,575,604</u>	<u>13,018,097</u>	<u>1,094,583</u>	<u>2,542,784</u>

The effective interest rates of the deposits placed with licensed banks range from 1.25%-1.60% (2022: 1.25%-1.60%) per annum and have maturity periods of three months.

Cash and bank balances denominated in currencies other than the functional currency are as follows:

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Brunei Dollar	349,921	305,155
United States Dollar	<u>325,725</u>	<u>341,861</u>

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Units	Units	RM	RM
Issue and fully paid with no par value				
At 1 January/31 December	<u>720,000,000</u>	<u>720,000,000</u>	<u>72,000,000</u>	<u>72,000,000</u>

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. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

15. TREASURY SHARES

Group and Company	Number of ordinary shares		Amount	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Units	Units	RM	RM
At 1 January	(700,000)	-	(41,266)	-
Own shares acquired	<u>(300,000)</u>	<u>(700,000)</u>	<u>(17,000)</u>	<u>(41,266)</u>
At 31 December	<u>(1,000,000)</u>	<u>(700,000)</u>	<u>(58,266)</u>	<u>(41,266)</u>

The shareholders of the Company had by an ordinary resolution passed at the Annual General Meeting held on 25 May 2023, approved the Company's plan to purchase its own shares of up to a maximum of 72,000,000 ordinary shares representing 10% of the total issued and fully paid up share capital (including the 1,000,000 treasury shares) of the Company.

The Directors of the Company are of the opinion that the share buy-back is the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 300,000 of its issued shares from the open market for a total consideration paid, including transaction costs of RM17,000. The average price paid for the shares repurchased was approximately RM0.057 per share and was financed by internally generated funds.

In the prior financial year, the Company repurchased 700,000 of its issued shares from the open market for a total consideration paid, including transaction costs of RM41,266. The average price paid for the shares repurchased was approximately RM0.059 per share and was financed by internally generated funds.

The shares purchased were retained as treasury shares. The Company has the right to re-issue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127(6) of the Companies Act 2016.

16. 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.

17. LEGAL CAPITAL RESERVE

Top One Biotech Co., Ltd., a subsidiary of the Group incorporated in Taiwan, when allocating its profits after provision of tax expense shall first set aside ten percent of the said profits as legal capital reserve under Article 237 of the Taiwan Companies Act. Where such legal capital reserve amounts exceed the total authorised capital, this Article will not be applicable.

The legal capital reserve shall not be used except for making good the loss of the mentioned subsidiary under Article 237 of the Taiwan Companies Act.

18. LEASE LIABILITIES

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Non-current	1,114,131	1,078,502
Current	1,429,257	1,028,650
	<u>2,543,388</u>	<u>2,107,152</u>

The effective interest rates per annum for lease liabilities are as follows:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Lease liabilities	4.10% - 6.80%	4.10% - 6.80%

The following are the amount recognised in profit or loss:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Depreciation expenses of right-of-use assets	1,180,723	1,020,566	-	-
Interest expense on lease liabilities	131,241	82,693	-	-
Expenses relating to short-term leases	1,548,102	1,640,270	104,880	104,880
Expenses relating to low value asset	2,644	-	-	-
Total amount recognised in profit or loss	<u>2,862,710</u>	<u>2,743,529</u>	<u>104,880</u>	<u>104,880</u>

The Group and the Company had total cash outflows for lease of RM3,075,785 and RM104,880 (2022: RM2,893,488 and RM104,880) respectively.

19. TRADE PAYABLES

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
External parties	3,539,906	4,237,155
Amount due to related parties	689	659
	<u>3,540,595</u>	<u>4,237,814</u>

The trade credit terms granted by the trade payables to the Group range from 30 to 90 days (2022: 30 to 90 days).

Trade payables denominated in currencies other than the functional currency are as follows:

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
United States Dollar	<u>1,225,073</u>	<u>1,566,560</u>

20. OTHER PAYABLES

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
External parties	2,458,690	2,189,629	11,352	1,500
Deposits	970,669	1,045,513	35,000	35,000
Accruals	3,677,993	4,748,644	152,970	121,684
Amount due to a Director	1,483,333	1,583,333	-	-
Amount due to related parties	229,195	88,200	-	-
Amount due to associates	114,236	309,023	-	-
Amounts due to subsidiaries	-	-	998	4,929
Sales and services tax	99,214	133,044	-	-
	<u>9,033,330</u>	<u>10,097,386</u>	<u>200,320</u>	<u>163,113</u>

The amounts due to a Director and subsidiaries are unsecured, non-interest bearing and repayable on demand.

The amount due to associates and related parties are unsecured, non-interest bearing and are subject to 30 days (2022: 30 days) credit term.

Other payables denominated in currencies other than the functional currency are as follows:

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
United States Dollar	<u>206,550</u>	<u>87,800</u>

21. BORROWING

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Secured:		
Bank overdraft	190,679	-

The borrowing is secured by the following:-

- (a) Corporate guarantee by the Company;
- (b) Assignment of rental proceed; and
- (c) Investment property as disclosed in Note 4 to the financial statements.

	Group	
	<u>2023</u>	<u>2022</u>
<u>Effective interest rate:-</u>		
Bank overdraft	7.9%	-

22. REVENUE

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
<u>Revenue from contracts with customers:</u>				
Manufacturing of goods	17,418,329	16,006,587	-	-
Marketing and trading of goods	43,897,016	60,156,522	-	-
Sales of food and beverage	88,664	301,430	-	-
Subscription fees	424,539	515,028	-	-
Management fees	-	-	1,398,451	1,423,094
Transportation income	48,000	48,000	-	-
	<u>61,876,548</u>	<u>77,027,567</u>	<u>1,398,451</u>	<u>1,423,094</u>
<u>Other revenue:</u>				
Rental income	120,000	120,000	120,000	120,000
	<u>61,996,548</u>	<u>77,147,567</u>	<u>1,518,451</u>	<u>1,543,094</u>
<u>Timing of revenue recognition:</u>				
At a point in time	61,404,009	76,464,539	-	-
Over time	472,539	563,028	1,398,451	1,423,094
	<u>61,876,548</u>	<u>77,027,567</u>	<u>1,398,451</u>	<u>1,423,094</u>

22. REVENUE (CONT'D)

Manufacturing of Goods

Revenue is recognised when the control of the goods i.e. coffee and other related beverage products are transferred, being when the goods leaves the Group's premises to be delivered to the customer. This is when the customer is considered to have significant risks and rewards of ownership of the goods, i.e. the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

No element of financing is deemed present as the sales made are consistent with market practice i.e. 30 days to 60 days.

There are no variable elements in considerations other than return which is minimum. Contract with customers has no right of returns, thus any returns are subject to the Group's approval.

Marketing and Trading of Goods

Healthcare and consumer products

Revenue is recognised when the control of the goods i.e. healthcare and consumer products are transferred, being when the goods are delivered to the customer and the customer has the significant risks and rewards of ownership of the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

There are no variable elements in considerations other than discounts. The contract with customers has no right of returns, thus any returns are subject to the Group's approval. However, returns are minimum.

No element of financing deemed present as the sales made are consistent with market practice i.e. 30 days and payment upon collection.

Warranty obligations

The Group provides warranties for general repairs of water filter products sold to customers that are not functioning as intended. However, in certain instances additional year(s) of warranty are issued to customers as a sales incentive and when this is considered a material right, the Group allocates the relevant revenue to warranty and revenue is then recognised over the period of the warranty. However this amount is minimum.

Option to acquire future goods at discounted price

The sales and marketing plan of the Group includes offering vouchers to their customers for their future acquisition of goods at discounted price. As the option provides a material right to the customers that they would not receive without entering into the contract, it is considered a separate performance obligation. As such, the Group only recognises the allocated revenue when those future goods are transferred and the vouchers are accounted for as reduction of the transaction price.

Food ingredients, coffee and other related beverage products

Revenue are recognised when the control of the goods i.e. food ingredients, coffee and related beverage products are transferred, being when the goods leave the Group's premises to be delivered to the customer. This is when the customer is considered to have the significant risks and rewards of ownership of the goods, i.e. the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

22. REVENUE (CONT'D)

Marketing and Trading of Goods (Cont'd)

Food ingredients, coffee and other related beverage products (cont'd)

There are no variable elements in considerations. The contract with customers has no right of returns, thus any returns are subject to the Group's approval. However, the returns are minimum.

No element of financing deemed present as the sales made are consistent with market practice i.e. 30 days to 90 days.

Subscription Fees

A component of fees collected is recognised as revenue upon transfer of control of goods and services to the customer whilst the remaining fee is recognised over the period of subscription. Subscription fees are recognised over time since the customer simultaneously receives and consumes the benefits provided. The subscription renewal fee is recognised over the period of subscription.

Sales of Food and Beverage

Revenue is recognised when the control of the goods i.e. food and beverage are transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

There are no variable elements in consideration.

No element of financing is deemed present as the sales made are consistent with market practice i.e. cash and 30 to 90 days for corporate and catering customers.

Management Fees

Management services are recognised over time since the customer simultaneously receives and consumes the benefits provided. Management fee is recognised when services are rendered. Payment is generally due within 30 days from the date when performance obligation is satisfied.

Rental Income from Investment Properties

Rental income is recognised over the term of the lease.

Transportation Income

Sales of services i.e. transportation is recognised over time since the Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for the performance complete to date. Revenue from services is recognised when the services are rendered. Payment is generally due within 30 days to 60 days from the date when performance obligation is satisfied.

23. FINANCE INCOME

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
<u>Interest income:</u>				
- Bank balances	75,093	45,306	8,544	6,786
- Subsidiaries	-	-	1,810	68,412
- Overdue interests	8,233	-	-	-
- Fair value adjustment on trade receivables	-	121,906	-	-
- Other investments	629,137	201,670	151,166	33,140
	<u>712,463</u>	<u>368,882</u>	<u>161,520</u>	<u>108,338</u>

24. FINANCE COSTS

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
<u>Interest expenses:</u>				
- Bank overdraft	5,871	5,606	-	-
- Lease liabilities	131,241	82,693	-	-
	<u>137,112</u>	<u>88,299</u>	<u>-</u>	<u>-</u>

25. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
<u>Auditors' remuneration:</u>				
Malaysian operation:				
Grant Thornton Malaysia PLT:				
- current year	236,000	205,000	66,000	55,000
Other auditor:				
- under provision in prior year	-	41,240	-	37,100
<u>Overseas operation:</u>				
Other auditors:				
- current year	33,476	35,061	-	-
Amortisation of intangible assets	245,026	310,014	971	1,056
Bad debts written off	15,012	112,178	227	-
Depreciation of property, plant and equipment	2,659,376	2,659,314	44,221	43,782
Dividend income	(19,550)	-	(5,100)	-
<u>Directors' fees:</u>				
- Holding	300,903	320,903	300,903	320,903
- Subsidiaries	74,000	84,000	-	-
Expenses relating to short term leases	1,548,102	1,640,270	104,880	104,880
Fair value changes on other investments	(325,325)	1,650,777	(280,204)	502,736
Intangible assets written off	2,609	1	-	-
Impairment loss/(Reversal of impairment loss) on:				
- Trade receivables	6,646	1,240,305	(7,263)	18,353
- Other receivables	(317,953)	(37,622)	(21,958)	108,260
- Intangible assets	9,888	239,599	-	-
- Investment in subsidiaries	-	-	(7,092,026)	12,732,527
- Investment in associate	300,963	(1,018,225)	-	-
Impairment loss on property, plant and equipment	1,852	87,190	-	-
Gain on disposal of property, plant and equipment	(117,318)	(9,886)	-	-
Gain on disposal of other investments	(28,025)	(2,640)	(9,000)	-
Operating grant	(120,000)	-	-	-
Property, plant and equipment written off	54,597	39,192	3	139
Rental income	(806,714)	(893,752)	(120,000)	(120,000)
Realised gain on foreign exchange	(47,380)	(27,462)	(8,963)	(123,040)
Unrealised gain on foreign exchange	(204,549)	(225,300)	(2,710)	(29,270)

26. TAX EXPENSE

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Malaysia				
Current tax:				
Current year	523,268	1,127,000	-	-
Under provision in prior financial year	212,284	543,098	-	101,162
	735,552	1,670,098	-	101,162
Deferred tax:				
Current year	(407,000)	77,808	-	-
	328,552	1,747,906	-	101,162

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

Taxation for other jurisdiction 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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
(Loss)/Profit before tax	(1,294,313)	(491,539)	7,215,347	(13,509,423)
Tax at Malaysian statutory rate of 24% (2022: 24%)	(310,635)	(117,969)	1,731,683	(3,242,262)
Tax effect in respect of:-				
Non-taxable expenses	658,429	945,296	51,232	3,243,956
Non-taxable income	(885,046)	(173,799)	(1,828,755)	(10,574)
Movement of deferred tax assets not recognised	653,520	551,280	45,840	8,880
Under provision of income tax in prior financial year	212,284	543,098	-	101,162
Total tax expense	328,552	1,747,906	-	101,162

27. EARNINGS PER SHARE

Basic earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

	Group	
	<u>2023</u>	<u>2022</u>
Loss for the year attributable to the ordinary equity holders of the Company (RM)	<u>(1,462,410)</u>	<u>(1,780,559)</u>
Weighted average number of ordinary shares for basic earnings per share (adjusted for treasury shares) (units)	<u>719,000,000</u>	<u>719,300,000</u>
Basic earnings per share (sen)	<u>(0.20)</u>	<u>(0.25)</u>

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding during the financial year.

28. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Staff costs				
Salaries, wages and other emoluments	15,654,890	16,687,664	756,968	780,238
Defined contribution plan	1,565,460	1,692,378	82,588	91,010
	<u>17,220,350</u>	<u>18,380,042</u>	<u>839,556</u>	<u>871,248</u>
Executive Directors				
Salaries and other emoluments	907,737	905,801	131,157	130,052
Defined contribution plan	76,353	79,158	14,881	15,432
	<u>984,090</u>	<u>984,959</u>	<u>146,038</u>	<u>145,484</u>
Non-executive Directors				
Other emoluments	16,289	25,562	16,289	25,562
Total Directors' remuneration	<u>1,000,379</u>	<u>1,010,521</u>	<u>162,327</u>	<u>171,046</u>
Total employees benefits expenses	<u>18,220,729</u>	<u>19,390,563</u>	<u>1,001,883</u>	<u>1,042,294</u>

The estimated monetary value of benefits-in-kind received by Directors otherwise than in cash from the Group and the Company amounted to RM51,204 and RM14,814 (2022: RM51,583 and RM14,308) respectively.

29. RELATED PARTIES DISCLOSURES

Related party transactions

The significant related party transactions of the Group and of the Company are as follows:-

	<u>2023</u> RM	<u>2022</u> RM
Group		
Holding company:		
Payment on behalf and reimbursement to	150	-
Related parties:		
Sales to	(229,430)	-
Purchase from	38,899	-
Sales of vouchers to	(5,320)	-
Expired vouchers provided to	143,883	-
Donation provided to	131	-
Rental expenses	52,200	45,600
Information and communication technologies shared services income	-	(2,900)
Trademark royalty expenses charged by	272,056	260,430
Transportation fees charged by	3,242	-
Payment on behalf and reimbursement to	(15,812)	-
Associates:		
Sales to	(1,203,560)	(1,458,230)
Purchase from	27,143	128
Commission charged by	8,663	19,001
Human resources sharing fees charged to	(48,000)	(56,112)
Rental income	(169,956)	(169,956)
Information and communication technologies shared services income	(31,669)	(32,835)
Research and development expenses	291,845	311,216
Management fees charged by	254,291	319,539
Laboratory charges charged by	2,363	-
Consultancy fees	-	93,315
Printing and stationary fees charged to	-	(100)
Payment on behalf and reimbursement to	(6,181)	-
Company		
Holding company:		
Payment on behalf and reimbursement to	150	-
Subsidiaries:		
Advance to	(330,000)	(550,000)
Payment on behalf and reimbursement to	(12,730)	(5,017)
Payment on behalf and reimbursement from	6,115	-
Information and communication technologies shared services charged by	49,968	49,968
Interest income	(1,810)	(68,412)
Management fees income	(1,398,451)	(1,423,094)
Purchases from	5,911	18,857
Rental expenses	104,880	104,880
Upkeep of building expenses	-	203

29. RELATED PARTIES DISCLOSURES (CONT'D)

Related party transactions (cont'd)

The significant related party transactions of the Group and of the Company are as follows (cont'd):-

	<u>2023</u>	<u>2022</u>
	RM	RM
Associate:		
Human resources sharing fees charged to	(36,000)	(36,000)

Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 11, 12, 19 and 20 to the financial statements.

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.

The remuneration of key management personnel is same as the Directors' remuneration are disclosed in Notes 25 and 28 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

30. LEASE ARRANGEMENTS

The future minimum lease payments receivable under non-cancellable operating lease contracted for as at the reporting date but not recognised as receivables are as follows:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Within one year	360,729	350,069
Between two to five years	158,553	73,800
	<u>519,282</u>	<u>423,869</u>

31. CAPITAL COMMITMENTS

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Authorised and contracted for:		
Purchase of property, plant and equipment	-	366,730

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has three reportable operating segments as follows:

Manufacturing:	Manufacturing, trading and packaging of foodstuffs, beverages, household and personal care products.
Marketing and trading:	Sales and distribution of healthcare, consumer products, food ingredients, coffee and other related beverage products.
Others:	Investment holding and operation of food and beverage outlets.

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.

32. SEGMENT INFORMATION (CONT'D)

	Note	<u>Manufacturing</u> RM	<u>Marketing and trading</u> RM	<u>Others</u> RM	<u>Adjustments and eliminations</u> RM	<u>Consolidated</u> RM
2023						
Revenue						
External revenue		17,466,330	44,321,555	208,663	-	61,996,548
Inter-segment revenue	(a)	9,969,385	490,427	1,462,042	(11,921,854)	-
Total revenue		27,435,715	44,811,982	1,670,705	(11,921,854)	61,996,548
Results						
Finance income		(23,617)	(521,322)	(169,335)	1,811	(712,463)
Depreciation and amortisation		863,178	1,993,946	47,278	-	2,904,402
Finance costs		57,997	80,926	-	(1,811)	137,112
Other non-cash income/(expenses)	(b)	681,008	(281,648)	(285,891)	(1,355,868)	(1,242,399)
Taxation		-	735,552	-	(407,000)	328,552
Share of profit in associate company		-	-	300,963	-	300,963
Segment result	(c)	(3,512,007)	120,876	6,989,012	(6,097,060)	(2,499,179)
Segment assets						
Additions to non-current assets	(d)	2,102,926	1,802,488	3,272	-	3,908,686
Segment assets	(e)	23,974,983	52,962,710	85,850,880	(80,430,196)	82,358,377
Segment liabilities	(f)	8,357,715	14,770,281	207,562	(10,761,633)	12,573,925

32. SEGMENT INFORMATION (CONT'D)

	Note	Manufacturing RM	Marketing and trading RM	Others RM	Adjustments and eliminations RM	Consolidated RM
2022						
Revenue						
External revenue		16,054,587	60,671,550	421,430	-	77,147,567
Inter-segment revenue	(a)	15,406,739	779,401	1,761,579	(17,947,719)	-
Total revenue		31,461,326	61,450,951	2,183,009	(17,947,719)	77,147,567
Results						
Finance income		(135,415)	(188,323)	(113,556)	68,412	(368,882)
Depreciation and amortisation		1,169,886	1,742,104	57,338	-	2,969,328
Finance costs		31,849	124,862	-	(68,412)	88,299
Other non-cash income/(expenses)	(b)	1,525,396	1,521,671	13,320,542	(12,788,173)	3,579,436
Taxation		40,177	1,606,567	101,162	-	1,747,906
Share of losses in associate companies		-	-	(1,018,225)	-	(1,018,225)
Segment result	(c)	(3,472,283)	2,317,717	(13,923,265)	13,576,028	(1,501,803)
Segment assets						
Additions to non-current assets	(d)	783,758	2,804,725	7,720	-	3,596,203
Segment assets	(e)	27,092,113	53,319,017	78,711,011	(73,299,361)	85,822,780
Segment liabilities	(f)	8,107,787	15,839,500	221,808	(9,833,895)	14,335,200

32. SEGMENT INFORMATION (CONT'D)

- (a) Inter-segment revenue is eliminated on consolidation.
Inter-segment assets and liabilities are eliminated on consolidation.
- (b) Other material non-cash (income)/expenses consist of the following items as presented in the respective notes:

	Group	
	<u>2023</u> RM	<u>2022</u> RM
Bad debts written off	15,012	112,178
Dividend income	(19,550)	-
Loss allowance on receivables	300,173	1,251,954
Inventories written off	81,346	191,136
Inventories written down	166,131	965,388
Intangible assets written off	2,609	1
Property, plant and equipment written off	54,597	39,192
Reversal of loss allowance on receivables	(611,480)	(49,271)
Reversal of inventories written down	(536,795)	(669,401)
Reversal of inventories written off	(30,965)	(1,481)
Impairment loss on intangible assets	9,888	239,599
Impairment loss on property, plant and equipment	1,852	87,190
Fair value changes on other investments	(325,325)	1,650,777
Gain on disposal of other investments	(28,025)	(2,640)
Gain on disposal of property, plant and equipment	(117,318)	(9,886)
Share of (profit)/loss of equity-accounted associates	(300,963)	1,018,225
Impairment loss/(Reversal of impairment loss) on associates	300,963	(1,018,225)
Unrealised gain on foreign exchange	(204,549)	(225,300)
	<u>(1,242,339)</u>	<u>3,579,436</u>

- (c) The following items are added to/(deducted from) segment (loss)/profit before taxation to arrive at (loss)/profit before taxation presented in the consolidated statements of comprehensive income:

	Group	
	<u>2023</u> RM	<u>2022</u> RM
Segment loss	(2,499,179)	(1,501,803)
Finance income	712,463	368,882
Finance costs	(137,112)	(88,299)
Share of profit/(loss) of equity-accounted associates	300,963	(1,018,225)
Loss after tax	<u>(1,622,865)</u>	<u>(2,239,445)</u>

- (d) Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	Group	
	<u>2023</u> RM	<u>2022</u> RM
Property, plant and equipment	2,126,983	1,563,010
Intangible assets	31,703	33,193
Investment property	1,750,000	-
Other investments	-	2,000,000
	<u>3,908,686</u>	<u>3,596,203</u>

32. SEGMENT INFORMATION (CONT'D)

- (e) The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Segment assets	82,358,377	85,822,780
Intangible assets	629,228	856,409
Deferred tax assets	407,000	-
Tax recoverable	119,531	-
Total assets	83,514,136	86,679,189

- (f) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Segment liabilities	12,573,925	14,335,200
Lease liabilities	2,543,388	2,107,152
Borrowing	190,679	-
Tax payable	4,968	165,482
Total liabilities	15,312,960	16,607,834

- (g) Geographical information

Revenue information based on the geographical location of customers is as follows:-

	Group	
	<u>2023</u>	<u>2022</u>
	RM	RM
Canada	886,889	-
China	93,788	40,413
Hong Kong	503,677	405,353
Indonesia	1,197,960	1,522,499
Japan	515,750	-
Malaysia	53,533,072	70,548,019
Singapore	2,480,580	3,135,111
Taiwan	152,539	116,969
Thailand	482,655	357,446
United States of America	2,131,199	495,897
Others	18,439	525,860
	61,996,548	77,147,567

As at the reporting date, there is no single external customer accounting for 10 per cent or more of the Group's revenue.

32. SEGMENT INFORMATION (CONT'D)

The following is the analysis of non-current assets other than financial instruments and deferred tax assets analysed by the Group's geographical location.

	<u>Malaysia</u> RM	<u>Singapore</u> RM	<u>Taiwan</u> RM	<u>Consolidated</u> RM
2023				
Property, plant and equipment	28,366,322	486,649	-	28,852,971
Investment properties	6,854,000	-	-	6,854,000
Intangible assets	629,228	-	-	629,228
Total non-current assets (excluding financial instruments and deferred tax assets)	<u>35,849,550</u>	<u>486,649</u>	<u>-</u>	<u>36,336,199</u>
2022				
Property, plant and equipment	29,078,444	359,551	-	29,437,995
Investment properties	5,104,000	-	-	5,104,000
Intangible assets	856,409	-	-	856,409
Total non-current assets (excluding financial instruments and deferred tax assets)	<u>35,038,853</u>	<u>359,551</u>	<u>-</u>	<u>35,398,404</u>

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised financial assets and financial liabilities measured as follows:-

- (a) Fair value through profit or loss designated upon initial recognition ("FVTPL"); and
- (b) Amortised cost ("AC").

	<u>FVTPL</u> RM	<u>AC</u> RM
Group		
2023		
Financial assets		
Trade receivables	-	3,641,343
Other receivables (excluded prepayments)	-	2,898,709
Other investments	14,896,820	-
Cash and bank balances and deposits	-	13,575,604
	<u>14,896,820</u>	<u>20,115,656</u>
Financial liabilities		
Trade payables	-	3,540,595
Other payables (excluded sales and services tax)	-	8,934,116
Borrowing	-	190,679
	<u>-</u>	<u>12,655,390</u>

33. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised financial assets and financial liabilities measured 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
Group		
<u>2022</u>		
Financial assets		
Trade receivables	-	7,371,135
Other receivables (excluded prepayments)	-	3,551,877
Other investments	12,625,967	-
Cash and bank balances and deposits	-	13,018,097
	<u>12,625,967</u>	<u>23,941,109</u>
Financial liabilities		
Trade payables	-	4,237,814
Other payables (excluded sales and services tax)	-	9,964,342
	<u>-</u>	<u>14,202,156</u>
Company		
<u>2023</u>		
Financial assets		
Trade receivables	-	104,506
Other receivables (excluded prepayments)	-	2,327
Other investments	6,107,613	-
Cash and bank balances and deposits	-	1,094,583
	<u>6,107,613</u>	<u>1,201,416</u>
Financial liability		
Other payables	-	200,320
	<u>-</u>	<u>200,320</u>
<u>2022</u>		
Financial assets		
Trade receivables	-	98,219
Other receivables (excluded prepayments)	-	6,824
Other investments	4,485,852	-
Cash and bank balances and deposits	-	2,542,784
	<u>4,485,852</u>	<u>2,647,827</u>
Financial liability		
Other payables	-	163,113
	<u>-</u>	<u>163,113</u>

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies

The Group's and the Company's activities are exposed to a variety of financial risks which include credit risk, liquidity risk, market risks, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management policy focused on identifying and managing the financial risks and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that a counterparty 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.

Trade receivables and other receivables

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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Trade receivables	3,641,343	7,371,135	104,506	98,219
Other receivables	2,898,709	3,551,877	2,327	6,824
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount	6,540,052	10,923,012	106,833	105,043
	<hr/>	<hr/>	<hr/>	<hr/>

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables and other receivables (cont'd)

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			
	<u>2023</u>		<u>2022</u>	
	RM	%	RM	%
Trade Receivables				
Malaysia				
Top 3 customers (2022: 1)	<u>3,386,037</u>	<u>93</u>	<u>3,679,463</u>	<u>50</u>
	Company			
	<u>2023</u>		<u>2022</u>	
	RM	%	RM	%
Trade Receivables				
Malaysia				
Top 2 customers (2022: 1)	<u>105,207</u>	<u>100</u>	<u>57,970</u>	<u>59</u>

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.

Recognition and measurement of impairment loss

The Group and the Company apply the MFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for trade receivables. The Group and the Company assess impairment of trade receivables on individual and collective basis.

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss pattern i.e. customer type.

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 on macroeconomic factors affecting the ability of the customers to settle. The Group and the Company have identified the gross domestic product ("GDP") as the most relevant factors. Nevertheless, as at reporting date, the GDP has no significant impact in the ECL calculation. The Group and the Company have assessed that all their trade receivables as creditworthy customers with good payment records and loss incurred infrequently. Thus, no expected credit loss is required.

Assessment of individual trade receivables is determined to be credit impaired at the reporting date for those in significant financial difficulties and/or defaulted on payments. However for certain subsidiary companies, it is based on those more than 180 days past due and are either in significant financial difficulties and/or have defaulted on payments.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables and other receivables (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 and the Company's trade receivables which is grouped together as they are expected to have similar risk nature:

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
Group						
2023						
Trade receivables	2,622,887	1,393,726	239,697	48,161	549,926	4,854,397
Individually impaired	(50,200)	(325,070)	(239,697)	(48,161)	(549,926)	(1,213,054)
Net balance	2,572,687	1,068,656	-	-	-	3,641,343
2022						
Trade receivables	2,355,182	2,131,781	200,163	90,866	4,236,806	9,014,798
Individually impaired	-	-	(112,865)	(28,812)	(1,499,325)	(1,641,002)
Collectively impaired	-	-	-	-	(2,661)	(2,661)
Net balance	2,355,182	2,131,781	87,298	62,054	2,734,820	7,371,135
Company						
2023						
Trade receivables	36,388	34,700	793	798	42,917	115,596
Individually impaired	-	-	-	-	(11,090)	(11,090)
Net balance	36,388	34,700	793	798	31,827	104,506
2022						
Trade receivables	39,355	31,040	-	2,118	44,059	116,572
Individually impaired	-	-	-	-	(18,353)	(18,353)
Net balance	39,355	31,040	-	2,118	25,706	98,219

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Trade receivables and other receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

Other receivables

The Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group and the Company consider a financial asset is in default when contractual payments are 90 days past due.

For advances to holding company, subsidiaries, associates and related parties whose credit terms is repayable on demand, this is considered credit impaired when the holding company, subsidiaries, associates and related parties are unlikely to repay their advances to the Group and the Company in full given insufficient highly liquid resources when the advances are demanded.

Cash and bank balances and deposits

Deposits with 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 negligible.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from payables and lease liabilities.

The Group and the Company practice prudent risk management by maintaining sufficient cash and cash equivalents and banking facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The following is a summary of the financial liabilities of the Group and of the Company according to maturity period:-

	<u>Within 1 year</u>	<u>2 to 5 years</u>	<u>Total</u>
	RM	RM	RM
Group			
<u>2023</u>			
Non-derivative financial liabilities			
Secured			
Borrowing	190,679	-	190,679
Unsecured			
Trade payables	3,540,595	-	3,540,595
Other payables	8,934,116	-	8,934,116
Lease liabilities	1,527,586	1,149,424	2,677,010
<u>2022</u>			
Non-derivative financial liabilities			
Unsecured			
Trade payables	4,237,814	-	4,237,814
Other payables	9,964,342	-	9,964,342
Lease liabilities	1,120,727	1,122,443	2,243,170
Company			
<u>2023</u>			
Non-derivative financial liability			
Unsecured			
Other payables	200,320	-	200,320
<u>2022</u>			
Non-derivative financial liability			
Unsecured			
Other payables	163,113	-	163,113

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily United States Dollar ["USD"], Singapore Dollar ["SGD"], Thai Baht ["THB"] and Brunei Dollar ["BND"].

	<u>USD</u>	<u>SGD</u>	<u>THB</u>	<u>BND</u>
	RM	RM	RM	RM
Group				
2023				
Trade receivables	946,344	323,288	-	-
Other receivables	-	165,941	-	-
Cash and bank balances and deposits	325,725	-	-	349,921
Trade payables	(1,225,073)	-	-	-
Other payables	(206,550)	-	-	-
Net exposure	(159,554)	489,229	-	349,921
2022				
Trade receivables	940,983	18,353	-	-
Other receivables	36,958	187,757	149,210	-
Cash and bank balances and deposits	341,861	-	-	305,155
Trade payables	(1,566,560)	-	-	-
Other payables	(87,800)	-	-	-
Net exposure	(334,558)	206,110	149,210	305,155
Company				
2023				
Trade receivables	-	46,078	-	-
Other receivables	-	161,767	-	-
Net exposure	-	207,845	-	-
2022				
Trade receivables	15,542	34,755	-	-
Other receivables	36,958	188,262	-	-
Net exposure	52,500	223,017	-	-

Certain of the other foreign currencies are not presented as the amounts are not material.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit and equity with regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate, RM/SGD exchange rate, RM/THB exchange rate and RM/BND exchange rate assuming all other things being equal.

If the RM had strengthened/weakened against the USD, SGD, THB, and BND, then the impact would be as follows:-

	Effect on profit/equity for the years Increase/(Decrease) Group		Effect on profit/equity for the years Increase/(Decrease) Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
<u>RM/USD</u>				
- Strengthened 2% (2022: 2%)	(3,191)	(6,691)	-	1,050
- Weakened 2% (2022: 2%)	3,191	6,691	-	(1,050)
<u>RM/SGD</u>				
- Strengthened 1% (2022: 1%)	4,892	2,061	2,078	2,230
- Weakened 1% (2022: 1%)	(4,892)	(2,061)	(2,078)	(2,230)
<u>RM/THB</u>				
- Strengthened 1% (2022: 1%)	-	1,492	-	-
- Weakened 1% (2022: 1%)	-	(1,492)	-	-
<u>RM/BND</u>				
- Strengthened 1% (2022: 1%)	3,499	3,052	-	-
- Weakened 1% (2022: 1%)	(3,499)	(3,052)	-	-

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 and the Company's exposure to currency risk.

33. FINANCIAL INSTRUMENTS (CONT'D)**Financial risk management objectives and policies (cont'd)****(d) Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market price of money market funds and unquoted shares held by the Group and the Company.

The Group and the Company are exposed to the changes in the net asset value of the financial instruments.

As at the reporting date, if the net asset value per unit increase by 5% (2022: 5%), profit and equity of the Group and the Company will increase by RM744,841 and RM305,381 (2022: RM631,298 and RM224,293) respectively. A 5% (2022: 5%) weakening in the share price of each counter would have equal but opposite effect on the Group's and on the Company's profit/equity for the financial year.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate of changes in market interest rate.

The Group and the Company monitor interest rate risk on an on-going basis and the Group and the Company endeavour to keep the exposures at an acceptable level.

The Group is exposed to interest rate risk from deposits with licensed banks, lease liabilities and borrowings and the Company is exposed to interest rate risk from deposits with licensed banks.

The Group and the Company do not expect any material impact on the Group's and the Company's profit or loss arising from the effects of reasonable possible changes to interest rates as the deposits with licensed banks and lease liabilities are of fixed interest rates.

The Group does not expect any material impact on the Group's profit or loss arising from the effects of reasonable possible changes to interest rates as borrowings is of floating interest rates.

Fair value on financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and the Company at the reporting date approximate their fair values due to their short-term nature, insignificant impact of discounting or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

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:-

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
Group				
2023				
Financial assets				
Non-derivative financial assets at FVTPL				
Quoted shares	542,925	-	-	542,925
Unquoted shares	-	-	142,973	142,973
Redeemable convertible preference shares	-	-	2,000,000	2,000,000
Investment in money market funds	12,210,922	-	-	12,210,922
2022				
Financial assets				
Non-derivative financial assets at FVTPL				
Unquoted shares	-	-	142,973	142,973
Redeemable convertible preference shares	-	-	2,000,000	2,000,000
Investment in money market funds	10,482,994	-	-	10,482,994
Company				
2023				
Financial assets				
Non-derivative financial assets at FVTPL				
Unquoted shares	-	-	1	1
Quoted shares	190,500	-	-	190,500
Investment in money market funds	5,917,113	-	-	5,917,113
2022				
Financial assets				
Non-derivative financial assets at FVTPL				
Unquoted shares	-	-	1	1
Investment in money market funds	4,485,852	-	-	4,485,852

There was no transfer between Level 1, 2 and 3 in 2023 and 2022.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Fair value hierarchy (cont'd)

Measurement of fair value of financial instruments

Types of financial instrument carried at fair value	Level	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
-Unquoted shares - Redeemable convertible preference shares	3	Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value
-Quoted shares - Investment in money market funds	1	The fair values are determined based on quoted bid prices in an active market	Average units price in active market	The estimated fair value will increase if the market value units price increase

34. CAPITAL RISK MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern.

The Group and the Company monitor capital using net debt-to-equity ratio which is the debt divided by total capital.

The net debt-to-equity ratio at end of the reporting period are as follows:-

	Group		Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM	RM	RM	RM
Lease liabilities	2,543,388	2,107,152	-	-
Less: Cash and cash equivalents	(13,384,925)	(13,018,097)	(1,094,583)	(2,542,784)
Total debts	(10,841,537)	(10,910,945)	(1,094,583)	(2,542,784)
Total equity attributable to the owners of the Company	67,581,691	69,295,959	85,144,928	77,946,581
Debt-to-equity ratio	N/A	N/A	N/A	N/A

N/A: Not applicable

34. CAPITAL RISK MANAGEMENT (CONT'D)

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

The Group and the Company are not subject to any externally imposed capital requirements.

35. SIGNIFICANT EVENT

Material Litigation

On 18 September 2021, an ex-director of the subsidiaries' Company ("the Claimant") had filed a legal action against CNI Enterprise (M) Sdn. Bhd. ("the Company") under Section 20(3) of the Industrial Relations Act 1967, following her dismissal by the Company on 22 December 2020.

The case management began on 5 January 2022, with trial dates set for 7 and 8 September 2022. The case is now pending for full trial which is fixed on 23 July 2024. This is a new trial date after the Court had vacated or postponed the previous trial dates.

The current trial date remains subject to change, and the outcome of the trial is uncertain and cannot be reliably predicted at this stage.

LIST OF PROPERTIES

The properties held by the Group and the Company as at 31 December 2023 are as follows:

Location / Postal address	Description / existing use	Land area / built-up area (sq. feet)	Land Tenure (expiry date)	Approximate age (year)	Audited net book value as at 31.12.2023 (RM'000)	Date of Acquisition/ last revaluation
<p>Geran 215137 Lot 61741, Bandar Glenmarie, Daerah Petaling, Negeri Selangor</p> <p>Wisma CNI, No. 2, Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan</p>	Commercial Buildings / Office cum factory	175,592 / 197,421	Freehold	27	17,348	1 Apr 1994 / -
<p>Country Lease, No. 015636807, District of Kota Kinabalu, Locality of Kuala Menggatal, State of Sabah</p> <p>Lot No. 144 (DBKK No. Q-6), Block Q, Alamesra Plaza Permai, Lorong Plaza Permai 1, Sulaman Coastal Highway, 88450 Kota Kinabalu, Sabah</p>	3-storey shop cum office (corner) / Renting out to third parties	2,273 / 6,504	Leasehold – 99 years (31 Dec 2098)	17	1,980	19 Jun 2008 / 24 Dec 2019
<p>HSD 28228 PT 9114 Mukim and Daerah of Sepang, State of Selangor (Parcel No. 1B-080 Type: Travelers Palm Upper 1, Storey No. Level 2 (First Floor), Building No. L06, The Golden Palm Tree Water Villas</p> <p>Villa No. 080 Golden Palm Tree Water Villas, No. 67 Jalan Pantai Bagan Lalang, Kg Bagan Lalang, 43950 Sungai Pelek, Selangor Darul Ehsan</p>	2-storey water villas (first floor) / Renting out to third parties	- / 570	Leasehold – 90 years (1 st May 2107)	13	624	15 Mar 2017 / -

The properties held by the Group and the Company as at 31 December 2023 are as follows: (cont'd)

Location / Postal address	Description / existing use	Land area / built-up area (sq. feet)	Land Tenure (expiry date)	Approximate age (year)	Audited net book value as at 31.12.2023 (RM'000)	Date of Acquisition/ last revaluation
Geran 341476 Lot 119166 (formerly Geran 335021 Lot 119166) Mukim Dengkil, Negeri Selangor Negeri Selangor Unit C-03-08 Tamarind Square, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan	Semi-detached shop / office / Renting out to third parties	- / 3,826	Freehold	5	2,500	4 Mar 2021/ 17 Jan 2024
Geran 341476 Lot 119166 (formerly Geran 335021 Lot 119166) Mukim Dengkil, Daerah Sepang Negeri Selangor Unit C-04-08, Tamarind Square, Persiaran Multimedia, 63000 Cyberjaya, Selangor Darul Ehsan	Semi-detached shop / office / Renting out to third parties	- / 3,442	Freehold	5	1,750	13 Mar 2023/ 17 Jan 2024

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during the financial year.

2. Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable by the Company and the Group to the external auditors or a firm or corporation affiliated to the auditors' firm for the financial year ended 31 December 2023 are as follows:

	Company (RM)	Group (RM)
Audit fees	66,000	236,000
Non-audit fees	0	0

3. Material Contracts

Save as those described in Note 29 to the Audited Financial Statements on pages 114 to 115 of this Annual Report, there were no material contracts entered into by the Company and its subsidiaries involving the interests of directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

At the Annual General Meeting held on 25 May 2023, the Company obtained a mandate from its shareholders to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The details of the recurrent related party transactions conducted during the financial year ended 31 December 2023 pursuant to the said shareholders' mandate are disclosed as follows:

Transacting Party	Company within CNI Group	Interested Related Parties	Amount transacted during the financial year RM'000	Nature of transactions
CNI Corporation Sdn Bhd (CNI Corp)	CNI Enterprise (M) Sdn Bhd (CNIE)	Dato' Koh Peng Chor Koh How Loon Chew Boon Swee	254	Provision of management services to CNIE
	CNIE		254	Purchase of health care and consumer products
	Exclusive Mark (M) Sdn Bhd (EM)		827	Purchase of beverages and supplements from EM
CNI Venture Sdn Bhd	EM	Dato' Koh Peng Chor Koh How Loon Chew Boon Swee	208	Provision of research, development and testing services to EM
CNI IPHC	CNIE	Dato' Koh Peng Chor Chew Boon Swee	272	Payment of trademark fee by CNIE

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Issued Share Capital : RM 72,000,000 comprising 720,000,000 Ordinary Shares
 Class of Shares : Ordinary shares
 Voting Rights : 1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Shareholders				No. of Issued Shares			
	Malaysian		Foreigner		Malaysian		Foreigner	
	No.	%	No.	%	No.	%	No.	%
Less than 100	357	3.77	5	0.05	10,514	(1)	190	(1)
100 - 1,000	3,589	37.86	267	2.82	1,873,742	0.26	157,540	0.02
1,001 – 10,000	3,309	34.93	102	1.08	10,985,363	1.53	261,160	0.04
10,001 – 100,000	1,419	14.98	11	0.12	53,153,589	7.39	341,300	0.05
100,001 – 35,999,999 (*)	409	4.32	6	0.06	283,514,947	39.44	5,075,532	0.70
36,000,000 and above (**)	1	0.01	0	0.00	363,526,123	50.57	0	0.00
Total	9,081	95.87	391	4.13	713,064,278	99.19 ⁽²⁾	5,835,722	0.81 ⁽²⁾

Notes:

(*) Less than 5% of issued shares

(**) 5% and above of issued shares

(1) Less than 0.01%

(2) Excluding a total of 1,100,000 Citra Nusa Holdings Berhad (“CNH”) shares bought-back by CNH and retained as treasury shares as at 1 April 2024.

DIRECTORS’ INTERESTS IN SHARES BASED ON THE REGISTER OF DIRECTORS’ SHAREHOLDINGS

Name of Directors	Direct Interests		Deemed Interests	
	No. of Issued Shares	% of Issued Shares ⁽⁴⁾	No. of Issued Shares	% of Issued Shares ⁽⁴⁾
Dato’ Koh Peng Chor	5,028,680	0.70	373,983,483 ⁽¹⁾	52.02
Koh How Loon	1,679,180	0.23	370,671,643 ⁽²⁾	51.56
Chew Boon Swee	1,128,614	0.16	6,534,120 ⁽³⁾	0.91
Carolyn Anne Kam Foong Kheng	-	-	-	-
An Li Fong	-	-	-	-

Notes:

(1) (Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholdings in Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd and disclosure made pursuant to Section 59(11)(c) of the Companies Act, 2016 on the interests held by his spouse and children.

(2) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholdings in Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd.

(3) Disclosure made pursuant to Section 59(11)(c) of the Companies Act, 2016 on the interests held by his spouse.

(4) Excluding a total of 1,100,000 CNH shares bought-back by CNH and retained as treasury shares as at 1 April 2024.

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interests		Deemed Interests	
	No. of Issued Shares	% of Issued Shares ⁽⁴⁾	No. of Issued Shares	% of Issued Shares ⁽⁴⁾
Marvellous Heights Sdn Bhd	363,526,123	50.57	-	-
PC Marketing Sdn Bhd	7,145,520	0.99	363,526,126 ⁽¹⁾	50.57
Dato' Koh Peng Chor	5,028,680	0.70	373,983,483 ⁽²⁾	52.02
Datin Chuah Tek Lan	1,167,200	0.16	377,844,963 ⁽²⁾	52.56
Koh How Loon	1,679,180	0.23	370,671,643 ⁽³⁾	51.56

Notes:

- (1) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholdings in Marvellous Heights Sdn Bhd.
- (2) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his/her shareholdings in Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd and disclosure made pursuant to Section 59(11)(c) of the Companies Act, 2016 on the interests held by his/her spouse and children.
- (3) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholdings in Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd.
- (4) Excluding a total of 1,100,000 CNH shares bought-back by CNH and retained as treasury shares as at 1 April 2024.

TOP 30 SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Issued Shares	% of Issued Shares⁽¹⁾
1.	Marvellous Heights Sdn Bhd	363,526,123	50.57
2.	Wong Siew Fong	19,640,900	2.73
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Keng Thye	16,071,000	2.24
4.	Ong Teck Seng	12,000,000	1.67
5.	Toh Siew Kee	8,221,954	1.14
6.	Tan Yuan Fang	7,896,090	1.10
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For PC Marketing Sdn Bhd	6,760,920	0.94
8.	Moy Mee Leng	6,334,120	0.88
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Geok Wah	5,915,500	0.82
10.	CIMSEC Nominees (Tempatan) Sdn Bhdd CIMB For Koh Peng Chor	5,028,680	0.70
11.	Maybank Nominees (Tempatan) Sdn Bhd Chan Sook Cheng	4,707,100	0.66
12.	Chan Mung Bong	4,420,100	0.62
13.	Malacca Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ho Kok Kiang	4,389,000	0.61
14.	Dev Shanan	3,694,700	0.51
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Chew Giap	3,620,000	0.50
16.	Tee Yen Chong	3,258,000	0.45
17.	Tang Chin Chuai	3,183,260	0.44
18.	Suharman Subianto	3,102,532	0.43
19.	Lee Boon Hoe	2,621,000	0.37
20.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Beh Hang Kong	2,479,472	0.35
21.	Cheong Chee Kee	2,463,666	0.34
22.	Foo Fook Min	2,390,500	0.33
23.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koh Chin Sing	2,350,000	0.33
24.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Chin Heng	2,320,300	0.32
25.	Koh Tiah Siew	2,295,857	0.32
26.	Lai Thiam Poh	2,217,000	0.31
27.	Chooi Heng Yuen	2,000,000	0.28
28.	Chin Kok Tian	1,979,800	0.28
29.	Chew Ting Long	1,900,000	0.26
30.	Lim Kim Suan	1,810,600	0.25
	Total	508,598,174	70.75

Note:

(1) Excluding a total of 1,100,000 CNH shares bought-back by CNH and retained as treasury shares as at 1 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting (“AGM”) of Citra Nusa Holdings Berhad (“CNH” or “the Company”) will be held virtually from Diamond Hall, First Floor, Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan as the **Broadcast Venue** on **Thursday, 6 June 2024** at 11.00 a.m. for the transaction of the following businesses:

ORDINARY BUSINESS

- | | |
|--|---------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | |
| 2. To re-elect Mr. Koh How Loon who retires by rotation in accordance with Articles 110 and 111 of the Company's Constitution and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. To re-elect Mr. An Li Fong who retires by rotation in accordance with Article 92.3 of the Company's Constitution and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. To approve the payment of Directors' fees amounting to RM300,903 for the Non-Executive Directors in respect of the financial year ended 31 December 2023. | Resolution 3 |
| 5. To approve the payment of benefits payable to the Non-Executive Directors up to an amount of RM80,000 from 7 June 2024 until the next AGM of the Company. | Resolution 4 |
| 6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to determine their remuneration. | Resolution 5 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions:

- | | |
|--|---------------------|
| 7. AUTHORITY TO DIRECTORS TO ISSUE SHARES | Resolution 6 |
| <p>“THAT, subject always to the Companies Act, 2016, the Company's Constitution and approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby authorised pursuant to Section 75 and Section 76 of the Companies Act, 2016, to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”</p> | |

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Resolution 7

"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and subject to the Companies Act, 2016 ("Act"), the Constitution of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant government and/or regulatory authorities, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.6 Part A of the Circular to Shareholders dated 30 April 2024, which are entered into in the ordinary course of business which are necessary for the day-to-day operations of the Company and/or its subsidiary companies on normal commercial terms which are not more favourable to the related parties than those generally available to the public, undertaken on arm's length basis, and are not detrimental to the minority shareholders of the Company (Mandate);

THAT the Mandate is subject to annual renewal and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following this AGM at which such Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM the Mandate is renewed;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the Mandate is revoked or varied by ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

9. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 8

"THAT, subject to the provisions of the Companies Act, 2016, the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities, as the Directors may deem fit in the interests of the Company, provided that:

- (a) the aggregate number of shares to be purchased does not exceed 10% of the total number of issued shares for the time being of the Company;
- (b) the maximum funds to be allocated by the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable); and
- (c) the Directors of the Company be and are hereby authorise to retain the shares so purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to distribute the treasury shares as share dividends to shareholders or to resell the treasury shares;

THAT the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by ordinary resolution passed at the AGM the authority is renewed unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever occur first;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the Proposed Renewal of Share Buy-Back Authority with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

10. To transact any other business of which due notice shall have been received in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

CHIN YOKE KWAI
SSM PC No. 201908002010
MAICSA 7032000
Company Secretary

Shah Alam
30 April 2024

Notes:

1. Pre-Registration for Remote Participation and Voting (RPV) at the 35th AGM

- 1.1 The 35th AGM of the Company will be conducted virtually whereby Member(s), proxy(ies) or corporate representative(s) can attend virtually using the RPV facilities which are available on the website at <https://agm.citranusaholdings.com>.
- 1.2 All Member(s), proxy(ies) or corporate representative(s) who wish to attend the 35th AGM must register as a user with <https://agm.citranusaholdings.com> first and then pre-register their attendance for the 35th AGM for verification of their eligibility to attend the 35th AGM based on the General Meeting Record of Depositors as at **29 May 2024**.
- 1.3 The pre-registration for RPV is open from the date of the Notice of the 35th AGM on Tuesday, 30 April 2024 and the closing shall be at **11.00 a.m. on Wednesday, 5 June 2024**.

2. Proxy

- 2.1 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- 2.2 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy.
- 2.3 The instrument appointing a proxy shall be in writing under the hand of the Member or of his/her attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- 2.4 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 35th AGM of the Company will be put to vote on a poll.
- 2.5 The Form of Proxy and/or documents relating to the appointment of proxy/corporate representative for the 35th AGM shall be deposited or submitted in hard copy in the following manner not later than **11.00 a.m. on Wednesday, 5 June 2024** in accordance with Article 90 of the Company's Constitution:
 - (a) By hand or post to the Company's registered office at Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
 - (b) By fax at 03-5569 3308 or email to cnisec@cni.my
- 2.6 The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, shall not be put for voting.

2. Ordinary Resolutions 1 and 2: Re-election of Directors

Mr. Koh How Loon who retires in accordance with Articles 110 and 111 of the Company's Constitution, is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 35th AGM.

Mr. An Li Fong was appointed as Independent Non-Executive Director of the Company on 25 May 2023. He who retires in accordance with Article 92.3 of the Company's Constitution, is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 35th AGM.

The Directors standing for re-election have undergone a performance evaluation and have demonstrated that they remain committed to the role and continue to be an effective and valuable member of the Board.

3. Ordinary Resolution 3: Directors' fees for the Non-Executive Directors ("NEDs")

The Board subsequently approved the Nomination and Remuneration Committee ("NRC") recommendation for the Directors' fees in respect of the financial year ended 31 December 2023 to remain unchanged as they are still competitive and at par with the prevalent market rate.

4. Ordinary Resolution 4: Benefits payable to the Non-Executive Directors (“NEDs”)

The total amount of benefits payable to the NEDs is estimated to be up to RM80,000 for the period from 7 June 2024 to the next AGM in 2025, taking into account various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of NEDs involved in these meetings, fixed allowance and other benefits for the NEDs.

5. Ordinary Resolution 5: Re-Appointment of Auditors

The Board and Audit Committee of the Company were satisfied with the quality of service, adequacy of resources provided, communication, interaction skills and independence, objectivity and professionalism demonstrated by the external auditors in carrying out their functions. Being satisfied with the external auditors’ performance, the Board recommends their re-appointment for shareholders’ approval.

6. Ordinary Resolution 6: Authority to Directors to Issue Shares

The proposed resolution, if passed, will give powers to the Directors to issue ordinary shares in the share capital of the Company and to provide the Company the flexibility to undertake any share issuance, including placement of shares for the purpose of funding current and/or future investments project, working capital and/or acquisition, as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis, without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate obtained from the shareholders of the Company at the previous AGM held on 25 May 2023 had not been utilised and hence, no proceeds were raised therefrom.

7. Ordinary Resolution 7: Proposed Shareholders’ Mandate

The proposed resolution, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Circular to Shareholders dated 30 April 2024 for further information.

8. Ordinary Resolution 8: Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will empower the Directors to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase its own shares of up to 10% of the total number of issued shares of the Company for the time being.

Based on the Audited Financial Statements of the Company as at 31 December 2023, the Company’s retained profits amounted to RM13,203,194.

Please refer to the Share Buy-Back Statement dated 30 April 2024 for further information.

9. Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company’s 35th AGM is also available on the Company’s website at <https://www.citranusaholdings.com/agm.php> throughout the period beginning from the date of notice until the conclusion of the 35th AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Further Details of Individuals Who are Standing for Election as Directors (Excluding Directors Standing for Re-election)

There is no individual seeking election as a Director at the Thirty-Fifth (35th) AGM of the Company.

ADMINISTRATIVE GUIDE

35TH ANNUAL GENERAL MEETING

1. Virtual video conference 35th Annual General Meeting (“AGM”)

The 35th AGM of Citra Nusa Holdings Berhad (“the Company”) will be conducted virtually in accordance with the revised “Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers” issued by the Securities Commission Malaysia (“SC’s Guidance”) on 7 April 2023. This is in line with Principle C of the Malaysian Code on Corporate Governance (“MCCG”) whereby listed issuers are encouraged to leverage technology in conducting general meetings to facilitate voting and remote shareholders’ participation. In this respect, the Board of Directors of the Company will ensure that the 35th AGM is conducted in an effective manner and serves to facilitate meaningful interaction and engagement between the Board/Management and Shareholders of the Company.

The date, time and venue for the 35th AGM of the Company are as below:

Date	Time	Venue
Thursday, 6 June 2024	11.00 a.m.	<p>a) Broadcast Venue Diamond Hall, 1st Floor, Wisma CNI, No. 2 Jalan Perunding U1/117, Hicom-Glenmarie Industrial Park, Seksyen U1 40150 Shah Alam, Selangor</p> <p>b) Online Platform website at https://agm.citranusaholdings.com Zoom Cloud Meeting App <i>(If you are using a smartphone to participate in the meeting, please download Zoom Cloud Meetings App from the Google Play Store or App Store before the meeting)</i></p>

The virtual 35th AGM will be conducted online from the Broadcast Venue, and shareholders will participate via the Remote Participation and Voting (“RPV”) facilities with audio and/or video capabilities. The Broadcast Venue is the main venue where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016 together with essential individuals in accordance with Notes 1.2 of the SC’s Guidance. As such, no shareholder(s), proxy(ies) and authorised representative(s) will be physically present at the Broadcast Venue.

2. General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend the 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 73 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors (“ROD”) as at **29 May 2024 (“General Meeting ROD”)**. Only a Shareholder whose name appears on the ROD as at 29 May 2024 shall be entitled to attend the AGM virtually or appoint proxies to attend and/or vote on his/her behalf.

3. Pre-Registration for RPV at the 35th AGM

With reference to our letter to shareholders dated 30 April 2024, you are invited to attend the 35th AGM to exercise your right to attend, participate and vote at the meeting remotely by using the RPV facilities at <https://agm.citranusaholdings.com> from the comfort of your home. To do so, you must take the following steps:

- (a) Register as a user
 - (i) Access the website at <https://agm.citranusaholdings.com>
 - (ii) Select “Registration” to sign up as a user.
 - (iii) Read and agree to the Terms & Conditions and confirm the Declaration.
 - (iv) Complete the registration by filling up the information required and upload a softcopy of your MyKad/ IC (front) or your Passport.
 - (v) Please enter a **valid email address** (which will be your user ID) and wait for the Company’s email verification.
 - (vi) Registration will be verified within one (1) working day and you will be notified via email. If you do not see the email in your inbox, please check your “junk mail” folder or “spam” folder.
 - (vii) Proceed to activate your account with the temporary password given in the same email and re-set your own password. You can click the link in the same email or login to <https://agm.citranusaholdings.com> to re-set your own password.

(b) Verification and notification of your registration

- (i) After verification of your registration against the General Meeting ROD as at 29 May 2024, the Company will send an email to confirm the approval of your registration for RPV. The procedures for attendance via RPV are detailed in the email and as set out in Note 6 below.
- (ii) In the event your registration is not approved, you will be notified via email.

4. Proxy

(a) Appointment of Chairman of the meeting as proxy

If a shareholder is not able to attend the 35th AGM via RPV facilities, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy. The same must be deposited or submitted in accordance with Note 4(d) below.

(b) Appointment of proxy or corporate representative

- (i) A shareholder who has appointed a proxy(ies) or corporate representative(s) to participate at this 35th AGM via RPV must ensure that the Form of Proxy is completed with required information, signed and dated accordingly. The same must be deposited in accordance with Note 4(d) below.
- (ii) The shareholder must also request his/her proxy(ies) or authorised representative to pre-register himself/herself as a user with the website at <https://agm.citranusaholdings.com> (refer to Note 3(a) above).

(c) Documents relating to appointment as corporate representative

For a corporate member who has appointed a representative to participate via RPV at the 35th AGM, please deposit the ORIGINAL certificate of appointment in accordance with Note 4(d) below.

(d) Cut-off date and time for lodgement of Form of Proxy

The Form of Proxy and/or documents relating to the appointment of proxy/corporate representative for the 35th AGM shall be deposited or submitted in hard copy in the following manner not later than **11.00 a.m. on Wednesday, 5 June 2024** in accordance with Article 90 of the Company's Constitution:

- (i) By hand or post to the Company's registered office at Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
- (ii) By fax at 03-5569 3308 or email to cnisec@cni.my

5. Poll Voting

The voting at the 35th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (a) The Company has appointed a Poll Administrator to conduct the poll by way of online voting. During the meeting, the Chairman will invite the Poll Administrator to brief you on the online voting process. The online voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the end of the voting session. This is in line with the SC's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.
- (b) The Company has appointed an Independent Scrutineers to verify the poll results. Upon completion of the voting session for the 35th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

6. RPV on the date of the 35th AGM

With the approved registration for RPV, you have the right to join the meeting and vote remotely. Your login to the website at <https://agm.citranusaholdings.com> indicates your attendance at the virtual 35th AGM. The procedures for the RPV facilities are as summarised below:

(a) Login to <https://agm.citranusaholdings.com>

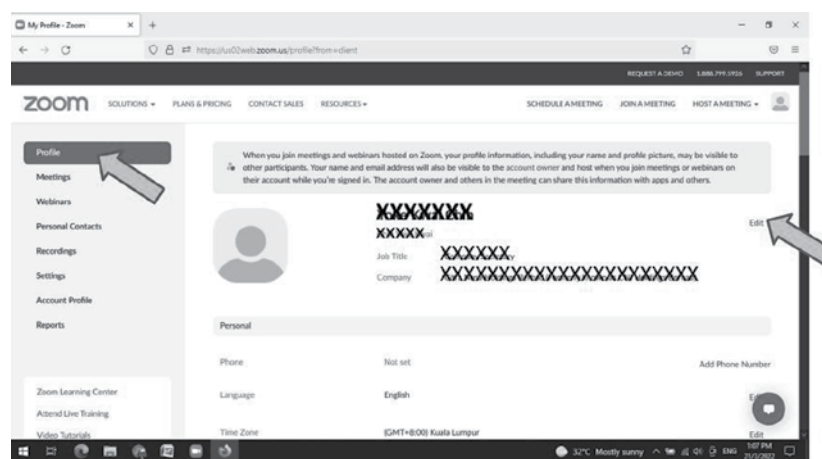
Login with your user ID (email address) and password for remote participation at the 35th AGM at any time from 10.30 a.m. i.e. 30 minutes before the commencement of 35th AGM at 11.00 a.m. on Thursday, 6 June 2024.

We are using Zoom to conduct the meeting, please test your video feed, microphone and internet connection through zoom software (https://support.zoom.us/hc/en-us/categories/200101697-Getting-Started?mobile_site=true) before the meeting starts. It is also available in iPhone and Android phones.

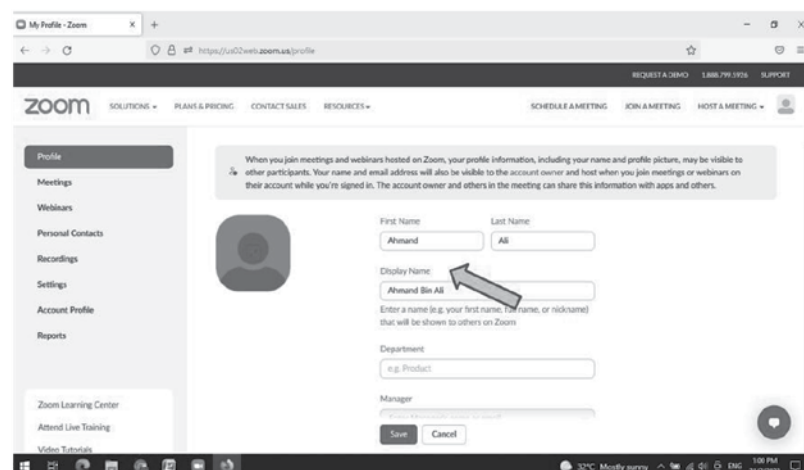
Please change the **display name** to the name as per your NRIC in your Zoom account profile as follows:

Sign in your Zoom account, look for “My Profile”

Select “Profile” and click “Edit” to proceed



Please change the “Display Name” to the name as per your NRIC



The participants in the ZOOM waiting room will not be let in if we cannot identify you.

(b) Participate through video conferencing

Select “VIRTUAL MEETING” to engage in the proceedings of the 35th AGM remotely. Only the eligible shareholder can participate and attend the meeting.

During the meeting, you will have the opportunity to speak and ask questions by video conferencing. The Board and senior management will endeavour to respond to the questions accordingly during the meeting. Only the eligible shareholders can ask questions during the meeting.

You must turn on your video feed so we can spot you if you have any questions during the Q&A session. You must declare your name when asking the questions. If the questions asked by the non-eligible shareholders, the questions will be invalidated.

Please note that the quality of your connection to the video conference is dependent on the bandwidth and stability of the internet at your location and the device you use.

(c) Online Remote Voting

The Online Voting session will commence once the Chairman of the meeting declares that the voting platform is activated. The voting session will end upon announcement by the Chairman.

Select "REMOTE VOTING" from the Main Menu at <https://agm.citranusaholdings.com>. If you are on the Zoom meeting page, you can check the chat box in the Zoom to get the link of <https://agm.citranusaholdings.com>.

Indicate your votes for the resolutions that are tabled for voting. Please cast your vote on all resolutions as appeared on the screen. Confirm and submit your votes. Once submitted, your votes will be final and cannot be changed.

Helpline Contact

In the event you encounter any issues with logging-in, connection to the Zoom video conference meeting or online voting, kindly call or WhatsApp at +6012-638 2090 for assistance.

End of Zoom Meeting for remote participation

The meeting will end and the RPV facilities will be disabled upon the announcement by the Chairman on the conclusion of the 35th AGM after the outcome of the resolutions has been declared.

7. NO DOOR GIFT

No door gift / voucher will be given to shareholders / proxies who participate at the 35th AGM

8. ANNUAL REPORT 2023

The following documents are also available in the Company's website at <https://citranusaholdings.com/agm.php>:

1. Notice of the 35th AGM, Form of Proxy and Administrative Guide
2. Annual Report 2023
3. Circular to Shareholders and Share Buy-Back Statement
4. Corporate Governance Report 2023
5. Annual Report 2023 Request Form.



In consideration of the environment, we have reduced substantially the number of printed copies of the Annual Report 2023 and we strongly encourage our shareholders to refer to the documents available online. Nevertheless, in the event that you still require a hard copy, you may request a printed copy of the Annual Report 2023 by completing the "Annual Report 2023 Request Form" (No. 5 above) and email to cnisec@cni.my.

9. ENQUIRY

If you have any enquiry prior to the 35th AGM, please contact the following officers during office hours (9.00 a.m. to 6.00 p.m.) on Monday to Friday, except on public holidays:

Citra Nusa Holdings Berhad Wisma CNI, No. 2 Jalan Perunding U1/117, Hicom-Glenmarie Industrial Park, Seksyen U1 40150 Shah Alam, Selangor	Contact Number Ms. Chin Yoke Kwai 03-5569 4000 ext 2345 012-366 2356 cnisec@cni.my
Boardroom Share Registrars Sdn Bhd 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya, Selangor	Contact Number Puan Syahirah Rahimi 03-7890 4754 nursyahirah.cherahimi@boardroomlimited.com

DISTRIBUTION CENTERS/ SALES POINT

E-SALES POINTS

Saluran Pengedaran		Alamat	Tel & Emel
PERLIS			
Center	Arau Kiosk	No 90 Lorong Lewata 3 Taman Muhibbah Jejawi 02600 Arau Perlis	017-4018786
KEDAH			
Center	Alor Star Langkawi Sungai Petani Changlon	Lot 46, Ground Floor, Kompleks Perniagaan Sultan Abdul Hamid, Persiaran Sultan Abdul Hamid 3, 05050 Alor Setar. 87, Persiaran Mutiara Pusat Dagangan Kelana Mas, 07000 Langkawi. No. 7, Lengkok Cempaka 1, Bandar Amanjaya 08000, Sg Petani, Kedah 5, Pekan Changlon 2, 06010 Changlon.	04-7720918 04-9661348 04-4419897 / 012-9871175 / 013-9339897 04-9246923 / 012-4932758 / 019-4442758
eSP	Pendang	No 4, Bangunan Orkid, 06700 Pendang.	019-9189897 / 013-4239897
SP	Jitra Simpang Empat	3-B Jalan 1PJ2, 06000 Jitra. 120 Taman Desa Damai, Batu 5 Simpang Empat, 06650 Simpang Empat.	017-5239447 / 012-5815552 04-7642437 / 012-4902437
PULAU PINANG			
Center	Perai Perak Road	30, Jalan Perai Jaya 2, Bdr Perai Jaya, 13600 Perai, Butterworth. 175, Perak Road, 10150 Penang.	04-2400976 04-2271092
eSP	Permatang Pauh Bayan Lepas	19, Lorong Cermai 3, Tmn Sama Gagah, 13500 Permatang Pauh, Butterworth. 119, Jalan Tun Dr Awang, Tmn Melati, Bukit Jambul, 11900 Bayan Lepas.	04-3906418 / 012-4286418 04-6449637 / 019-5657126
PERAK			
Center	Tg Malim Ipoh Taiping Teluk Intan Sitiawan Gunung Rapat Bercham	No 1, Jalan U1, Taman Universiti, 35900 Tg Malim. 14, Jalan Ghazali Jawi, 31400 Ipoh (In front of stadium). 17, Jalan Wayang Gambar, 34000 Taiping. Lot 12650, 1st Flr, Jln Changkat Jong, 36000 Teluk Intan. No 5 (1st Floor), Taman Sitiawan Maju 2, 32000 Sitiawan. 17, Medan Lagenda 1, Medan Lapangan Lagenda, 31350 Ipoh. 13, Persiaran Medan Bercham 4, Pusat Bandar Baru Bercham, 31400 Ipoh.	05-4805345 / 012-5386669 05-5460393 / 012-5069339 012-5072686 / 016-5212693 05-6217795 / 016-5510870 05-6121010 05-3111450 / 019-3262542/ 019-5208577 05-5360229
eSP	Ayer Tawar Batu Gajah	No 1, Taman Ayer Tawar 2, Ayer Tawar 32400. No 93A, PSN Pinggiran Saujana, Taman Pinggiran Saujana, 31000 Batu Gajah.	05-6721366 / 016-410 9629 011-16462238
SP	Pulai	No 28, Jln Pulai Height 4, Taman Pulai Height, 31300 Ipoh.	012-3783185
SELANGOR			
Center	Klang Seri Kembangan Rawang Batu Caves Bangi Petaling Jaya Puchong	No 5, Lorong Gudang Nanas 2, Off Jln Pasar 41400 Klang. No. 2E-1, Tingkat 1, Jalan Raya Dua, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan. No B-5, Jln Rawang Mutiara 2, Rawang Mutiara Business Centre, 48000 Rawang. 573, Jln Samudera Utara 1, Tmn Samudera, 68100 Batu Caves. 43A-1-1A, Jln Medan PB2, Seksyen 9 Medan PB2 Pusat Bdr Bangi, 43650 Bandar Baru Bangi. 53A, Jln SS3/29, Tmn Universiti, 47300 Petaling Jaya. No 6-3 (3rd Floor), Jalan Puteri 1/5, Bandar Puteri, 47100 Puchong.	03-33591536 03-89385991 03-60928461 / 012-3823678 03-61771271 03-89124172 03-78650172 03-80664178

Saluran Pengedaran		Alamat	Tel & Emel
SELANGOR			
eSP	Banting Sungai Buaya	161, Jalan Sultan Abdul Samad, 42700 Banting. No 33, Jln Kemboja Sari 3, Bdr Sungai Buaya, 48010 Rawang.	03-31872333 / 012-3027433 013-4239606
SP	Teluk Panglima Garang Kajang	Lot 2323, Lorong Aman, Kg Sijangkang, 42500 Teluk Panglima Garang. No 4-18 Tingkat 4 Pangsapuri Teratai, Jalan Anggerik Perdana 3, Taman Anggerik Perdana Bdr Teknologi Kajang 43500 Semenyih Selangor.	03-31227021/ 016-3552162 012-3379947
WILAYAH PERSEKUTUAN			
Center	Setapak Cheras	211 A, Jalan Genting Klang, 53300 Setapak. 54-A, Jalan Serkut, Tmn Pertama, 56100 Cheras.	012-2291909 03-92814913 / 016-5267825
NEGERI SEMBILAN			
Center	Seremban	656, Jalan Haruan 4/10, Pusat Komersial Oakland, 70300 Seremban.	06-8518160
MELAKA			
Center	Batu Berendam	59, Jalan MP 18, Taman Merdeka Permai, 75350 Batu Berendam.	06-3320951
SP	Pernu Paya Rumpit	590-1, KM 12, Kampung Pernu, 75460 Pernu. No. 22, Jalan IKS PR2, IKS Paya Rumpit, 76450 Paya Rumpit.	06-2610012 / 010-5057109 06-3162001 / 011-60627528
JOHOR			
Center	Tmn Nusa Bestari Taman Molek Muar Kulai	No-19-A Tingkat 1, Jln Nusa Bestari ¼, Tmn Nusa Bestari 79100 Iskandar Puteri, Johor. 7, Jalan Molek 2/5, Taman Molek, 81100 Johor Bahru. No. 3, Taman Seri Gemilang, Jalan Salleh, 84000 Muar. 14, Tingkat 1, Jalan Raya, Kulai Besar, 81000 Kulai.	07-5506425 07-3614075 06-9526590 / 019-6556563 07-6605027
eSP	Bandar Kluang	No. 2, Pusat Perniagaan Komersial Haji Manan, Jalan Omar, 86000 Kluang, Johor.	011-20844800
SP	Tangkak Skudai Segamat	23, Kampung Baru Satu, 84900 Tangkak. 42, Jalan PE2/7n, Taman Pulai Mas, 81300 Skudai. 45, Jalan Intan 2, Taman Intan Bukit Siput, 85020 Segamat.	06-97820258 019-7173515 019-6556563
KELANTAN			
Center	Kota Bharu	PT397, Tingkat Bawah, Jln Dusun Raja, Sri Cemerlang, 15400 Kota Bharu.	09-7405265
eSP	Pasir Mas	W2/458, Jalan Hospital, 17000 Pasir Mas.	019-9184408 / 013-9180188
SP	Pasir Putih	Kg. Alor Hijau, Selising, 16810 Pasir Putih.	09-7892988 / 019-9101825
TERENGGANU			
Center	Kemaman Kuala Terengganu Dungun Kiosk	40-A, Jalan Jakar, Chukai, 24000 Kemaman. 219, Tingkat Atas, Jln Sultan Zainal Abidin, 20000 Kuala Terengganu. Pejabat Penulis Berlesen, Ramlee Ismail, No 1, Jalan Mahkamah 23000 Dungun Terengganu.	09-8591028 / 012-9886118 09-6228351 011-11444100/01119014243
eSP	Gong Badak	PT 13650K, Tmn Permint Makmur, Wakaf Tembusu, Gong Badak 20300 Kuala Terengganu.	09-6666308 / 013-9436988

**DISTRIBUTION CENTRES/
SALES POINTS/ E-SALES POINTS**

Saluran Pengedaran		Alamat	Tel & Emel
PAHANG			
Center	Kuantan	B.58, Jalan 1 M3/10 BIM Point, Bandar Indera Mahkota, Jalan Kuantan, 25200 Kuantan.	09-5729247
	Mentakab	No. 16, Jalan Anggerik, 28400 Mentakab.	09-2640101
SP	Kuala Lipis Jengka	No 97 Tmn Permai Fasa 2, Tempoyang 27200, Kuala Lipis. No 11, Kedai Pelbagai, Jengka Street, 26400 Bandar Jengka.	017-9830499 013-9246175 / 013-6020451
SARAWAK			
	Sarawak Branch	Lot 9392, Section 64, Jalan Pending Heights, 93450 Kuching.	082-340619 / 340620 / 340621
Center	Sibu	No 1, 1st Flr, Pusat Tanah Wang, Jalan Dr. Wong Soon Kai, 96000 Sibu.	084-321284
	Kuching	302, 1st Floor, Lot 2754 Central Park Commercial Centre, Jalan Tun Ahmad Zaidi Adruce, 93150 Kuching.	082-424313 / 019-8182623
	Bintulu	189, Park City Commerce Square, 97000 Bintulu.	086-310611 / 011-33165650
	Sri Aman	No 6, Lot 1752, Jln Hospital, 95000 Bdr. Sri Aman.	083-325313 / 019-8195313
	Petra Jaya	Lot 9820, Sublot 4 Section 65 K.T.L.D. Jalan Semarak, Petra Jaya, 93050 Kuching.	082-428714
	Miri	Lot 2419, First Floor, Block 5, Miri Concession Land District, Jalan Boulevard 2, Boulevard Commercial Center, 98000 Miri Sarawak.	085-321910
eSP	Sarikei 2 Bakam, Miri Bandar Sibu	No 7, Jalan Bersatu, Jubli Mutiara, 96100 Sarikei. Lot 6626, Jalan Oncidium Off Jalan Bakam, 98000 Miri. 22A, Jalan Awang Ramli Amit, 96000 Sibu.	019-8861300 085-324747 / 019-8848410 016-8004745 / 016-4787667 / 016-2014745
SP	Mukah Bau Sarikei Serian	83, Newtownship, 96400 Mukah. 1, Tingkat 1, Market Serbaguna, Majlis Daerah Bau, 94000 Bau. No 20, Jalan Bawal, Lorong 4C, 96100 Sarikei. No 1, Serian Bazaar, 94700 Serian.	084-871867 / 013-8063268 013 -8099005 084-644566 / 019-8178229 014-8811112
SABAH			
	Sabah Branch	Lot 121, Block N-5, Ground & 1st Floor, Lorong Plaza Permai 3, Jalan Sulaman Highway, 88450 Kota Kinabalu.	088-281899 / 088-282899
Center	Keningau	Lot 18, Tkt 2 Ribumi Complex, Jln Masak, Keningau 89000.	013-8658865 / 010-9345909
	Kota Kinabalu	1.25, 1st Floor, Asia City Complex, Pusat Bandar Kota Kinabalu, 88000 Kota Kinabalu.	088-484968 / 013-8604168
	Tawau	TB999, Wisma Wee, Jalan Utara, 91000 Tawau.	089-768154 / 014-8617839 / 019-8216260
	Sandakan	Lot 52 (Tingkat 1), Bdr Prima Batu 4, Jalan Utara, 90000 Sandakan.	089-463104 / 011-64866586
SP	Lahad Datu	Lot 56, MDLD 0813, Raya 3, Public Villa, Jalan Segama, 91110 Lahad Datu.	014-3580166
	Tambunan	Peti Surat 14, Pekan Tambunan, Tambunan 89657.	017-8360146
BRUNEI			
	Brunei Branch	Simpang 88, Unit No.9, Block B, Bangunan Begawan Pehin Hj. Md. Yusof, Kampung Kiulap, BE1518 Negara Darussalam.	00673-2-237293



CITRA NUSA HOLDINGS BERHAD
Company No. 198901004452 (181758-A)

Number of Ordinary Shares Held	CDS Account No

FORM OF PROXY

I/We NRIC/Passport/Company No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

Tel No. being a member/members of **CITRA NUSA HOLDINGS BERHAD**, hereby appoint

..... NRIC/Passport No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

*and/or, NRIC/Passport No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

or failing *him/both, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company to be held virtually from Diamond Hall, First Floor, Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan as the Broadcast Venue on **Thursday, 6 June 2024 at 11.00 a.m.** or at any adjournment thereof, on the following resolutions referred to in the Notice of 35th AGM. My/our proxy is to vote as indicated below:

		FOR	AGAINST
Ordinary Business			
Ordinary Resolution 1	To re-elect Mr. Koh How Loon as Director of the Company		
Ordinary Resolution 2	To re-elect Mr. An Li Fong as Director of the Company		
Ordinary Resolution 3	To approve the payment of Directors' Fees		
Ordinary Resolution 4	To approve the payment of Benefits Payable to the Non-Executive Directors		
Ordinary Resolution 5	To re-appoint Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to determine their remuneration		
Special Business			
Ordinary Resolution 6	To authorise the Directors to Issue Shares		
Ordinary Resolution 7	To approve the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	To approve the Proposed Renewal of Share Buy-Back Authority		

(Please indicate with an "X" in the appropriate spaces provided to indicate how you wish your vote to be cast. If you do not do so, the proxy shall vote as he/she thinks fit, or at hi/hers discretion, or abstain from voting)

Dated this day of 2024

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

* Please delete where inapplicable

Notes:

- Applicable to shares held through a nominee account.
- Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who holds ordinary shares in the Company for multiple owners in one (1) securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or nay of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing signed by the hand of the Member or of his/her attorney duly authorised in writing or, if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 35th AGM of the Company will be put to vote on a poll.

For appointment of proxies, proportion of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

- The Form of Proxy and/or documents relating to the appointment of proxy/corporate representative for the 35th AGM shall be deposited or submitted in hard copy in the following manner not later than **11.00 a.m. on Wednesday, 5 June 2023** in accordance with Article 90 of the Company's Constitution.
(a) By hand or post: to the Company's registered office at Wisma CNI, No. 2 Jalan Perunding U1/17, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
(b) By fax at 03-5569 3308 or email to cnisec@cni.my
- For the purpose of determining the Shareholder who shall be entitled to attend the 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 73 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors ("ROD") as at **29 May 2024 ("General Meeting ROD")**. Only a Shareholder whose name appears on the ROD as at 29 May 2024 shall be entitled to attend the AGM virtually or appoint proxies to attend and/or vote on his/her behalf.

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AFFIX
STAMP

The Company Secretary
CITRA NUSA HOLDINGS BERHAD
Wisma CNI, No. 2 Jalan Perunding U1/17
Hicom-Glenmarie Industrial Park, Seksyen U1
40150 Shah Alam, Selangor Darul Ehsan.

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